Annual report and financial statements
for the year ended 30 November 2023

RM plc

50 years of enriching the lives of learners

Company number 01749877

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Financial summary

£'m	FY23	FY22	Variance
Revenue from continuing operations	195.2	214.2	(8.9%)
Loss before tax from continuing operations	(41.2)	(20.8)	98.1%
Discontinued operations[1]	14.2	1.6	787.5%
Statutory loss after tax	(29.1)	(14.5)	100.7%
Diluted EPS from continuing operations	(51.8)p	(19.3)p	168.4%
Adjusted performance measures[2]:			
Adjusted operating profit from continuing operations	0.3	7.5	(96.0%)
Adjusted operating profit margin	0.2%	3.5%	(3.3%)
Adjusted EBITDA	7.0	12.9	(45.7%)
Adjusted (loss)/profit before tax from continuing operations	(5.2)	5.3	(198.1%)
Adjusted diluted EPS from continuing operations	(15.8)p	4.2p	(476.2%)
Adjusted net debt[3]	45.6	46.8	2.6%

1 *Discontinued operations include the results and net gain on disposal arising from the sale of the RM Integris and RM Finance Businesses and related assets on 31 May 2023.*

2 *Throughout this statement, adjusted operating profit, adjusted EBITDA, adjusted (loss)/profit before tax and adjusted EPS are Alternative Performance Measures, stated after adjusting items (See Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year..*

3 *Adjusted net debt is defined as the total of borrowings less capitalised fees, cash and cash equivalents and overdrafts (see Note 6). Lease liabilities of £16.5m (2022: £19.1m) are excluded from this measure as they are not included in the measurement of adjusted net debt for the purpose of covenant calculations (see Note 31).*

RM plc (RM) is a leading global educational technology (EdTech), digital learning and assessment solution provider.

We are a globally recognised EdTech product and solutions company, focused on providing best-in-class solutions for the full learning life cycle, from early years through to higher and professional education.

50 years enriching the lives of learners

Stabilised the business and made significant operational progress following severely demanding operational challenges

- Consortium business ceased trading in December 2023 following FY23 losses of c.£10m.
- Over-specified ERP system implementation permanently ceased to avoid significant additional costs.
- Two into one distribution centre consolidation commenced, realising £1.5m annualised savings.
- Transformation driven restructuring delivering additional annualised savings of £8.5m, as announced, with further gross annualised cost synergies of £10m identified and commencing in FY24, with plans to reinvest £5m in the business to support growth.
- Established and embedded new leadership team alongside the completion of a thorough strategic review of the business.

Clear strategy unveiled – to become a leading EdTech company serving global customers

- Strategic Plan unveiled to build a Global Accreditation Platform to take advantage of the education transformation towards fully on-screen examinations. Strategic Portfolio Roadmap of RM developed IP, products and solutions delivered to accreditors, educators and directly to learners for adjacent solutions.
- Further international expansion with strategic aim of capturing the significant future growth opportunities in the $222 billion Global EdTech market[1].
- New wins with strategic customers as foundation customers move towards fully digital assessment and accreditation processes. New wins are proof of the expertise and customer appeal of the new RM.
- Move towards a streamlined and customer-centric target operating model, creating greater agility and gross cost synergies of £20m.

1 Source: IMARC Group

Group at a glance

About us

RM provides market-leading products and services to educational institutions, exam bodies and international governments which improve, simplify and support education and learning.

RM has a fantastic portfolio of managed services, IP and digital platforms with leading market positions. Our divisions operate in a market with structural growth drivers, and continued advancement of technology, with the global EdTech market expected to grow at a compound annual growth rate (CAGR) of c.12% from 2024 to 2032. The education sector is transforming, and RM is well positioned to capitalise on this.

We help learners globally

We help learners globally through their entire education journey from **Early Years through to Higher Education** and **Professional Qualifications.**

We help educators globally

Our managed services in the UK **help schools run** effectively while ensuring **exams can be marked globally.**

We help accreditors globally

We help accreditors provide **unbiased and secure courses, assessments** and **results.**

We are focused

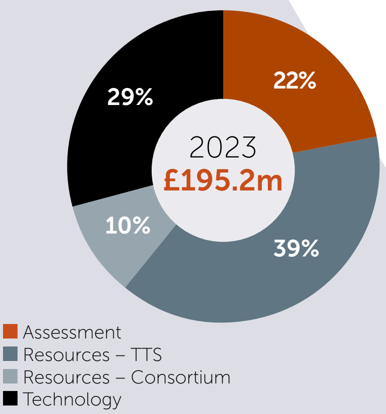
We are focused on providing educators with physical and digital teaching aids, and global assessment platforms with digital and Artificial Intelligence (AI) enabled solutions, to optimise learner's success.

Our operating divisions

Our operations span three divisions supported by a corporate services function.

RM Assessment, RM Resources and **RM Technology**, with RM Resources consisting of the TTS (Technical Teaching Solutions) business, which design and own our proprietary products for schools, and (formerly) Consortium, our UK school supplies business, which ceased trading in December 2023.

2023 revenue, split by assessment, resources and technology



A

Assessment is a global leader in platform delivery of digital assessment and exam marking solutions for accreditors, educators and learners. The division's focus on leading customers through the journey to digital assessment maturity was rewarded and recognised at the e-Assessment Association conference. RM were awarded the 'Most Innovative Use of Technology in Assessment' for its exam malpractice service, recognising RM's continued commitment to overcoming the challenges of digital adoption and enabling the education industry.

Global opportunity as assessment moves 100% digital

R

Resources collaborate with teachers and educational experts from across the globe to create unique and innovative learning resources and environments for children in more than 115 countries. Our experts develop award-winning, unique curriculum-aligned resources, from concept to creation.

Continuing positive demand for TTS' unique IP

T

Technology cutting through complexity and bringing innovation and new ways of working, we help educators harness technology to improve the learning environment. We provide platform-based managed services, ICT solutions, and value-added reseller services to schools, authorities and trusts.

A strategic partner for schools, helping them to drive more engaged learning

For more information on progress during 2023, please see the CEO's strategic review 10 to 16.

Where we operate

We have a truly global customer base which is demonstrated in the map below.

Global EdTech market value **US$222bn**[1]

1 Source: IMARC Group, Statista

Our purpose, vision and mission

RM is a globally recognised EdTech company that provides best-in-class products and solutions.

From the early days of building computers and providing internet for schools, RM today designs, builds and delivers a large proportion of its own unique IP to a global customer base, via its physical curriculum-based resources, its own marking and assessment platforms and unifying technologies for computing, networking and security filtering. The cohort of customers are classified as accreditors, educators and learners and the need for online and digital solutions is driving the global demand for EdTech.

Purpose

As the original pioneers of EdTech, RM's purpose is to enrich the lives of learners globally

RM designs, builds and delivers physical and digital products and solutions via three operating divisions which are unified by 50 years of education knowledge and a passion for delivering to accreditors, educators and learners globally, underpinned by the British curriculum, and covering the full learning life cycle from early years to higher and professional education.

Vision

A world where RM is synonymous with EdTech innovation for enriching the lives of learners.

Mission

Globally recognised EdTech product and solutions company focused on providing best-in-class solutions from early years to higher and professional education.

Respected Education organisation that is caring, open and diverse that fosters trust, positive change and sustainable growth.

Our culture

Five to drive

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

1 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.

2 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 do not assume that how we have done it in the past will necessarily be how we do it in the future.

3 Win together:

We excel when working with our customers and with our colleagues – motivated by the belief that diverse teams working together are much greater than the sum of their parts. We strive to see things from the point of view of others, building trust, and working collaboratively to achieve great results.

4 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.

5 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 and seek out new ideas to expand our networks and to develop our understanding. We are inquisitive, creative, and question how things can be done.

These behaviours are intended to drive positive alignment throughout the organisation for the benefit of all stakeholders with whom we do business, supported by our 'High Five' peer-to-peer recognition scheme for employees that have demonstrated these behaviours in fostering a sense of community.

The Board receives regular reports and updates from the Chief Executive Officer, Chief Financial Officer, and Company Secretary as well as other members of the Executive Leadership 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.

For more information on how the Board is kept up to date, please see the Corporate Governance Report on pages 68 to 125.

Strategic report

The Directors present the RM plc Strategic Report for the year ended 30 November 2023.

The Strategic Report on pages 8-67 has been approved by the Board and signed on its behalf by

Mark Cook
Chief Executive Officer

14 March 2024

report

Chair’s statement

2023 in review

It has been a challenging year for RM plc with financial performance materially impacted by the loss-making Consortium business, leading to an announcement in November to close the operation (see below). This should not overshadow the considerable progress in the transformation programme achieved by the newly formed leadership team (see pages 16 and 70) delivering operational efficiencies, cost savings, strengthened internal controls, and, critically, laying the foundations for future growth. I am pleased with the progress made in strengthening our core business capabilities and the expansion of our digital proposition. This has led to exciting opportunities across our Assessment business which have been converted into new contract awards, enabling us to expand our services for digital assessment, supporting learning outcomes within schools, further education and professional qualifications.

Other transactions in 2023 include the disposal of the RM Integris and Finance businesses completed in May, after being approved by our shareholders. The sale generated £10.9m in net proceeds and helped to reduce our net debt. It is also important to acknowledge our lenders who have backed our strategic plans and we are grateful for their continued support during the year and beyond.

Decision to cease trading in Consortium

In November 2023, we announced the difficult decision to cease trading in the loss-making Consortium business (part of the RM Resources division) following a detailed review of RM’s portfolio and in line with the future strategic direction for the Company. The decision was made with the full cooperation and support of the Company’s lenders and enables Resources division management to focus on the successful TTS business going forward. We engaged with our key shareholders and employee groups following the announcement to close Consortium and they understood the rationale for following this path.

Outlook

The tough decisions we have taken in 2023 set us up well for the year ahead and we remain confident in our ability to execute our strategy. 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. We expect digitalisation in the EdTech space to further evolve and the likely UK government elections in 2024 are expected to present new opportunities, albeit with potential risks, which we are poised to react to. We remain fully committed to our core purpose to Enrich the Lives of Learners globally.

Focus on people

We have an intense focus on our people with engagement and transparency being of key importance to us. During the year we have enhanced employee engagement through the appointment of a new Head of Internal Communications and Engagement and we have initiated quarterly all-company town hall sessions, led by the CEO, to update our people on strategy and direction. A newly formed six-monthly employee survey allows all employees to express their views on a host of matters and a detailed summary of the findings is presented to the Board for its input. The participation rate has been strong and we look for continued improvement.

Governance

The Board remains committed to maintaining high standards of corporate governance. It comprises five Non-Executive Directors (including me, as Chair) along with the Chief Executive Officer and the Chief Financial Officer. We have implemented systems to ensure oversight of the business meets the standards expected by our shareholders. The Board and its four committees – Audit and Risk, Nomination, Remuneration and ESG – operate effectively. In November 2023, we conducted a review of the effectiveness of the Board and its committees. Further information can be found on page 77. The committees have been very active during the year. The Audit and Risk Committee oversaw the ongoing process to improve financial controls and considered methods used to account for significant transactions that took place where different approaches were possible. The Nomination Committee led the process to select six new board roles, including a CEO and CFO. The Remuneration Committee determined the remuneration arrangement for the new leadership. The recently formed ESG Committee reconfirmed its commitments, particularly the environmental goals. I would like to thank the Board for its hard work over the year.

New leadership team

During this challenging year, so many people within the business have delivered over and above – I have been continually impressed by their resilience and passion – and on behalf of the Board I would like to thank the whole team.

We have continued to evolve and strengthen the Board and leadership of the Group during the year. Simon Goodwin joined the Board as Chief Financial Officer in August 2023, replacing Emmanuel Walter. Simon brings over 15 years of experience in finance leadership roles and will be central to the Group's strategy and helping to drive value across the business. Gauri Chandra joined as CEO of our India operations in January 2023. In June 2023, Dr Gráinne Watson was appointed to the new role of Chief Digital Officer and she was joined in September 2023 by Sarah Fawsitt, our new Chief People Officer, followed by Daniel Fattal who was appointed in November 2023 as Director of Legal and Company Secretary.

In November 2023, Carolyn Dawson OBE and Jamie Murray Wells OBE joined the Board as Non-Executive Directors and I am delighted to be welcoming them both to the Board of RM plc. They are both accomplished business leaders who bring valuable and relevant current tech insight, complementing the existing strengths of the Board.

At the end of March 2023, Paul Dean stepped down from the Board and Richard Smothers, who joined as a Non-executive Director in January 2023, replaced Paul as Chair of the Audit and Risk Committee. In September 2023 Vicky Griffiths, Non-Executive Director, stepped down from the Board, and Jamie will now take on the role of Chair of the ESG Committee. Charles Bligh, Non-Executive Director, also stepped down in October 2023. Patrick Martell, Senior Independent Director and Remuneration Committee Chair stepped down from the Board in December 2023 and Chris Humphrey, Non-executive Director, took over as Senior Independent Director. Additionally, Chris took on the role of Chair of the Remuneration Committee in October 2023.

I would personally like to thank Paul, Vicky, Charles and Patrick for their valuable contributions to the Company during their time at RM. On behalf of the Board, I wish them all the best for the future. I would also like to thank Emmanuel for his contribution and commitment to RM while serving as Interim CFO and wish him well for the future.

With all these changes, six out of seven Board members were newly appointed in 2023, along with the other senior leadership positions noted above. The impact of so many changes in a short space of time should not be underestimated and I am delighted with the broad range of talent and composition of the team as we move the business forward.

Dividend

A condition of the extended and amended banking facility agreement has been to restrict dividend distribution until the Company has reduced its net debt. Therefore, we are not recommending the payment of a dividend. See page 30 for further information banking covenants and conditions.

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.

Helen Stevenson
Chair of the Board of Directors

14 March 2024

CEO's statement and strategic review

Group Performance Overview

A year of stabilising, simplifying, and strengthening

2023 in review

When I joined RM in January 2023, the business was facing unprecedented operational challenges which have impacted our financial performance in the year. We took considered, but decisive actions to address these issues through our Transformation programme, as well as embarking on a cost reduction and efficiency drive across our entire business. As we closed the year these inherited challenges have now been addressed, and we emerge with clarity on our strategic direction with a more focused stable platform for future growth and strategic development.

During the year, through our actions, we mitigated the considerable negative financial impact of Consortium, which continued to hold back the overall performance of the Group, culminating in the difficult decision in November to cease trading in the loss-making business, which stopped taking orders at the end of December 2023. This decision has also avoided further losses with additional cost benefit, already reflected in market expectations for FY24. Following the failed go-live of the over-specified ERP system within Consortium in FY22, we permanently closed down the roll out to the Group, capping the budget overruns and subsequently cancelled the project, to avoid significant additional costs. This decision to cease trading in Consortium will allow RM Resources' management to focus on its successful TTS business, which is profitable and has significant international growth potential. In the second half of the year, we focused on strengthening RM's internal capabilities and leadership team, implemented further significant cost savings, and secured the support of our lenders for our future strategic plans (details of which can be found below). This includes: commencing a two into one distribution centre consolidation, realising £1.5m annualised savings and a Transformation driven restructure delivering additional annualised savings of c.£8.5m, as announced at our half year results. The closure of Consortium has culminated in non-cash goodwill and asset impairments of £38.9m.

The new management team's focus on the foundational strengths, intellectual property, and assets of the business will drive RM's return to revenue and profitability growth. The strength of our underlying business is demonstrated by the major strategic and long-term customer contracts we have won in our Assessment business towards the end of the year which are core to RM's strategic growth plans.

Financial and operational performance

As expected, our financial performance reflected the impact of the critical actions taken to stabilise the business, and I am pleased that we finished the year in line with our updated guidance, following the decisive cost actions taken in the second half. Our Group revenue was £195.2m, down 9%, reflecting the continued decline in Consortium trading, challenges in UK schools' budgets which impacted our TTS UK and Technology managed services revenues, but with growth across both our Assessment and TTS International businesses. Adjusted operating profit from continuing operations was £0.3m, and adjusted EBITDA was £7.0m. We finished the year with a slightly improved adjusted net debt position of £45.6m.

The new management team made significant inroads into the transformation and continuous improvement programme. These management actions have provided a more stable business, identified cost savings, and started on the road of continuous efficiency improvements across the entire business. The underlying RM business today (ex-Consortium) is healthy, with FY23 revenue of £175.9m (FY22: £180.4m) and adjusted operating profit of £10.0m (FY22: £12.5m), with strong revenue and margin growth prospects in the UK and internationally. With trading ceased in the loss-making Consortium business, we expect to see a measured improvement to our financial performance going forward.

Note: Adjusted operating profit, adjusted EBITDA and adjusted net debt are Alternative Performance Measures, which are defined in Note 2 and Note 6.

Divisional performance

The **RM Assessment** division, a global leader in platform delivery of digital assessment and exam marking solutions continues to grow, with revenue increased by nearly 9% to £42.3m (FY22: £38.9m) and adjusted operating profit up 39% to £10.3m (FY22: £7.4m), an adjusted operating margin of 24.2% (FY22: 18.9%), reflecting the emerging opportunities in the global digital assessment market.

This business has made strong progress throughout the year, with continuing successful delivery of live exam and marking sessions worldwide, including the first full session delivery for three new clients across school exams, vocational exams, and learners training for accountancy qualifications.

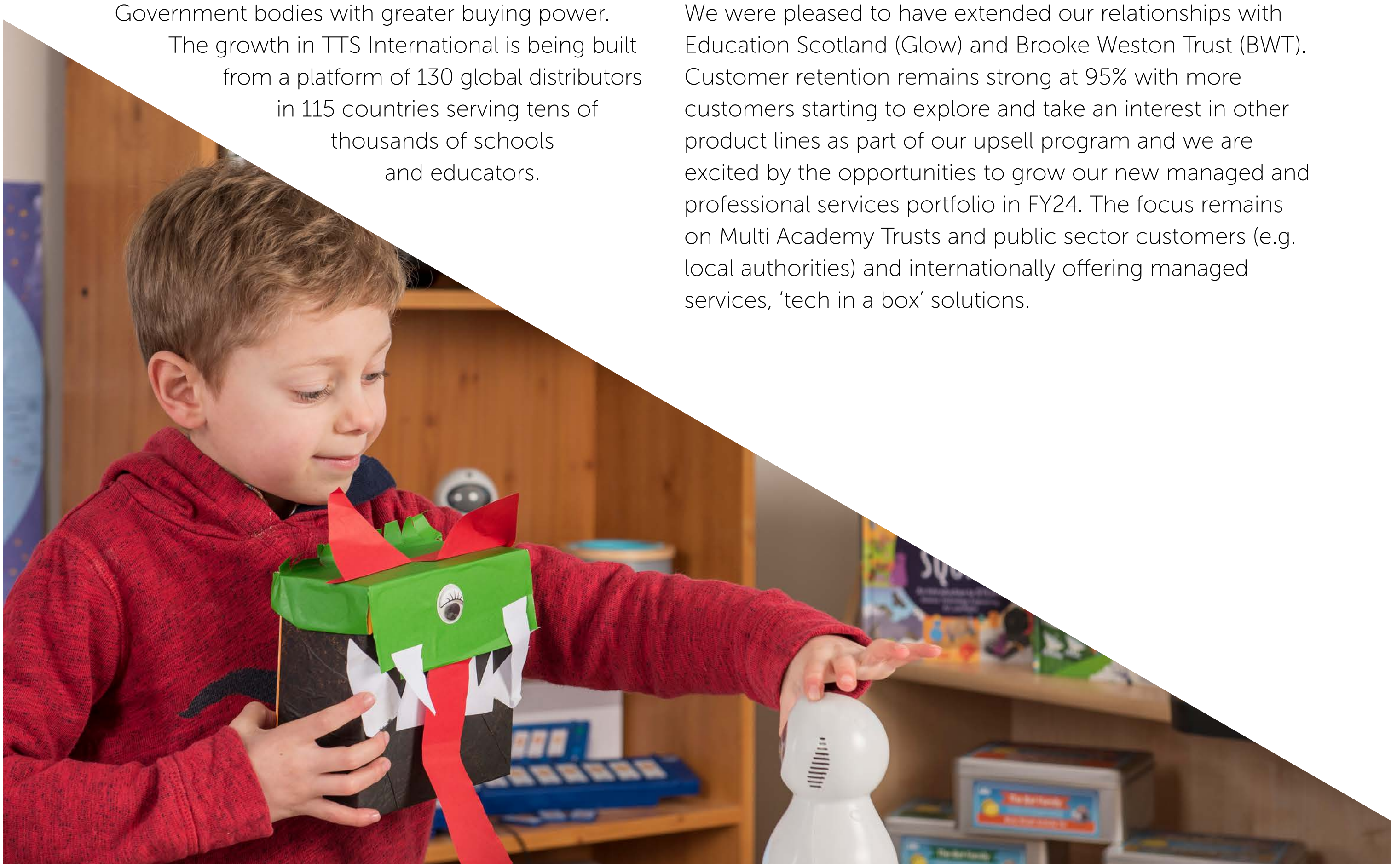
Customer contract renewal performance continued to be strong throughout the year with over £16m of renewals in FY23 and only one small contract loss. We also achieved 8 contracts for new services with new and existing clients, expanding our set of solutions within support of schools, further education, and professional qualifications.

The business' focus on leading customers through the journey to digital assessment maturity was recognised by an award at the e-Assessment Association conference, for the 'Most Innovative Use of Technology in Assessment' for its exam malpractice service, commending our commitment to overcoming the challenges of digital adoption in the education industry.

The year ended on a high with two further contracts in the professional qualifications market at 'preferred bidder' status, and post year end we achieved preferred bidder status with another two major strategic customers for their long-term digital transformation programmes, providing good momentum into FY24.

Following the closure of Consortium, our **RM Resources** division now consists solely of our flagship brand **TTS** (Technical Teaching Solutions) which operates both within the UK and internationally. TTS's UK business was also impacted by challenges in UK schools' budgets. The business collaborates with teachers and educational experts from across the globe to create unique and innovative learning resources and learning environments for children in more than 100 countries. This includes the TTS programming journey, which is an innovative robotics range designed to develop computational thinking and programming skills, from early years to primary and for children with special educational needs. Our FY23 performance includes the Consortium business, now closed, with revenue of £19.3m, down 43% (FY22: £33.7m) and an adjusted operating loss of £9.7m (FY22: loss of £5.0m).

TTS International saw a strong performance in the year with continued growth in key market territories through our international schools and distributors channels. The business remains focused on the continued development of its own designed TTS product ranges, which drive continued growth worldwide, and access to Education Ministries and Government bodies with greater buying power. The growth in TTS International is being built from a platform of 130 global distributors in 115 countries serving tens of thousands of schools and educators.



Our **RM Technology** division is a strategic partner for schools, helping them to drive more engaged learning, more collaborative teaching, and better outcomes through technology. We completed the redesign of the business' operating model and improved its efficiency during the year, and the sale of RM Integris and Finance was also completed, generating net cash proceeds of £10.9m. As anticipated, the Technology division returned to profitability in the second half as a result of the impact of the cost savings initiated earlier in the year, and on the back of higher revenue largely from "Connect the Classroom" projects. It is expected to be sustainably profitable on an ongoing basis.

Revenue was £57.7m, down 5.3% (FY22: £60.9m), reflecting a challenging market for managed services due to pressures on school budgets due to inflation and infrastructure, although revenue grew marginally in the second half. Adjusted operating profit was £0.7m (FY22: £2.2m), reflecting a return to profitability following the losses incurred in the first half. Given the efficiency improvements made during the year we expect adjusted operating margin to improve going forward from the 1.3% achieved in FY23.

We were pleased to have extended our relationships with Education Scotland (Glow) and Brooke Weston Trust (BWT). Customer retention remains strong at 95% with more customers starting to explore and take an interest in other product lines as part of our upsell program and we are excited by the opportunities to grow our new managed and professional services portfolio in FY24. The focus remains on Multi Academy Trusts and public sector customers (e.g. local authorities) and internationally offering managed services, 'tech in a box' solutions.

New Strategic Plan

Creating a leading global educational technology, digital learning and assessment solution provider

RM started its journey in 1973 as a pioneer of EdTech in Oxford, building computers and networks for the education sector, as technology emerged as a key business enabler. Our educational resources have been supplied to support school curricula with hundreds of RM own-designed products, resources and solutions supporting accreditors, such as awarding bodies, and educators such as teachers; growing internationally to support country wide education curricula in the Americas, Middle East and Australia.

The assessment of a learner's abilities is a key element of RM's solution set and this is evolving from end point assessment (i.e. the exam or awarding point) for both paper-based and online marking into a full end to end digital process for the collation and marking of exams and ongoing assessment towards the end point exam. RM is enhancing its current accreditation platform to enable global scale and end-to-end digital process that transitions all paper exams to be authored and delivered on screen over the next 10 years – this will enable our customers to have 100% of exams on screen by the turn of the decade, with the exciting possibilities that digital examinations bring for innovative new ways to assess students.

Why are we doing this?

Where we are now

Significant management time has been exhausted in dealing with "Evo & Consortium"

True valuation of RM hidden by the noise of the underperforming parts of the group with an unclear company structure & strategy

Decisive actions taken, removed problems and business now more stable and profitable

What we're going to do

Investment in the digital transformation of education

Focus on RM USPs and digital transformation opportunity in education

Clear set of products and solutions for learners, educators and accreditors

Where we're going to be

A company that has 3-4x the value today

A de-leveraged, dividend paying company, with double-digit growth and EBITDA 5x today

A leading global EdTech business providing products and solutions to accreditors, educators, learners, and globally

Today, RM is a partner of choice for thousands of educators globally, with 50 years of educational experience and being a trusted advisor to learners, educators, and accreditors.

As we plan for the future RM, our core ambition will be to support learners with a 'lifetime of learning experience' with the purpose of enriching the lives of learners globally. Core to the future of RM are the digital solutions that support a learner's assessment of progress towards an examination, as well as the accreditor's ability to provide a platform to enable and enhance their examination assessment.

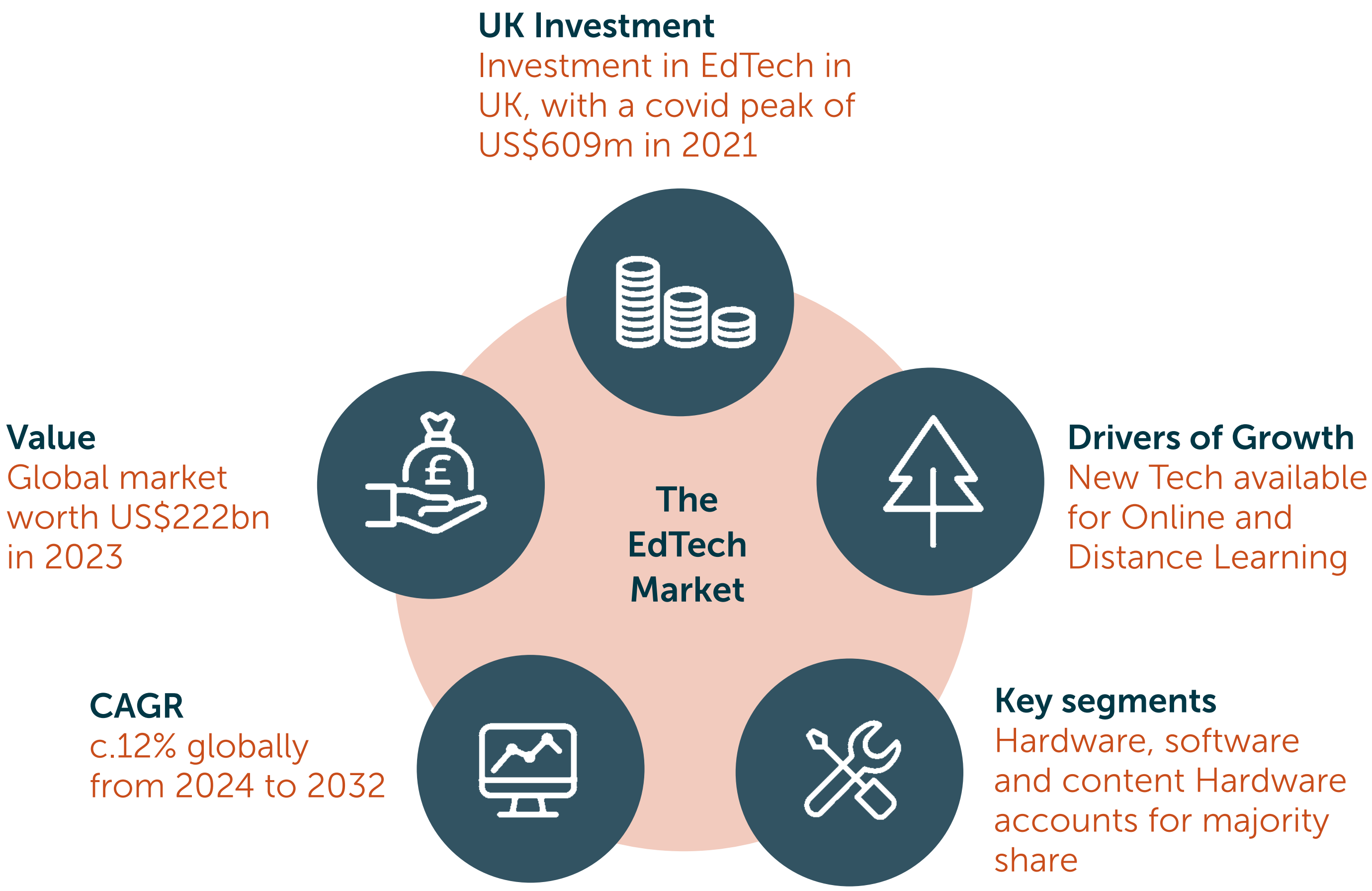
These new guiding principles underpin our new strategy:

- Build a Global Accreditation Platform to enable end-to-end digital examinations, authoring and accreditations.
- Building a more customer-centric company focused on accreditors, educators, and adjacent learner direct solutions.
- High proportion of RM designed and owned IP in the delivered product and solution portfolio.
- Build on the global opportunity embedded within our deep experience of the British and other international curricula from our customer base.
- Addressing the needs of learners, educators, and accreditors, while supporting the lifetime of learning, from pre-school to higher education and professional qualifications.
- Realising growth opportunities in the $222 billion Global EdTech market through international expansion.

New strategic vision

Opportunity	Vision
A business of three parts	One company, one clear go-to-market approach
Silo view of learning lifecycle	Products and solutions from early years to adulthood
Analogue and online assessment	Fully digital Global Accreditation Platform
Silo view of international expansion	One global growth plan via international curricula
Silo view of RM products and solutions	Unified portfolio roadmap

RM the global EdTech product and solutions company



Sources: imarc group, Statista

Product and Solution Roadmap

RM operates in the Global EdTech market valued at $222 billion, which has structural growth drivers, strong market positions and, as a result of the continued advancement of technology across the education sector, is expected to grow at a CAGR of c.12% from 2024 to 2032. Key market drivers include the digitalisation of assessment, the expansion of technology in education worldwide and a continued focus on developing IP resources, particularly for the early years and SEN sectors.

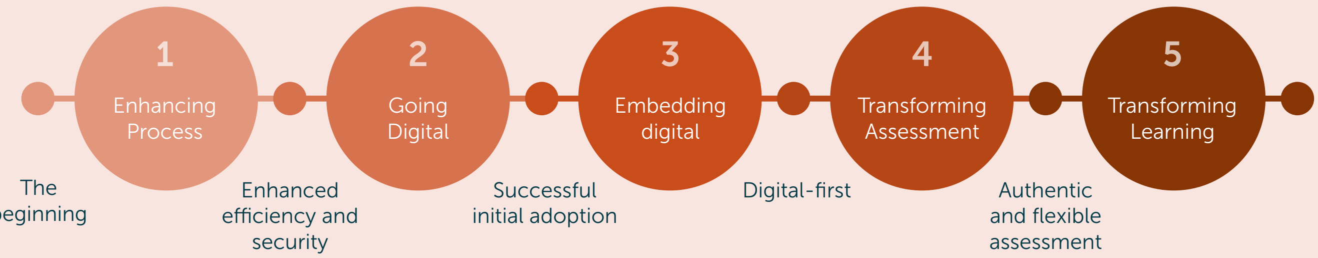
There is a digital transformation taking place in the assessment area of EdTech and RM is very well placed to support accreditors' digital transformation journey over the next decade. We have been providing platform solutions such as Assessor© and Assessment Master© to enable our global customers to embark on a digital transformation of their learning, marking and end-to-end business process. RM's 50 years of knowledge and experience is being encapsulated in an advisory and consulting capability that will enable our customers and prospects to tap into RM's research, innovation, and development centres.

With the support of RM's lenders and funding from the transformation driven cost savings, the strategy programme will look to enhance and build out these core EdTech solutions, supported by our teams in UK, Europe, Middle East, America, Australia, and Asia. This investment will consist of re-investment of cost savings into the capability of Sales & Marketing and go-to-market initiatives within the customer facing units to support global growth plans.

Education is on a digital transformation

Accreditors

RM Digital Assessment Journey



We innovate approaches to digital assessments across practice, progress, evidence collection and exams, and we work with customers throughout the lifelong learning journey.

FY24 Strategic Programme actions

RM has evolved over time, creating three EdTech businesses, serving markets in the UK, Europe, Middle East, America, Australia, and Asia, with a central group structure. With our clearer core strategy and a clean line of sight to the three customer groups – learners, educators, and accreditors – the business will continue to have three customer facing go-to-market units but only with their associated marketing and sales costs. To support the new strategy, a new Target Operating Model will be introduced during the coming year, flattening the internal back office corporate functions which will focus on core processes to enable the optimum customer solution, creating additional gross cost synergies of c.£10m, with £5m to be reinvested in Sales & Marketing to support growth.

We have the right people, the right core solutions, a global market opportunity, and a shared ambition across the organisation to deliver a higher performing, more profitable RM. Whilst we have achieved much in the last year, there is still much to be done and our turnaround will take some time to translate to a high performing new RM business, with good progress expected from FY25.

Board and Senior Leadership changes

Following the operational and liquidity challenges of FY22 it was necessary to review the expertise and relevant experience of the Board and the Executive Committee to have a technology and growth mindset as RM embarked on its strategic transformation.

Simon Goodwin joined the Board and Executive Committee as Chief Financial Officer in August 2023. Simon brings over 15 years of experience in finance leadership roles and will be central to the Group's strategy and helping to drive value across the business.

Further Executive Committee appointments during FY23 included: Gauri Chandra as CEO of our India operations in January 2023; Dr Grainne Watson to the new role of Chief Digital Officer in June 2023; Sarah Fawsitt as our new Chief People Officer in September 2023; followed by Daniel Fattal who was appointed in November 2023 as Director of Legal and Company Secretary.

These new additions, along with six out of seven board members being appointed in FY23, provide us with a senior leadership team that contains a broad range of talent and relevant experiences to help drive the business forward.

Mark Cook
Chief Executive Officer

14 March 2024

Our business model

RM is an education technology (EdTech) organisation with a portfolio of physical and digital solutions bought by accreditors, educators and learners.

Following the announcement of our new Strategic Programme we will be reviewing our business model during 2024 and updating it to reflect the new Target Operating Model.

To read more about our new Strategic Programme, please read our CEO's statement on pages 10 to 16.

With a long education heritage and strong purpose-led culture RM aspires to enable the improvement of teaching, training, assessment and learning, especially in schools, colleges, universities and professional bodies to improve learner's knowledge and develop skills.

As each division has a different market and product focus, they are aligned to the trajectory of their respective markets while 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 focused 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.

Common purpose and vision

Enrich the lives of learners

A

Assessment
Enhancing the role digital assessment solutions play throughout the lifelong learning journey.

R

Resources
Innovative curriculum resources and inspiring content.

T

Technology
Technology to enable, improve and underpin the learning environment.

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 market

Market Trends

The global EdTech market has structural growth drivers, strong market positions and, as a result of the continued advancement of technology across the education sector, is expected to grow at a CAGR of c.12% from 2024 to 2032. RM is well positioned to capture this future growth in the global EdTech market.

Key market drivers:

Digital delivery in assessment

Increasing drive to move to digital assessment solutions for examinations and throughout the learning journey.

Emergence of AI challenging the nature of education and assessment.

Key market participants moving to full digital assessment – for example with all UK school examination bodies announcing first digital exams ready for 2025.

Continued focus on developing IP resources

Market opportunities for RM owned and developed robotics educational toys, particularly within early years and special educatoinal needs (SEN) highlighting the importance of childcare education with learning and development from birth across the globe.

Clear focus and drive for existing markets and new markets in computer science, programming, STEM (science, technology, engineering and maths) and 21st century learning that align to our unique programming journey of robotics propositions.

Use of technology in education

Accelerating as schools progress on a long-term digital maturity journey, with only a fraction currently considered digitally mature by the Department of Education.

Global reach and scalable solutions adaptable to different educational systems and cultures.

Assessment

Market opportunities

- The market's appetite for digitisation of high stakes assessment is accelerating, and with a growing desire for software-as-a-service (SaaS)-based solutions.
- To succeed with digital examinations, learners need access to, and can benefit from, increased use of digital assessment technologies throughout the learning journey – not just at the end when they sit an exam.
- The rapid emergence of AI technologies will drive opportunity to enhance and improve assessment process execution, and a necessity to change assessment practices to make them fit for the world learners are being educated to succeed in – to stay relevant in a future where the learner needs to be equipped to use AI as a tool in their working life.

Short-term headwinds

- Digital assessment is an emerging market, and evolving quickly which can lead to customers prolonging procurement timelines as they consider varied approaches.
- Some regions showing appetite for localisation of supply chain.
- Challenging recruitment and skills landscape could impact ability to move at sufficient pace in the market.

Resources – TTS

Market opportunities

- STEM learning, programming and 21st century learning remains a key focus. 21st Century learning skills are widely used to underpin curriculums to enable learners to develop and be ready with the right workforce skills of the future.
- Clear focuses and funding for early years and SEN as many countries are investing in providing early childcare education and mentally healthy classrooms particularly after the pandemic.
- Our investment in rich and relevant curriculum-aligned content that provides educators with lesson plans, activities, efficacy, CPD and support written around our resources will provide Early Years and Primary educators a solution as they will start to build their needs of digital resources to complement physical resources that deliver a cohesive and blended teaching and learning approach. TTS has very strong partnerships to provide a market place solution for learning solutions putting us at the forefront of this opportunity.

Short-term headwinds

- Continued budget pressures forcing customers to prioritise spending to essential purchases only.
- Educators increasing need to see how learning resources are curriculum aligned to demonstrate value for money and cross-curricular benefits.
- Drawn out purchasing decisions with tighter sign off processes to control cost that could delay order placements once new budgets received.

Technology

Market opportunities

- Our largest immediate market opportunity is cross sell and upsell of product lines to existing customers.
- Digital classroom solutions – Interactive whiteboards, digital projectors, and other classroom technology tools are becoming more prevalent. These tools enhance classroom interactivity and engagement.
- With the increased use of digital tools, there is a heightened focus on cyber security and data privacy in educational technology. Schools are looking for solutions that protect student data and maintain secure online environments.
- Sustainability and green tech – schools and institutions are increasingly looking for eco-friendly and energy-efficient technology solutions. This trend aligns with broader sustainability goals.

Short-term headwinds

- Macro effects on school budgets are meaning that schools need to prioritise spending and technology and security are dropping down the list. Schools are trying to do more with less and to see if they can extend the life of what they have which increases risk.
- We are seeing more Trusts pulling out of tenders quoting lack of funds to pursue the projects.
- Tight budgets mean that schools are prioritising price over quality and we have seen a material drop in managed service pricing over the last year.

Key Performance Indicators

Key Performance Indicators (KPIs) and our strategic objectives

At a Group level, we have five strategic priorities which are critical to delivering our strategy. Our key performance indicators are aligned with these five overarching strategic objectives and are designed to track progress across a balanced set of metrics.

- Reach more customers
- Attract & retain talent
- Improve share of customer spend
- Strong financial discipline
- Operational excellence

Changes to KPIs going forward

In line with our new Strategic Programme (read more in our CEO's statement on pages 10 to 16) we are reviewing the metrics we use to track our progress. We will announce our new KPIs in due course, and will report against them in the 2024 Annual Report.

As a result of this upcoming change, we have reported performance against our current KPIs below, but have not given any priorities for the year ahead against these measures. To read more about our priorities for the year ahead, please read our CEO's statement on pages 10 to 16.

Non-financial KPIs

Reach more customers

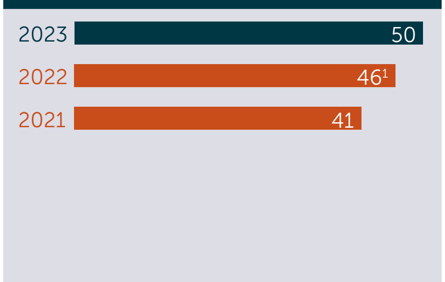
Why is it important / link to strategy

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

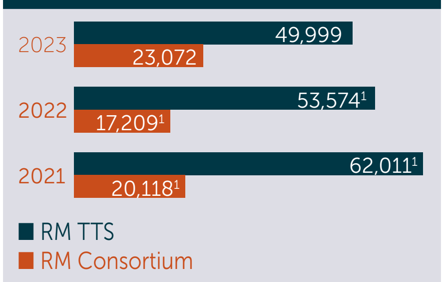
Definition, and how we measure success

- Number of new contracts won.
- Number of trading customers.

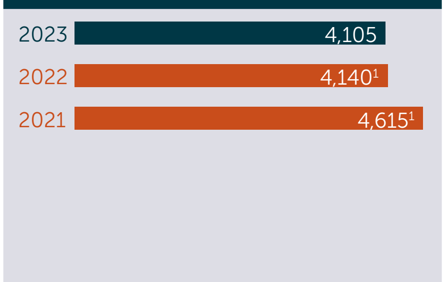
RM Assessment
Customers contracted with within the year



RM Resources
Customers traded with within the year



RM Technology
Customers traded with within the year



1 prior-year figures have been restated due to restatement of FY22 revenue figures, which included disposals

Commentary on performance

- RM Assessment saw very high customer retention rates and new customer wins across sectors.
- Trading in RM Resources and Consortium was negatively impacted by ongoing operational challenges.

Non-financial KPIs continued

Improve share of customer spend

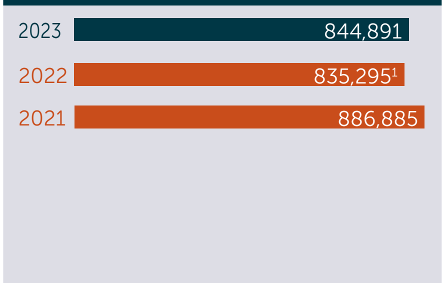
Why is it important / link to strategy

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

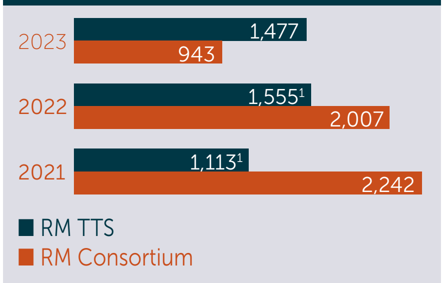
Definition, and how we measure success

- Average revenue per customer OR
- Average number of products purchased by managed service customers

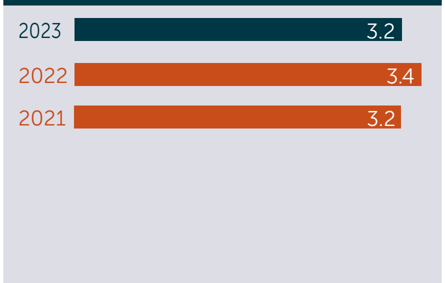
RM Assessment
Average revenue per customer



RM Resources[1]
Average revenue per customer



RM Technology
Products purchased per managed services customer



1 prior-year figures have been restated due to updated definitions and the restatement of FY22 Revenue figures which included disposals

Commentary on performance

- Record revenue in Assessment benefitting from continued volume growth and new contract wins.
- Material reduction in Consortium business; decision taken to cease trading after the year end.
- International growth in TTS offset by challenging UK market conditions.

Operational excellence

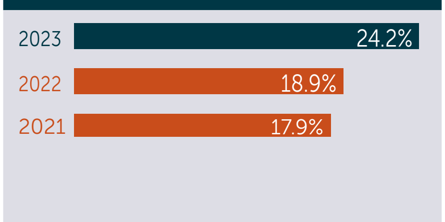
Why is it important / link to strategy

- High-touch customer requirements.
- Create ability to invest.

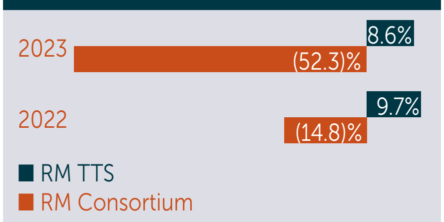
Definition, and how we measure success

- Adjusted Operating Margin is calculated as adjusted operating profit as a percentage of revenue (see Note 6).

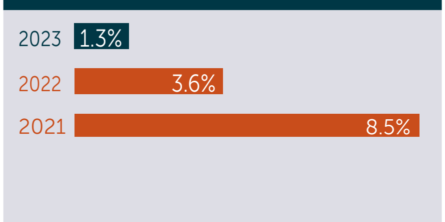
RM Assessment
Adjusted operating margin



RM Resources[1]
Adjusted operating margin



RM Technology
Adjusted operating margin



1 2021 and prior results noted presented, due to the segmental restatement from 2022 onwards (see Note 4)

Commentary on performance

- RM Assessment continues to grow with Adjusted Operating Profit up 39% to £10.3m (FY22: £7.4m), an Adjusted Operating Margin of 24.2%, reflecting the emerging opportunities in the global digital assessment market.
- RM Resources TTS business saw growth in International business, offset by challenging UK education market conditions.
- RM Resources Consortium's, which ceased trading after the year end, loss increased to £9.7m (FY22: £5.0m).
- RM Technology returned to profitability in the second half of the year following the losses incurred in the first half. Given the efficiency improvements made during the year we expect adjusted operating margins to improve going forward from the 1.3% achieved in FY23.

Non-financial KPIs continued

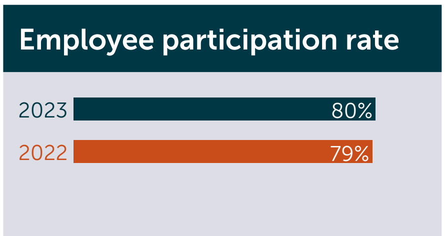
Attract and retain talent

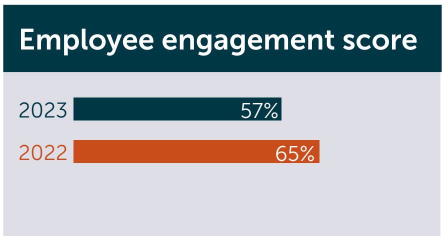
Why is it important / link to strategy

- People are critical for service delivery.
- Substantial functional and sector expertise which we want to retain.
- Customer empathy and connection to purpose.

Definition, and how we measure success

- Employee survey participation – number of employees as a percentage of total employees who completed the engagement survey.
- Employee engagement score – Score based on a combination of five scores for questions linked to employee engagement, retention, and loyalty.





Commentary on performance

- The FY23 survey was refreshed to provide comprehensive reporting and greater insight into how our people feel working in the business.
- The high level of participation in the survey has remained strong at around 80%.
- The Company has undergone a period of significant transformation and as a result we have seen a decrease in overall engagement compared with prior years.
- Many scores have still held strong, most notably, there has been an increase in Company Confidence, Leadership, Managers and Collaboration, indicating future optimism.

Financial KPIs

Strong financial discipline

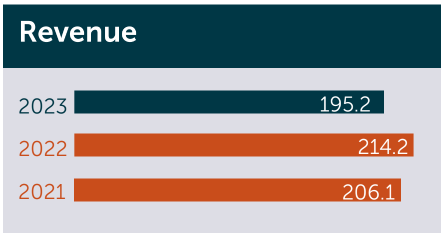
Why is it important / link to strategy

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

Revenue

Definition, and how we measure success

- Revenue from continuing operations.



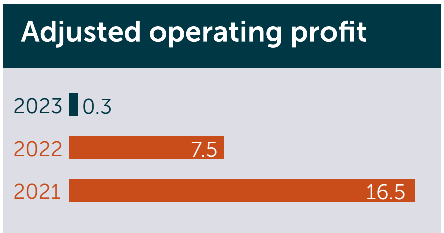
Commentary on performance

- Revenue from continuing operations was down 8.9% in the year to £195.2m (FY22: £214.2m).
- Revenue growth of 8.7% in the strategic RM Assessment business and 5.8% in TTS International (RM Resources) partially offset revenue declines of 42.8% in the troubled Consortium business (RM Resources), which ceased trading after the year end, and challenges in UK schools budgets impacting revenues for Technology managed services and TTS UK.
- Read more in the CFO review on pages 26 to 33.

Adjusted operating profit

Definition, and how we measure success

- Adjusted operating profit, stated after adjusting items.



Commentary on performance

- Adjusted operating profit was down 96.0% to £0.3m (FY22: £7.5m), due to the material reduction in Consortium revenues combined with associated IT implementation costs.
- Read more in the CFO review on pages 26 to 33.

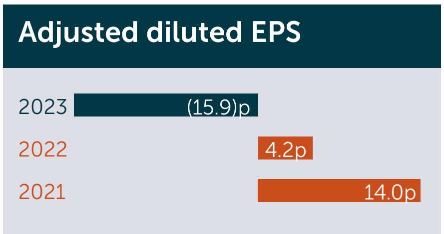
Note: Adjusted Operating Profit is an Alternative Performance Measure, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Financial KPIs continued

Adjusted diluted EPS

Definition, and how we measure success

- Earnings per share from continuing operations, stated after adjusting items, diluted by the number of share options outstanding.



Commentary on performance

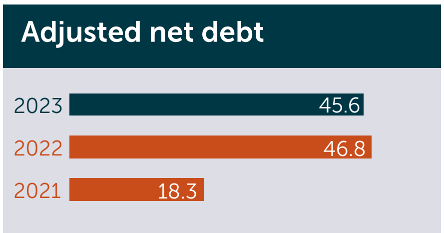
- Adjusted diluted EPS was a loss of (15.9)p due to the material reduction in Consortium revenues combined with associated IT implementation costs.
- Read more in the CFO review on pages 26 to 33.

Note: Adjusted diluted EPS is an Alternative Performance Measure, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Adjusted net debt

Definition, and how we measure success

- Defined as the total of borrowings, cash and cash equivalents and overdrafts, less capitalised fees.



Commentary on performance

- Adjusted Net Debt of £45.6m (FY22: £46.8m) reflects lower profits, normalised working capital and exceptional spend delivering business transformation activity, offset by proceeds from the sale of the RM Integris and RM Finance businesses and the sale of IP addresses.
- Read more in the CFO review on pages 26 to 33.

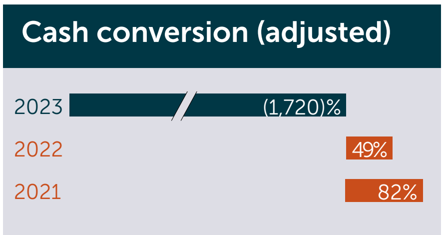
Note: Adjusted net debt is an Alternative Performance Measure, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Financial KPIs continued

Cash conversion (adjusted)

Definition, and how we measure success

- Defined as adjusted cash flow from operating activities divided by Adjusted Operating Profit from continuing operations.



Commentary on performance

- Cash conversion (adjusted) fell to (1,720)% from 49% in FY22 as a result of negative working capital swing and the fall in Adjusted Operating Profit, which was down 96% to £0.3m.
- Read more in the CFO review on pages 26 to 33.

Note: Adjusted cash conversion is an Alternative Performance Measure, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Dividend per share

A condition of the extended and amended banking facility agreement has been to restrict dividend distribution until the Company has reduced its net debt. Therefore we are not currently able to recommend the payment of a final dividend. For this reason, Dividend per share has been removed from the reported KPIs.

See page 30 for further information banking covenants and conditions.

CFO's statement

Financial review

Having joined RM during Q4 of the financial year, I was immediately impressed by the decisive decisions that Mark and the Board had already made to combat the financial challenges that the business faced. Together we then made the difficult decision to cease trading in the loss-making Consortium business shortly after the end of the financial year; ending a lengthy period of financial losses and significant distraction for the Resources division and RM as a whole.

FY23 was a challenging year financially for RM; caused primarily, by the material underperformance of the Consortium business. However, RM was also impacted by an increasingly challenging domestic education market; characterised by falling budgets and competing demands for expenditure, as UK schools dealt with cost inflation and infrastructure challenges. That pressure directly impacted TTS' UK business, as well as the RM Technology business; both of which saw revenues decline. Internationally, FY23 was a much more encouraging year with significant growth in both TTS International and the RM Assessment business.

Financial performance

£'m	**FY23**	FY22	Variance
Revenue from continuing operations	**195.2**	214.2	(8.9%)
Loss before tax from continuing operations	**(41.2)**	(20.8)	98.1%
Discontinued operations[1]	**14.2**	1.6	787.5%
Statutory loss after tax	**(29.1)**	(14.5)	100.7%
Diluted EPS from continuing operations	**(51.8)p**	(19.3)p	168.4%
Adjusted performance measures[2]:			
Adjusted operating profit from continuing operations	**0.3**	7.5	(96.0%)
Adjusted operating profit margin	**0.2%**	3.5%	(3.3%)
Adjusted EBITDA	**7.0**	12.9	(45.7%)
Adjusted (loss)/profit before tax from continuing operations	**(5.2)**	5.3	(198.1%)
Adjusted diluted EPS from continuing operations	**(15.8)p**	4.2p	(476.2%)
Adjusted net debt[3]	**45.6**	46.8	2.6%

1 *Discontinued operations include the results and net gain on disposal arising from the sale of the RM Integris and RM Finance Businesses and related assets on 31 May 2023.*

2 *Throughout this statement, adjusted operating profit, adjusted EBITDA, adjusted (loss)/profit before tax and adjusted EPS are Alternative Performance Measures, stated after adjusting items (See Note 6) which are identified by virtue of their size, nature and/or incidence. The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.*

3 *Adjusted net debt is defined as the total of borrowings less capitalised fees, cash and cash equivalents and overdrafts (see Note 6). Lease liabilities of £16.5m (2022: £19.1m) are excluded from this measure as they are not included in the measurement of adjusted net debt for the purpose of covenant calculations. (See Note 31).*

Despite these extremely challenging circumstances, we managed to close the year with a small, but positive adjusted operating profit from continuing operations and in line with the market expectations which were updated at the Half Year. Actions taken to increase efficiency and to reduce the cost base of the business have contributed to that result and will have further benefit as we head into FY24.

RMs long term banking partners, HSBC and Barclays continued to demonstrate their support for the business throughout the year. Our lenders have granted waivers to EBITDA covenants during H2, have demonstrated pragmatism in their handling of soft liquidity covenant breaches from the end of the year, and have swiftly granted an extension to our banking facility, which now runs to July 2026, with a new set of covenants better aligned to the business' outlook.

We ended FY23 with an adjusted net debt slightly improved on FY22, and, again, in line with the half year guidance. One off cash generation from the sale of RM Integris, RM Finance, and excess IPv4 licences; was offset by the reversal of significant working capital decisions taken at the end of FY22, as well as higher interest payments and meeting our pension obligations.

Finally, as previously identified, the financial control environment within RM was below the required standard, as a result of the business' focus over several years on the failed rollout of the Evo ERP project. The RM finance team have worked extremely hard to support the business during this challenging year, but to also make improvements to this controls environment. While there is still further improvement required, I am confident that the team will continue to demonstrate the required focus and diligence, and that we will deliver further improvements through the coming year.

Divisional performance

Following the decision by management to separately monitor the results of the Consortium and TTS brands in June 2023, the previously reported RM Resources segment has been allocated between the RM TTS segment, which continues to be operated by the Group, and the RM Consortium segment which is being closed. Prior year revenue and adjusted operating profit/(loss) comparatives have been restated accordingly.

£'m	**FY23**	FY 22	Variance
RM TTS:			
Revenue	**75.9**	80.6	(5.8%)
TTS	**52.2**	58.2	(10.3%)
International	**23.7**	22.4	5.8%
Adjusted operating profit	**6.0**	7.8	(23.1%)
Adjusted operating profit margin	**7.9%**	9.7%	(1.8%)
RM Consortium:			
Revenue	**19.3**	33.7	(42.8%)
Adjusted operating (loss)/profit	**(9.7)**	(5.0)	94.0%
Adjusted operating profit margin	**(50.3%)**	(14.8%)	(35.5%)
RM Assessment:			
Revenue	**42.3**	38.9	8.7%
Adjusted operating profit	**10.3**	7.4	39.0%
Adjusted operating profit margin	**24.2%**	18.9%	5.3%
RM Technology:			
Revenue:	**57.7**	60.9	(5.3%)
Adjusted operating profit	**0.7**	2.2	(65.5%)
Adjusted operating profit margin	**1.3%**	3.6%	(2.3%)

Group revenue from continuing operations decreased by 8.9% to £195.2m (FY22: £214.2m) largely driven by lower trading volumes in the UK elements of the Resources division, with the continued decline of the Consortium business, challenging market conditions in the TTS UK business, and lower services revenue in the Technology division following contract losses in FY22. FY22 also included £1.3m revenue related to the sale of IPv4 addresses that have subsequently been classified as other income. RM Assessment & the TTS International business both grew year on year, up 8.7% and 5.8% respectively, following new contract wins and increased sales activity.

Adjusted operating profit from continuing operations decreased by 96.0% to £0.3m (FY22: £7.5m) predominately driven by the lower trading volumes in the Consortium business and increased Corporate costs linked to rebuilding the finance and management teams, offset by the various divisional savings initiatives commenced during the year.

RM TTS revenues decreased by 5.8% to £75.9m (FY22: £80.6m) driven by challenging UK education market conditions. Whilst overall TTS declined year-on-year, the International business saw growth of 5.8% with strong performance in the distributor channel. Divisional adjusted operating profit decreased to £6.0m (FY22: £7.8m) and adjusted operating margin decreased to 7.9% (FY22: 9.7%) driven predominantly by lower revenue volumes.

RM Consortium revenues decreased by 42.8% to £19.3m (FY22: £33.7m) as the business struggled to recover from the past mismanagement of the IT implementation programme and challenging education market conditions. Divisional adjusted operating loss increased to £9.7m (FY22: loss of £5.0m) and adjusted operating margin decreased to a loss of 50.3% (FY22: loss of 14.8%) reflecting the lower revenue performance.

RM Assessment revenues improved by 8.7% to £42.3m (FY22: £38.9m) driven by contract wins in FY22 and FY23 and a year-on-year increase in marking and test volumes. Divisional adjusted operating profit increased to £10.3m (FY22: £7.4m) and adjusted operating margin increased to 24.2% (FY22: 18.9%) driven by increased revenue, improved efficiency in hosting, and contractor costs linked to data study contracts in FY22 not repeating.

RM Technology revenues decreased by 5.3% to £57.7m (FY22: £60.9m) reflecting contract losses in the Service business in FY22 and the inclusion of £1.3m relating to the sales of excess IPv4 address in H1 FY22. Subsequent sales have been classified as other income. Divisional adjusted operating profit decreased to £0.7m (FY22: £2.2m) and adjusted operating margin decreased to 1.3% (FY22: 3.6%). Excluding the £1.3m IPv4 sales, adjusted operating profit and margin were in line with FY22 reflecting the actions management have taken to improve the efficiency of the business in H2 given the lower revenue volumes.

Adjusted loss before tax was £5.2m (FY22: profit of £5.3m), which was due to higher losses in Consortium and increased Corporate costs relating to the rebuild of the management and finance teams.

Statutory loss after tax was £29.5m (FY22: loss of £14.5m), which was driven by the £10.4m impact from adjusted loss before tax (see above), a £38.9m impairment relating to the decision to close the Consortium business, offset by lower ERP replacement programme and warehouse strategy costs, a £10.6m gain from the sale of IP addresses (see adjusting items below), a £13.4m gain on the sale of RM Integris and RM Finance, and a £1.8m tax charge.

Adjusted diluted loss per share was (15.9)p (FY22: earnings per share of 4.2p).

RM Consortium closure

On 24 November 2023, the Group announced the decision to close the RM Consortium business, part of the RM Resources division, with trading ceasing on 8 December 2023 after which all unfulfilled orders were cancelled.

Following the announcement of the closure of the Consortium business and the subsequent termination of the ERP replacement programme, management performed an impairment review resulting in the Group recognising a total impairment charge of £38.9m, including £10.6m of goodwill relating to the RM Consortium business (see Note 13), £17.4m of intangible assets including all remaining Consortium brand and ERP assets, £5.9m of property, plant and equipment at the RM Consortium warehouse, £2.8m of RM Consortium inventory write downs to net realisable value, £0.7m of other current assets, and an onerous contract provision of £1.5m in respect of IT licences associated with the Group's ERP solution.

In addition, the previously reported RM Resources segment has been allocated between the RM TTS segment, which continues to be operated by the Group, and the RM Consortium segment which is being closed. Prior year revenue and adjusted operating profit/(loss) comparatives have been restated accordingly.

The liquidation of RM Consortium inventories continues and is expected to be completed during the second half of the 2024 financial year, after which the Group expects to treat the RM Consortium business as discontinued for financial reporting purposes.

Adjusting items

To provide an understanding of business performance excluding the effect of significant change programmes and material transactions, certain costs are identified as 'adjustments' to business performance as set out below:

£'m	**FY23**	FY22
Amortisation of acquisition-related intangible assets	**1.7**	1.8
Impairment of RM Consortium assets[1]	**38.9**	-
Restructuring costs[2]	**2.7**	0.3
Configuration of SaaS licences (ERP)[3]	**3.1**	17.4
Independent business review related costs	**0.5**	-
Dual running costs related to investment strategy	**-**	5.4
Impairment of ERP solution	**-**	2.2
Onerous provision for IS licences	**-**	1.2
Disposal related costs	**-**	0.8
Total adjustments to administrative expenses	**46.9**	29.1
Sale of IP addresses[4]	**(10.6)**	(2.8)
Gain on disposal of operations	**(0.2)**	-
Gain on sale of property	**-**	(0.2)
Total adjustments	**36.1**	26.1
Tax impact	**(6.0)**	(6.5)
Total adjustments after tax – continuing operations	**30.1**	19.6
Gain on disposal of discontinued operations[5]	**(13.4)**	-
Total adjustments after tax	**16.7**	19.6

1 *Includes £10.6m of goodwill impairment (see Note 13), £17.4m of impairment of other intangible assets, £5.9m of impairment of property, plant and equipment, £2.8m of inventory write downs, £0.7 write off of other current assets and an onerous contract provision of £1.5m in respect of IT licences.*

2 *Restructuring costs of £2.7m of which £0.6m related to the Group's decision to close the RM Consortium business.*

3 *The configuration and customisation costs relating to the ERP replacement programme, which have been expensed in accordance with IAS 38: Intangible Assets and IFRIC agenda decisions but have been treated as adjusting items as they were a significant component of the Group's warehouse strategy. These costs total £2.7m (2022: £17.4m) based on the development work undertaken.*

4 *Income generated following the completion of the sale of IP addresses.*

5 *During the year Group completed the disposal of the Integris and Finance business which generated a gain on sale of operations of £13.4m.*

Inventory

Inventories decreased by 47.0% to £14.0m (FY22: £26.4m) primarily as a result of improved working capital management and the closure of the RM Consortium business.

Corporate Costs

Corporate costs in the period were £7.0m, up from £4.9m in 2022, as a result of the rebuilding of the management and finance teams.

Taxation

The total tax charge for the year for continuing operations was a £2.1m charge (FY22: £4.7m credit). 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 the tax note (see Note 10) in the Financial Statements.

Disposals

During the prior year, the Group agreed to sell the RM Integris and RM Finance businesses from within the RM Technology Division, completed on 31 May 2023, which generated a net gain on sale of operations of £13.4m during the year ended 30 November 2023. The performance of these businesses in both 2023 and 2022 have been classified and presented as discontinued operations within the Financial Statements. In the year these businesses generated £2.4m of revenue (FY22: £4.9m) and £0.8m of adjusted operating profit (FY22: £1.6m).

Cash flow, Net Debt and Lender Agreement

On a statutory basis, net cash outflow from operating activities was £10.5m (FY22: £20.8m) which included working capital outflow primarily linked to bringing supplier payments up to date following cash protection activities ahead of FY22 year end, not repeated ahead of FY23 year end. This includes £4.5m (FY22: £4.5m) of deficit recovery payments made to the Group's defined benefit pension schemes during the year.

Adjusted net debt closed the year at £45.6m (FY22: £46.8m) as the £10.6m net cash outflow from operating activities (see above), £5.0m (FY22: £2.3m) of interest paid, £1.7m of facility arrangement fees and £3.4m of lease repayments were offset by proceeds from the sale of the RM Integris and RM Finance businesses (£10.9m) and the sale of IP addresses (£10.7m).

In March 2023, the Group secured an agreement with lenders to extend the existing £70.0m facility to 5 July 2025, subject to the addition of a further 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month.

In April 2023, the Group agreed with the Trustee of the RM and CARE Schemes to provide the 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 each at bi-annual intervals starting on August 2023 which is contingent upon the adjusted debt leverage ratio being lower than 3.2x at that date. No such payment was made during the year ended 30 November 2023. See Note 26 for further details.

The business operated within its existing financial covenants for the first half of 2023 but indicated that a breach was expected for the facility's LTM EBITDA covenant from the third quarter of the year ended 30 November 2023 in its interim financial statements. EBITDA waivers were granted by lenders for the August and November 2023 periods and the Group continues to comply with the conditions of each lender with regards to any waivers and the respective facility agreement. At the end of November 2023, the minimum EBITDA covenant required was £8.6m versus actual EBITDA of £7.0m. In addition, during November 2023, the soft liquidity covenant limit was forecasted to be exceeded for the first time, resulting in a meeting held with lenders under the terms of the facility.

Since the year end, the Group has secured an agreement with Lenders, which extends the existing £70.0m facility to July 2026. The fixed charge over the shares of each of the obligor companies (except for RM plc), and the fixed and floating charge over all assets of the obligor companies granted previously to Lenders, remains in place. Under the amended facility covenants have been reset as follows:

- A quarterly LTM EBITDA (excluding discontinued operations & Consortium) covenant test from February 2024 to November 2025, which is then replaced by a quarterly EBITDA leverage test and interest cover, which are required to be below and above 4x respectively from February 2026; and
- A 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month, with a step-down period applying from 15 September 2024 to 24 October 2024 and 1 January 2025 to 21 March 2025, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m.

Balance Sheet

The Group had net assets of £17.8m at 30 November 2023 (FY22: £60.6m). The balance sheet includes non-current assets of £81.5m (FY22: £133.3m), of which £38.5m (FY22: £49.4m) is goodwill and £12.8m (FY22: £24.0m) relates to the Group's defined benefit pension scheme which is discussed further below.

Operating PPE, intangible and right-of-use assets total £27.8m (FY22: £57.8m) and includes acquired brands, customer relationships and Intellectual property as well as costs relating to the warehouse consolidation and IT implementation programme. The reduction during the year is largely due to the impairment arising from the Group's decision to close its loss-making RM Consortium business in November 2023 including £10.6m in respect of goodwill (see Note 13), £17.8m in respect of intangible assets and £5.9m in respect of property, plant, and equipment.

IP Address assets utilised as part of the Connectivity business are included at £nil cost.

Net current assets of £8.9m (FY22: net current liabilities of £49.2m) includes borrowings of £nil (FY22: £48.7m) following their reclassification to non-current liabilities during the year (see below) and a number of lower balances predominately resulting from the IT systems implementation programme and the closure of the RM Consortium business, including inventory, trade receivables and trade payables.

Non-current liabilities of £72.6m (FY22: £23.4m) includes borrowings of £53.7m (FY22: £nil) following the reclassification from current liabilities during the year (see above) and lease liabilities of £14.3m (FY22: £16.0m) which is predominately associated with the Group utilisation of properties.

Dividend

A condition of the previously extended and amended banking facility agreement remains the same, which was to restrict dividend distribution until the Company has reduced its net debt to LTM EBITDA (post IFRS 16, see note 23) leverage to less than 1x for two consecutive quarters, and therefore we are not currently able to recommend the payment of a final 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.

RM plc is a non-trading investment holding Company and derives its profits from dividends paid by subsidiary companies. The Company has £nil (FY22: £30.8m) distributable reserves as at 30 November 2023.

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' detailed on pages 38 to 41 which could have a negative impact on the performance of the Group or its ability to distribute profits.

Pension

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.

As set out in Note 26, the IAS19 net position (pre-tax) across the Group reduced by £10.2m to a surplus of £12.4m (30 November 2022: £22.6m) with both the RM Education Scheme and the Platinum Scheme being in surplus. The reduction has been driven by a decrease in the value of scheme assets more than offsetting the positive impact of higher discount rates which are based on corporate bond yields.

The 31 May 2021 triennial valuation for the current schemes was completed in 2022, with the total scheme deficit reducing from £46.5m to £21.6m. The deficit recovery payments of £4.4m per annum will continue until the end of 2024, before reducing to £1.2m until the end of 2026 when recovery payments cease.

Internal Controls

During the year, the Group continued to evolve its control framework following the findings of previous years, with specific focus on controls considered most important to reduce the risk of material misstatements in these accounts. These included supplier statement reconciliations, controls over revenue recognition and balance sheet reconciliations.

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. Because a number of controls are only in place from the balance sheet date, no reliance has been placed on those controls for the audit.

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 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.

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 March 2025 which indicate that taking into account reasonably plausible downsides as discussed below, the Company is expected to comply with all debt covenants in place and will have 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 142, the headroom to the hard liquidity covenant within the Banking Agreement, and compliance with the LTM EBITDA covenant. Exceeding the hard liquidity or the LTM EBITDA covenant would constitute a material breach of the agreement and consequently the facility would be repayable on demand.

As at 30 November 2023, the Group had adjusted net debt of £45.6m (2022: £46.8m) and drawn facilities of £55.0m (2022: £49.0m). Average adjusted net debt over the year to 30 November 2023 was £55.9m (2022: £46.8m) with a maximum borrowings position of £64.8m (2022: £64.1m). The drawn facilities are expected to fluctuate over the period considered for going concern, but remain within the covenants, and are not anticipated to be fully repaid in this period.

Since the year end, the Group has secured an agreement with Lenders, as detailed on page 30 and in note 31.

The Chief Financial Officer's statement outlines the performance of the Group in the year to 30 November 2023. This statement highlights the material impact of the ongoing issues within the Consortium brand and underperformance relative to prior year forecasts in both the RM Technology and TTS businesses.

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 2023 and assumes a broadly similar macroeconomic environment to that currently being experienced.

Revenue growth in the base case is driven from the following key areas:

- Growth from existing customers and new customer wins in the Assessment division;
- Increased hardware and infrastructure revenues in the Technology division, including further wins under the UK government's Connect the Classroom programme; and
- Growth from UK sales and international partnerships, where the base case assumes an increase in market share through customer wins and new product launches as well as higher average order values, in the Resources business.

Operating profit margin growth in the base case includes, in addition to the revenue assumptions outlined above, annualised savings benefit from restructuring programmes commenced in the year to 30 November 2023. As the target operating model changes did not commence until 2024 the impact of these changes are not captured in the base case, rather these are incorporated as an upside in the reasonable worst-case scenario. Net debt is not expected to reduce within the assessment period, as the conversion of profits will be offset by further capital investment, interest and pension payments.

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 the base case and reasonable worst case downside scenarios. The aggregate impact of reasonably plausible downsides has been taken together to form a reasonable worst-case scenario that removes a number of the growth assumptions from the base case including:

- In the **Assessment division**, a reduction in revenue arising because of:
  - A faster runoff of one key contract which has not been renewed;
  - New contract wins not at preferred bidder status reduced by 50%; and
  - One-off revenues associated with changing terms on a large multi-year contract delayed to FY25.
- In the **Technology division**: aligning forecast hardware sales with the average of the last five years, rather than the future growth assumed in the base case, and reducing contract renewal rates by 5%.
- In the **Resources division**:
  - UK market share growth does not occur, market continues to decline and revenues delivered by new products are reduced by 50%;
  - No growth in international revenues; and
  - Increases in costs associated with new product development, carriage, and an inability to pass on 1.5% of inflationary increases.

The reasonable worst downside case scenarios have the following impact on the base case budget:

- 2024: A revenue reduction of £31.2m, an EBITDA reduction of £8.2m, and cash reduction of £7.5m.
- 2025: A revenue reduction of £41.5m, an EBITDA reduction of £8.4m, and cash reduction of £6.0m.

While the Board believes that all reasonable worst case downside scenarios occurring together is highly unlikely, the Group would continue to comply with covenants under the facility, albeit in February 2025 there would be no headroom on the LTM EBITDA covenant, and in December 2024 limited headroom on the hard liquidity covenant. The Board's assessment of the likelihood of a further downside scenario is remote. Management have undertaken reverse stress testing that demonstrates that even if no sales are made by the TTS business in the month of May 2024, the covenants would still be complied with for that quarter.

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 reasonable worst cases and the Group complies with covenants. These mitigating actions include not paying discretionary bonuses, the sale of further IP licences, and extending payment terms with key suppliers, albeit at a much lower level for the latter than were taken in FY23. These are actions that the Group has taken before and therefore the Board are confident of their ability to deliver these mitigating actions if required. Further actions could include reduction in capital expenditure and delaying recruitment. These actions are expected to have little to no implications to the ongoing business in the going concern period.

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.

Principal risks and uncertainties

Pursuant to the requirements of the Disclosure and Transparency Rules, the Group provides the following information on its principal risks and uncertainties. The Group considers strategic, operational and financial risks and identifies actions to mitigate those risks. Risk management systems are monitored on an ongoing basis. The principal risks and uncertainties are set out on pages 38 to 41.

Simon Goodwin
Chief Financial Officer

14 March 2024

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 26 to 33.

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.

Our debt facilities are set out in Note 23. 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 32 to 33. The bank facility was recently extended and is committed until July 2026.

Following a forecast potential breach of covenants in the second half of 2023, neogtiations commenced and the bank facility was recently extended and is committed until July 2026.

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 38 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 viability statement covers the period to the end of the current banking facilities in July 2026, as any period beyond this would likely be subject to negotiation and agreement of a further facility which is not within the Group's direct control.

The Directors have considered a period of three years for assessing financial scenarios. This longer period of assessment is considered appropriate 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. While 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 assessment 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 scenarios for financial viability disclosed in the table on page 35.

The impact of these scenarios were considered individually and in combination. Where the timing is unknown, the scenario was assumed to have occurred in FY24 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 breach the interest cover and adjusted leverage covenants for the quarter ended 28 February 2026, but would not have any 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.

Principal risk	Scenario considered
Cyber attack	Scenarios considering disruption to the TTS sales website, schools and significant Assessment platforms were considered. The cyber team use a collection of cutting-edge tools to test systems and protect against attack, and use external experts to test and improve security posture.
Failed implementation of customer services or business transformation projects	Scenarios across all divisions were considered where target operating model benefits were delayed or not delivered. In RM Assessment, scenarios were considered where significant new and pipeline deals were delayed or not delivered.
Treasury risks	Scenarios involving exchange rate risk in the Resources and Assessment divisions, and interest rate and liquidity management risks relating to the banking facility were considered.
Dependency on extensive supply chain	In RM Resources and RM Technology, scenarios were considered where unforeseen increases in product cost and carriage cost inflation were absorbed.
Non-compliance with legal or regulatory obligations	Scenarios involving a potential GDPR breach, and non-compliance with foreign taxation regimes through increased import and export activity in Resources (driven by International revenue growth) were considered.
Winning and extension of long-term contracts in Assessment and Technology	The impacts of a material reduction in the medium-term growth rates were modelled as follows: • RM Technology – a 25% reduction in hardware and digital platform growth in FY24, and a 50% reduction in FY25 and FY26 • RM Assessment – a 50% reduction in new contract revenue growth where RM is not at preferred bidder status for FY24

These mitigating actions are expected to have little to no implication to the ongoing business in the viability period assessed, 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

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.

The Board continue to consider strategic options to deleverage the Group's borrowings over the short term.

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 & Risk Committee supports the Board in performing this review. Details of the Audit & Risk Committee's activity in relation to the Viability Statement are set out in the Audit & Risk Committee Report on pages 88 to 95.

Assessment of viability

The Board has assessed the viability of the Company until the end of the current banking facility in July 2026, 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 July 2026.

Managing the Group's risks

The management of the business and the execution of the Company's strategy are subject to a wide range of risks.

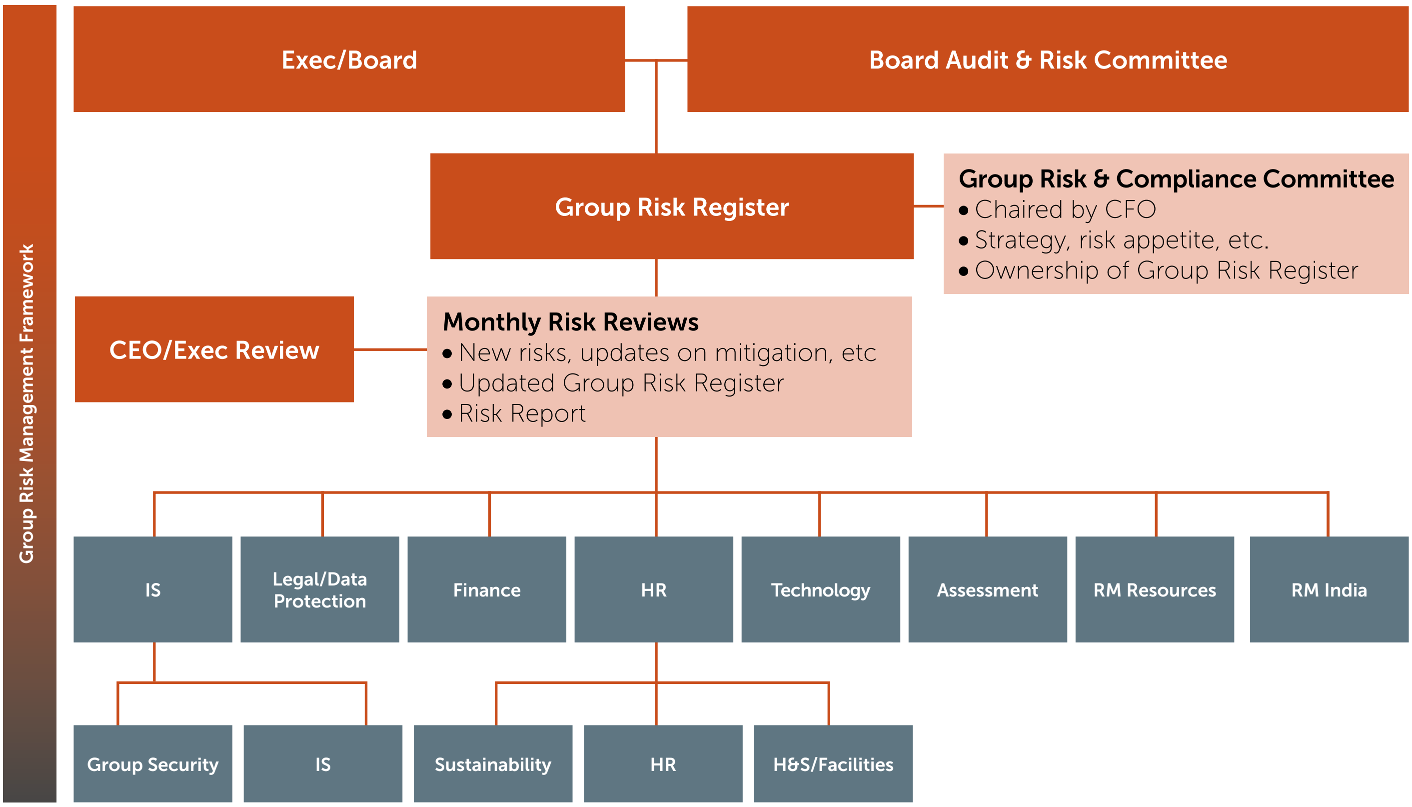
Risk management framework

RM plc (RM) has a defined and documented risk management framework which is aligned to best practice and subject to continual improvement.

The framework is overseen by the Board and reviewed by the Audit and Risk Committee at least once a year and when there are significant changes affecting RM's risk profile. A key objective is to ensure a level of consistency and rigour appropriate to its business strategy and operations.

In addition, RM has procedures in place to ensure that principal risks and emerging threats that may impact the business in the longer term are identified, evaluated and managed at the appropriate level within the organisation.

Risk registers are produced by each division and line function (e.g. HR, finance, legal) and key risks from these are compiled in the Group Risk Register. Risks are identified and scored in terms of impact and likelihood, after taking into account the current controls. For those risks that are not accepted, a risk action plan is completed with a target planned net risk score. Risk owners are nominated who have authority and responsibility for assessing and managing these risks. While RM's risk management framework is designed to reduce risk as far as possible, the Company cannot eliminate all risks.



Emerging risks

Risks can cover a variety of categories including: financial, infrastructure and technology, legal, operational, political, reputational, security, strategic and emerging.

Emerging risks are potential new risks that cannot (yet) be scored, because currently there is insufficient information available about their likelihood and/or impact. These may relate to political, economic or technology changes and trends.

A systematic risk review is conducted, at least quarterly. Each new version of the Group Risk Register is evaluated by Executive Directors, Company Secretary, and the Head of Legal, as well as the Group Risk & Compliance Committee.

The Board reviews the principal and emerging risks faced by the Group and approves the Group Risk Register at least twice a year. The Board considers trends, opportunities and challenges facing the business along with its emerging risks. Additionally, the Board continues to focus on key areas that are closely linked to the Group's strategic priorities, including RM's proposition to meet and exceed clients' expectations and supporting its people.

Risk appetite

RM has 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.

In other aspects, such as revenue growth initiatives, the Board may have a greater risk appetite and sets the level of mitigation accordingly.

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.

In addition to identifying, evaluating and mitigating the principal risks that might impact the range of Group activities, the risk management programme also identifies emerging risks. These are potential new risks that cannot (yet) be scored, because currently there is insufficient information available about their likelihood and/or impact.

Emerging risks that might affect RM during 2024 can be summarised as follows:

Artificial Intelligence (AI)

- The rapid emergence of AI technologies is likely to have a significant impact on education and assessment markets. RM will need to closely monitor market and industry trends to identify both risks and opportunities. AI is also likely to have an impact on internal functions such as Finance and HR.

Legislative change

- With a General Election probable within the next year, legislation change in areas relevant to RM's business is likely. Such areas might include education, employment, health & safety, climate change, and data protection. RM will need to evaluate the possible impact of the legislative agenda of any incoming government.

Market changes

- The outcome of the General Election could also result in changes to the level and focus of government funding in the education sector. Such potential changes and related policies might lead to new revenue opportunities as well as new risks for RM.

All emerging risks are kept under review by the Executive and the Board. As further information and analysis becomes available, it may become possible to evaluate and score risks using the Group Risk Framework, with the result that some may become Principal Risks, or in some cases, an emerging risk may diminish in significance.

Principal risks and uncertainties

Link to strategic objectives

- Reach more customers
- Improve share of customer spend
- Operational excellence
- Attract & retain talent
- Strong financial discipline

Year-on-year trend

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

Potential impacts	Current mitigation	Planned mitigation	Trend
1. A range of factors such as adverse market conditions, operational failures, not winning new business, or a lack of investment in our digital capability, could cause a failure to deliver the new strategic programme unveiled in FY2024 to deliver revenue growth, a return to profitability and a reduction in debt (please read our CEO's Statement on pages 10 to 16).			
A reduction in earnings that could put pressure on the Group's ability to stay within its banking covenants.	• A new senior management team established with turnaround experience. • Creating a simplified and more streamlined operating model. • Focus on high growth and strategic parts of the group, such as the Assessment business. • Securing long-term customer contracts. • Agreement with lenders to support turnaround.	• Further investment in technology and RM developed IP.	NEW RISK
2. The Group's ability to trade may be compromised should there be a lack of cash funds.			
Lack of funding required to meet short and long-term obligations and aspirations.	• The Group's liquidity continued to be impacted by the IT implementation in Consortium which caused business disruption and led, in part, to the decision to cease trading in the Consortium brand. • As a result, additional liquidity and covenant monitoring and forecasting has been implemented by management and is regularly reviewed by the Board. • The Company amended and extended its £70m bank facility in March 2024 with revised covenants to better reflect the outlook and liquidity needs. • During the year the sale of the RM Integris and RM Finance businesses also concluded, generating proceeds of £10.9m after associated costs. Additionally, a further £10.6m of proceeds were generated from the sale of surplus IPv4 addresses.	• The Group's liquidity continues to be a key area of focus and, as stated in post-balance sheet events on page 213, the Group has successfully negotiated a further amendment and extension to its funding facilities with its lenders. Regular liquidity and covenant monitoring and forecasting will be undertaken by management, and reviewed by the Board, to ensure ongoing compliance with this arrangement. • The Group continues to regularly monitor treasury risks such as fluctuating exchange rates by creating natural currency hedges through matching of foreign currency receipt and payment phasing, with hedging via derivative instruments utilised for material imbalances that remain.	↔

Potential impacts	Current mitigation	Planned mitigation	Trend
3. If RM's security controls are inadequate then a cyber attack on internal or customer-facing systems might be successful.			
Disruption to services; personal data breach; legal and contractual non-compliance.	• Wide range of industry-standard technical defences and controls, including penetration testing and vulnerability scanning. • Security monitoring and risks assessment of key systems and suppliers. • Dedicated security team. • Dedicated data protection function. • Incident response function, supported by third-party specialist services. • ISO 27001 and ISO 22301 certifications. • Oversight by Group Security & Business Continuity Committee, which reports into the Group Executive. • External audit of systems, processes, compliance, etc. • Cyber insurance and property and business interruption insurance cover.	• Expansion of controls testing across key systems and applications. • Investment in MDR (Managed Detection & Response) service. • New Cyber Security lead joining in 2024. • New Phishing Training via Proofpoint to be rolled out across organisation.	↔
4. If RM fails to maintain the required levels of technical and delivery expertise, then the implementation of sophisticated and complex services to customers, or large-scale business transformation projects, could be threatened.			
Operation disruption; reputational damage; contractual non-compliance which could have financial implications.	• Investment in people with technical expertise (see Risk 6 below). • Internal management control processes, e.g. programme steering committees, change boards, etc. • Programme and project reviews. • Monitoring of operational and financial performance by management and Board. • Strengthened both the architecture and data teams to reduce risk for current and ongoing technical debt projects.	• Implementation of common Project Management approach across the organisation to reduce likelihood of poor delivery and operational disruption. • Process documentation programme to underpin business continuity controls.	↔

Potential impacts	Current mitigation	Planned mitigation	Trend
5. Due to RM's dependency on an extensive supply chain, including overseas providers, delivery of products and services could be affected by political, economic and global factors beyond its control.			
Increased costs; disruption of services.	• Changes resulting from Brexit have been managed through the adoption of new processes to meet the new requirements. • During the year a new Group Head of Procurement has been appointed, who is focusing on streamlining the supplier database in order to minimise risk and exposure.	• The Group continues to be reliant on the cross-border movement of goods, which have been affected by both evolving Brexit requirements and inflation. • While the decision to cease trading in the Consortium brand is expected to reduce this exposure for purchases, the growth of TTS International means that the Group continues to focus significant effort in ensuring compliance with the various regulations relating to import and export of goods, including the appointment of a Head of International Operations.	↓
6. A failure to recruit, retain and protect highly skilled employees could have a range of negative operational impacts.			
High levels of workforce attrition; increased recruitment and retention costs; financial penalties.	• Identification of critical resources. • Knowledge management capture project. • Regular monitoring of employee engagement. • Equity, Diversity and Inclusion network. • Recruitment strategy to target problem areas. • Annual benchmarking of remuneration to ensure we remain market competitive. • Training programmes to assist staff development.	• Talent management and career planning processes. • Succession Planning. • Learning & development strategy and plan for FY24. • Employee health, safety, and wellbeing plan for FY24. • Line Management development. • Disruptive hiring strategy.	↔
7. If the Group does not have adequate monitoring and compliance processes in place, there is a risk that we could become non-compliant with one or more of the many legal and regulatory obligations to which we are subject.			
Regulatory fines; reputational damage.	• Legal team evaluate and communicate legal requirements to relevant teams. • Access to third-party expertise, e.g. non-UK legal requirements. • Dedicated compliance managers. • Internal audit.	• Additional resourcing for legal and compliance functions. • Additional and updated policies and procedures are being rolled out.	↔

8. Since the financial performance of the Assessment and Technology divisions is dependent on the winning and extension of long-term contracts, a failure to invest in developing innovative and industry-leading solutions to enhance our service offering, could weaken our competitiveness.

Potential impacts	Current mitigation	Planned mitigation	Trend
Customer dissatisfaction; loss of revenue.	• Investment in maintaining a high level of technical and non-technical expertise and in building effective working relationships with its customers. • Product and service innovation programmes. • Investment in technical leadership and delivery roles in the UK, covering Architecture, Software Engineering & Ops and Portfolio Management areas. • Investment in Delivery Director roles in India, taking responsibility for the build and technical operation for our services. • Centres of excellence focused on Architecture, Software Engineering and Quality Assurance. • Recruitment of specialist roles to support large new contracts.	• Five-year plan of investment, totalling £25 million, in Assessment solutions, including for learners, as well as awarding bodies and professional organisations. • New Target Operating Model with the aim of having a more customer centric business.	↔

9. Pension scheme deficits could adversely affect the net assets position of the trading subsidiaries RM Education Limited and RM Educational Resources Limited, as could increased costs resulting from the transfer of staff from Local Authority pension schemes.

Potential impacts	Current mitigation	Planned mitigation	Trend
Lack of funding required to meet short and long-term obligations and aspirations.	• The Group evaluates risk mitigation proposals with the trustees of these respective Schemes. • The Platinum Scheme is a multi-employer scheme over which the Group has no direct control. However, due to the small (and reducing) number of the Company's former employees who are in this Scheme, the risk to the Company from this Scheme is limited. • The Group assesses the potential pension costs of staff from other employers, who would transfer across to the Group, and takes this into account in its bids for new contracts. • The Group continues to fund the schemes such that they meet or exceed funding levels on scheme funding, long-term funding target and contingent contributions (gilts + 0.3%) bases.	• The Group continues to utilise a consolidated trustee for the two largest defined benefit schemes (the RM and CARE schemes), and a single advisor to appropriately manage assumptions set by the scheme actuaries. • Contributions have been set by the latest triennial funding valuations from 31 May 2021 for the RM and CARE schemes, and 31 December 2021 for the Platinum scheme. The Group has incorporated these contributions into its long-range forecasts, and considers risk relating to increased contributions set by the valuations to take place in 2024 through its downside scenario analysis as part of the going concern assessment. • The Group will continue to explore possibilities to further de-risk the schemes by moving to a full buy-out, should sufficient funds be available.	↔

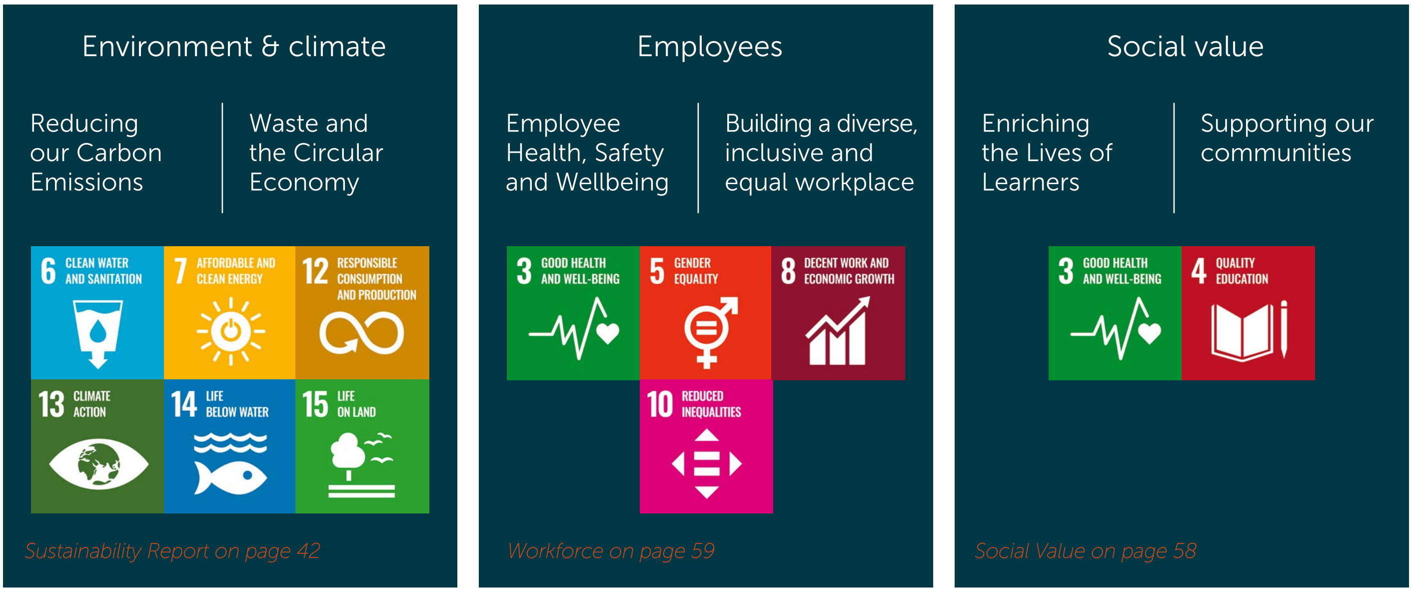
10. The macroeconomic environment which has included high inflation in recent times could impact profitability due to higher costs and constraints on spending by schools and education bodies.

Potential impacts	Current mitigation	Planned mitigation	Trend
Failure to deliver forecast performance due to higher costs and/or lower revenue reducing profitability.	• Margin rebuild across customers including inflation indexing has been built into contracts. • Using of dynamic pricing in TTS. • Procurement initiatives and targets to achieve cost savings for specific categories of spend.	• Focus on securing long-term agreements and partnerships with key customers within the Assessment business; focus on winning managed services work within Technology to provide more recurring revenue.	↔

Sustainability report

At RM plc, 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. Our sustainability objectives are aligned to the UN sustainable development goals and the Paris Agreement.

Figure 1: RM Sustainable Business Priorities



Below we set out:

- The Governance of Sustainability *(page 43)*
- Our sustainability strategy and Environmental Improvement Programme *(page 45)*
- Task Force on Climate-related Financial Disclosures (TCFD) reporting, including Environment Metrics *(see page 48)*
- Climate-related financial disclosures (CFD) *(page 50)*
- Social Impact *(page 58)*.

Governance of sustainability & climate-related matters

Governance is an important aspect of making sure RM is focussing on material risks and opportunities and is delivering against a sustainability & climate-related matters action plan. It also ensures that our sustainability & climate priorities align with RM's Strategy and reflect the needs of all our stakeholders.

RM continues to ensure strong governance of sustainability & climate change through:

- Regular updates to the Board ESG Committee, consisting of all Non-Executive Directors, responsible for strategic oversight, monitoring and reporting. Overall responsibility for ESG continues to sit with the Board.
- A review of FY23 progress and agreement of our priorities for FY24 by the ESG committee. Full details of our progress in 2023 and our priorities for 2024 can be found on pages 46 and 47.
- The appointment of Jamie Murray Wells as Chair of the ESG Committee from November 2023.
- Our divisional Sustainability Working Groups and a Sustainability Governance Panel provide structure to guide and execute on sustainability plans.
- The delivery of ESG agenda across RM by the Head of Sustainability who is responsible for RM's approach towards governance of sustainability and climate related matters. The role is also responsible for ensuring compliance with all environmental, climate change and applicable ESG legislation.
- The financial materiality of environmental and climate changes being assessed by RM and set at £250,000. During FY24 all principal and emerging risks will be assessed to understand their materiality to RM, this will be reported in the FY24 annual report. A representative from Finance will be nominated to the Sustainable Development Governance Panel in FY24 to ensure that financial materially is under constant review.

Figure 2: Approach to governance of sustainability & climate

Governance

RM Plc Board

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

Board 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. Climate change is included in the Group risk register.

Board ESG Committee

Meets once a year for strategic oversight of ESG topics, including TCFD, measures and integration across other Board priorities. Includes alignment with 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 Executive 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. FY24 will see the Executive Committee provided with MI on the current carbon emissions per quarter split by each division. The Chief Executive reviews and approves the Carbon Management plan annually.

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 identified issues, risks, and blockers. The panel is present with an update on the status of carbon emissions since its last meeting. The panel reviews all working group projects to ensure they are aligned to supporting RMs carbon reduction commitment. 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 ensuring that RM remains focused on delivering its carbon reduction targets. The groups also identify risks and opportunities presented by climate change and communicate these to the Sustainable Governance Panel.

Head of Sustainability

The Head of Sustainability is responsible for the day-to-day management of ISO 14001 and for monitoring and escalating climate-related risks and disclosures via the Sustainable Development Governance Panel, Executive Sponsor, and the Board ESG Committee. All risk relating to climate change and sustainability are captured in the local and group risk registers.

All principal and emerging risks including climate change risks are reviewed monthly by the Chief Executive Officer and Chief Financial Officer, and quarterly by the Audit and Risk committee as part of the Company's risk management process and any material financial implications and potential impact on RM's accounts are shared with the Audit Committee. RM considers climate change to be a longer-term emerging risk (beyond 2024-2026) and the level remains unchanged from the FY22 annual report.

The Executive Committee is updated at least annually by the Head of Sustainability. The review looks at the progress of the priorities for the year, highlights any significant risks or opportunities to RM and reviews the volume of carbon output throughout the period. The information is used to ensure that RM continues to deliver its ESG & Climate goals and aligned to and support the business strategy.

Climate risks and opportunities are principally identified via the divisional working groups and the Head of Sustainability. The risks and opportunities presented by climate change to each divisions operations, customers and supply chain vary considerably. Due to this it would not be effective to have a high-level identification of climate change risks.

All identified and any newly identified risks by the working groups in combination with the Head of Sustainability are integrated into the ISO 14001 risk registers. These registers mirror the format of the group risk registers. If a risk is above the divisional acceptance level then the risk is added to the group risk registers. The risk assessment process at the divisional and group level is consistent, risks are assessed for likelihood and impact, the risk score then determines the response at each level. Every risk, including accepted risks have a risk action plan with a target completion date.

Certain risks are principally identified and mitigated at a group level where they affect the overall group, such as those relating to real estate. All risks identified at the divisional level are recorded in the ISO 14001 risk registers for each working group. Significant risks and those requiring group mitigation or input are escalated and recorded in the group risk register. Both registers are reviewed monthly.

Data is currently collected annually. During 2024, where possible, all data is going to be collected on a monthly basis. This change will enable RM to closely monitor its progress and undertake corrective actions, if required, to ensure we continue to deliver the carbon reduction to enable RM to meet Net Zero on Scope 1 and 2 by 2035.

Sustainability and climate improvement

Improving RM's sustainability & climate performance is now well embedded throughout RM, from our divisional employee led ISO 14001 working groups to the ESG Committee of the Board, sustainability is not seen as a 'nice to have' but is recognised as a business-critical activity.

During 2023, RM has continued to strengthen its focus on climate-related measures to work towards its Net Zero on scope 1 and 2 by 2035. This focus has led to a 25% reduction from FY23 carbon emissions, including reductions in key scope 3 areas such as air travel. Other measures and achievements include;

- Roll out to Group and RM Technology suppliers of our Sustainable Suppliers Charter
- Held sustainability workshops with key suppliers
- Participated in customer sustainability workshops
- Undertook pilots to test systems and tools for supply chain emissions capture and reporting
- Signed Renewable Energy Guarantees of Origin (REGO) to back renewable energy contract for all RM controlled sites
- Undertook pilot projects to implement circular economy into own-IP products.

The measures and achievements outlined above enable RM to build from a position of strength going forward into FY24.

Environmental improvement programme

We used the UN Sustainable Development Goals (see Figure 3) as part of the development of our Sustainability strategy and used this alongside the key environmental and climate change risks and opportunities to develop our corporate and divisional environmental improvement programme (see Figure 4).

Figure 3: UN Sustainable Development Goals for Environment

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. • Reuse, 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.

During 2023, a full review of the environmental commitments was undertaken with key internal stakeholders. The outcome of this review has enabled RM to confirm its focus on these areas.

- **Net Zero Carbon** – Achieving RM's stated commitment in its carbon management plan of achieving Net Zero on scopes 1 and 2 by 2035 and all scopes by 2050. RM defines Net Zero Carbon as completely negating the amount of greenhouse gases produced by RMs business activities. This will be achieved by a combination of reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere, where carbon emissions are unavoidable by the target completion dates.
- **Waste reduction and circular economy** – Reduction of up and down stream waste and implementation of circular economy principles into our value chain.
- **Partnerships** – RM to support and foster collaboration between our partners, suppliers, and customers to enable the improvement of environmental performance for all our stakeholders.
- **Sustainable** – We will aim to partner with landlords who prioritise sustainable practices and have green building certification as part of our selection criteria to align with our ESG Strategy (such as our Headquarters in Abingdon which is a Building Research Establishment Environmental Assessment Method (BREEAM) building). When creating future workplaces, we will incorporate green building principles leading to long-term energy and resource savings. Features such as efficient insulation, natural lighting, renewable energy sources, and water-saving fixtures contribute to a sustainable workplace environment.

Progress against the improvement areas is the primary responsibility of the Divisional Working Groups and Head of Sustainability. Updates throughout the year are provided to the Sustainable Development Governance Panel's ongoing environmental management system. The ESG committee is updated at least annually.

Figure 4: summarises the commitments we have made in each of these areas

Net Zero Carbon

1. Net zero scope 1 and 2 and scope 3 before 2050
2. Measure and set targets for scope 3 and provide customers with scope 3 data
3. Source renewable energy

Waste reduction and the circular economy

4. Zero to landfill by 2030
5. Eliminate non-recycled plastic content in new RM Resources IP products by 2024
6. Reduce waste from packaging

Partnerships

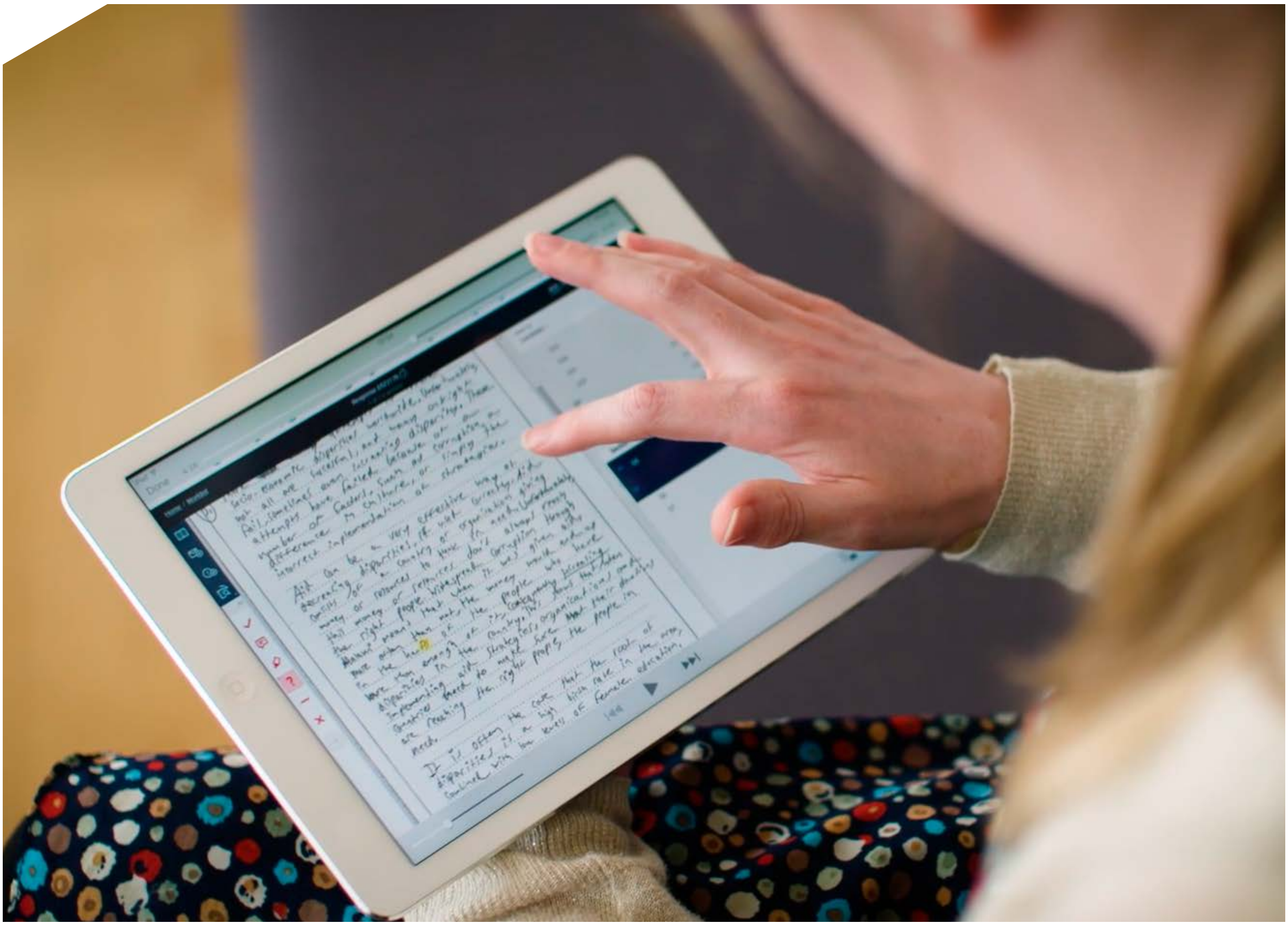
7. Develop new labelling for RM Resources' branded Eco products
8. Run workshops with key customers and suppliers

●	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

Review of progress against environmental commitments

	Net Zero Carbon:
1	RM has made significant progress during FY23 in reducing its carbon emissions, particularly in scope 1. This has led to an overall reduction of 25% compared to FY22. RM's focus throughout FY24 will be capturing its scope 3 emissions to enable their materially to be understood and enable the creation of scope 3 reduction plans and targets. A continuous focus through the implementation of combined sustainability and real estate strategies will enable RM to benefit from reductions in utilities and fuel consumption. RM will be seeking the best options to support the transition to electric vehicles throughout 2024.
2	Throughout 2023 RM has piloted the systems and processes for the capture, measurement and verification of its scope 3 emissions. Given the variety of its supply chain, RM will aim to disclose all relevant and material scope 3 categories by 2026, but will ensure where data is available, reliable, and accurate, disclosures will be made as soon as available. It is currently predicted that the full scope of RMs supply chain emission will not be reported before 2026. From FY24 all data relating to category 1 of scope 3 supply chain emission will be reported. Throughout FY23 RM has, when requested, supplied any carbon data to our customers or suppliers. A project is underway to enable RM to estimate the carbon impact of our products and services to enable our customers to understand the environmental impact of our service delivery.
3	In September 2023 RM signed a REGO backed electricity contract for our two distribution centres and office in Glasgow. Our Abingdon office consumption is supported by onsite solar generation. During 2024 and in line with our Real Estate Strategy and Energy Saving Opportunities Scheme (ESOS) reporting, RM will review further deployment of onsite renewable energy generation including the scope for renewable heat generation.
	Waste reduction and the circular economy:
4	Throughout 2023 for our Abingdon, Harrier Park and Sherwood Park locations, RM continued to achieve zero to landfill through a programme of well supported recycling initiatives and the remainder of the waste from these locations going to waste-to-energy facilities. RM is seeking to work with our waste contractors to further increase on and off site recycling. 2023 has seen the development of a circular economy project with 2nd Chance, a not for profit organisation that use donated IT equipment to provide IT and coding skills to disabled and disadvantaged children and young adults. This is expected to reduce RM's Waste Electrical and Electronic Equipment (WEEE) waste by a quarter of a ton per annum. Further detail of this project is included in the social value section of the annual report on page 58. During 2024 RM will conduct an audit on its top 20% IPR products to establish where circular economy principles can be implemented to reduce WEEE and overall waste volumes arising from our products.
5	The Resources Division's new design protocol expects 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.
6	RM Resources' packaging reduction project has continued during 2023 – the project is finalising in the identification and verification of its packaging volumes and has begun to engage with the up and down stream supply chain to understand where packaging can be removed or replaced with either reusable or non-plastic packaging.

	Collaboration with Suppliers, Partners and Customers
7	To enable RM's customers to better understand the environmental performance of the products that are supplied, a full review of the Eco Label system has been undertaken during 2023. This project is still in progress and will be completed during FY24. The purpose of this review is to enable RM to provide our customers with the information they require to ensure they can make the right purchasing decisions for their business.
8	RM has conducted sustainability workshops with our key suppliers including Talk Talk and Ctouch. These workshops have focused on collaboration to deliver more sustainable outcomes for our customers. In September, RM was invited to attend the Cambridge Press sustainability workshop where we discussed the Cambridge Press journey and how RM can support. RM launched its Sustainable Suppliers Charter to its Group and Technology supply chain and during 2024 this will be rolled out to its remaining divisional suppliers.



Task Force on Climate-related Financial Disclosures

Statement of compliance with TCFD

RM plc (RM) understands and recognises that its business has an effect on the climate. Since 2015 RM has sought to understand through measurement, setting of targets and commitments and delivering against these, to reduce its impact. RM is committed ensuring it makes climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures, as per the LR 9.8.6(8)R and believes that RM are fully compliant with seven of the eleven disclosures. The four disclosures that RM are partially compliant with are below:

- Metrics and Targets a) & c) – RM believes that RM are partially compliant. RM will finalise metrics and targets relating to all its environmental commitments during FY24.
- Strategy b) – RM believes that RM are partially compliant. RM has disclosed its high-level financial impacts of climate-related risks through its financial impact assessment. A detailed impact assessment for each risk and opportunity disclosure is planned for the coming years.
- Metric and Targets b) – RM believes full disclosure has been made of scope 1 and 2 carbon emissions and has undertaken significant work to establish key areas of its scope 3 where the data is available. As further analysis is undertaken from FY24, RM is committed to publishing further detail of its scope 3 emissions impact.

The climate-related financial disclosures made by RM comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

In doing this RM 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, RM also report data on some aspects of scope 3 impact. RM has committed to gathering emissions data from our supply chain, recognising that they are likely to make up the largest contribution to RMs scope 3 emissions. The scope 3 emission data gathering project will begin in FY24 and will focus on RM's largest suppliers across the group with a target of collecting 60-80% of our emissions by FY23 spend (excluding spend on any Consortium suppliers). RM does not expect to be able to report 100% of its emissions by spend before 2026.

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	44
Describe management's role in assessing and managing climate-related risks and opportunities	44
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	44
Describe the organisation's processes for managing climate-related risks	43
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	44
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	52
Disclose scope 1, 2 and if appropriate scope 3 greenhouse gas (GHG) emissions and the related risks	56
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	56

Background for TCFD risk assessment

RM has undertaken its climate risk assessment in line with the group process for assessing, measuring and monitoring risk. The group risk register includes climate change, and during 2023 all of our climate and environmental risks have been identified and are now incorporated into the group risk management process – these risks are under constant review and are subject to risk action plans.

RM 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. RM has developed a risk assessment tool that can be used to assess locations against extreme weather events.

RM 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

The scenario analysis was carried out in FY22, a full review of the analysis was carried out for the FY23 disclosures and as the core business has not changed across RM, it is determined that the analysis remains accurate. FY24 will see a full review of the scenario analysis to ensure it remains accurate after Consortium ceased trading in December 2023.

The climate scenarios above have been chosen as they represent the warming by 2050 if countries meet their stated carbon reduction targets. Currently the 1.5 degree scenario remains the most likely based on current commitments made by countries to reduce carbon emissions. This, combined with their alignment to historical patterns and socioeconomic development, gives a high degree of confidence that one of these is the most likely outcome by 2050. The use of these scenarios will remain under constant review – should it become clear that high warming scenarios should be considered, RM will undertake this analysis.

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

- RM has no owned properties, operating from leased offices in UK, India and Australia.
- Our TCFD assessment shows there are no financially material risks in the short term.
- The identified risks are all in the medium to long term, allowing RM sufficient time to mitigate them.
- Mature and tested working from home and business continuity solutions.
- 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 – 2024 to 2026;
  - *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 1 and 2 – 2026 to 2037;
  - *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 2037-2050.
  - *All of the risks identified are likely to be material risks in the long term. This timescale will enable RM to assess and plan its response. Mitigation of these risks is an ongoing process, and remains under constant development. Currently, real estate and supply chain mitigation has undergone the most review and an overview of the mitigation in these areas are outlined. RM is able to review its locations on a 5-10 year cycle which enables RM to move locations should climate risks become material in that location. RM seeks to accelerate the move to digital services reducing our supply chain and travel risks.*

RM have set the materiality threshold at £250,000 or more per annum which management believe constitutes an appropriate level of financial impact.

This analysis has identified the following risks and opportunities which have the greatest potential to become material for RM across Physical Risks (both Acute and Chronic) and Transition Risks relating to Climate Change. Each impact has now been linked to the identified timescale are defined as either Short (S), Medium (M) or Long (L).

Supply chain and 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.

Table 1: Supply chain and freight disruption risks

Potential impact	Existing actions	Future response considerations
1.5 degree scenario • More frequent or prolonged disruption impacts affecting access to materials, products, and logistics, resulting in negative impacts on customer satisfaction/revenue recognition. (L) • Increases in costs of raw materials, products and services, not being able to fully or partly be passed on to our customers. (L) **2.4 degree scenario** The impact of this scenario will be In addition to above: • Increased frequency, severity and duration of extreme weather events leading to greater disruption. (L) • Potential for people migration to change long-term supply landscape. (L)	• Supply Chain Charter launched to Group and Technology. RM is encouraging the reporting of supply chain emissions. • RM is undertaking a project to assess against extreme weather events at its current locations and is now reviewing its customers' locations using an inhouse developed tool. • RM is engaging with its freight & supply chain partners to understand their mitigation for disruption to climate change.	• 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.

Financial impact:

We do not expect any material financial impact in the short term, when assessed individually and in combination with the other risks outlined. RM is assessing the financial impact in the medium to long term, this is an ongoing project and will be finalised during 2024.

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 likely to deliver a more beneficial return on investment.

Table 4: Shift to digital; risks

Potential impact; risks	Existing actions	Future response considerations
1.5 degree scenario • Cyber security remains critical throughout this period, in addition to software costs, IT engineers are likely to become more costly. (M) • Revenue and profit reduction as consumable product categories decline as prices rise. (M&L) • Raw materials increase in scarcity and raise prices, reducing customer demand, particularly for consumables. (M&L) **2.4 degree scenario** The impact of this scenario is likely to be sooner and faster.	• Continuation of the migration of core apps and services to Cloud infrastructure, reducing carbon and increasing global resilience. • Investment in a Security Operations Centre for RM Group. • RM strategy to focus on digital services and become less reliant on consumables products.	• 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.

Financial impact:

We do not expect any material financial impact in the short term, when assessed individually and in combination with the other risks outlined. RM is assessing the financial impact in the medium to long term. This is ongoing project and will be finalised during 2024, enabling RM to better determine the impact RM expect climate change to have on different product categories, customer demand, digital adoption and impact on profitability.

Table 5: Shift to digital; opportunities

Potential impact; Opportunities	Existing actions	Future response considerations
1.5 degree scenario • Opportunity for Assessment to remove physical processes relating to pupil assessment. (S&M) • Opportunity for Technology to provide devices and increased digital services in schools. (S&M) • Further expansion of technology to replace any paper-based process e.g. pupils' work, assessment, communications, content distribution. (S&M) • Technology becomes more critical and more complex, securing additional share of budget and requirement for specialist advice on its management and use. (S&M)	• Core business alignment to greater digitisation for Technology and Assessment divisions. • Increasing customer requirements to reduce paper for examination, driving the shift to digital. • Supporting customers to migrate to cloud services reducing reliance on onsite servers.	• 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.

Financial impact:
We do not expect any material financial impact in the short term, when assessed individually and in combination with the other risks outlined. 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. The impact of the shift to digital has less of a financial impact for TTS. We do not expect climate change to materially alter the market opportunity for these divisions in the short term. RM is assessing the financial impact in the medium to long term. This is an ongoing project and will be finalised during 2024.

Environmental Metrics

The identified risks above are all material in the long term, some have the potential to become material in the medium and short term. The likelihood and impact of these risks become more acute as the temperature scenarios increase.

To reduce both the likelihood and impact of these risks, RM is tracking its performance against its environmental commitments using the cross industry metrics including greenhouse gases emissions, water use and waste management outlined in the table below. RM keeps under constant review the risks and the likelihood of each warming scenario, as these are updated and revised.

RM will revise the risks and opportunities along with its metrics and targets to mitigate as far as possible these increased risks and maximise the opportunities.

RM's key environmental commitments are;

- Net Zero Carbon on scopes one and two by 2035
- Net Zero Carbon on all scopes by 2050
- Zero to landfill target by 2030
- Reduce packaging volumes from own brand products

RM has a published a Carbon Management plan, which outlines its path to meeting its Net Zero Carbon commitments. This plan is updated annually. During FY24 RM will undertake a full review of the Carbon Management Plan and finalise the budget and delivery roadmap to ensure RM delivers its Net Zero Carbon commitments.

RM's commitments on zero to landfill and reducing packaging volumes require significant levels of accurate data to ensure these can be tracked and delivered upon. FY24 will see a detailed data gathering project undertaken and transition plans for these commitments published.

Physical risks impact on and at RM locations and operations

- Location of key employees and customers subject to increased disruption from weather events such as heat, flood or drought.
- Risk assessment considers the main employee locations for RM (London, Abingdon, Nottingham and Glasgow in the UK, Trivandrum in India, Melbourne in Australia and Singapore).
- 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).

Table 6: Impact on and at RM locations and operations risk

Potential impact	Existing actions	Future response considerations
1.5 degree scenario • As the average global temperature increases, the longevity and severity of storms and other extreme weather will increase; – Disruption to operations due to extreme weather events damaging facilities. (M&L) – Ability of staff to attend customer sites due to extreme weather events restricting access to locations or transport networks. (S,M,L) – 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. (S,M,L) • Disruption at key times of the year (back to school, exam delivery) could damage customer trust and our ability to deliver contracts. (M&L) **2.4 degree scenario:** The impact of this scenario will be 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, RM risks the 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. • RM considers climate change and its impacts on real estate when renewing or seeking new leases on properties. • RM seeks to ensure that its real estate locations are as environmentally friendly as possible, our HQ is a BREEAM outstanding building.	• Undertake flooding risk assessment for all key locations. • Assess potential transport weaknesses 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. • Risk assess all service delivery against extreme weather events.

Financial impact:

We do not expect any material financial impact in the short term, when assessed individually and in combination with the other risks outlined. RM is assessing the financial impact in the medium to long term. This is an ongoing project and will be finalised during 2024.

Environmental data

The annual quantity of energy consumed from activities for which the Company is responsible is set out below. The data covers scope 1, 2 and 3 data from RM global operations. The data is provided via RM's finance system or third-party suppliers.

All utilities and business travel by cars, both personal (scope 3) and Company (scope 1) data is reported in kWh. Trains and air travel is reported in miles. The data for scope 1, 2 and 3 can be compared to 2021/22 consumption and baseline year 2015. RM continues to work on building a full picture of its scope 3 supply chain emissions and will report this in the 2024 Annual Report.

Data collected in kWh relates to the consumption of gas, electricity, 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 converted into kWh and covers all business mileage undertaken in company and personal vehicles.

Table 7: RM Group environmental data

Scope	Source	Country	Units	2022.23	2021/22	% change	Baseline	% change
Scope 1	Business travel (company cars)	UK	kWh	70,560	118,351	-40%	934,540	-92%
	Business travel (company cars)	India	kWh	19,729	28,688	-31%	78,917	-75%
	Business travel (company cars)	Australia	kWh	-	-	-		-
	Gas	UK	kWh	746,275	3,503,898	-79%	4,192,748	-82%
Scope 2	Electricity	UK	kWh	2,033,541	2,449,916	-17%	5,158,845	-61%
	Electricity	India	kWh	637,339	432,182	47%	884,714	-28%
	Electricity	Australia	kWh	-	4,920	-100%		-
Scope 3	Business travel via personal car	UK	kWh	332,928	743,484	-55%	-	-
	Air travel	Group	Miles	476,292	481,750	-1%	3,062,885	-84%
	Water	UK	m3	2,080	1,439	45%	-	-
	Hotels	UK	Nights	1,234	1,533	-20%	3,313	-63%
	Train travel	UK	Miles	172,493	189,590	-9%	187,626	-8%
	Waste - Energy to waste	UK	tonnes	32	36	-12%	-	-
	Waste - Recycling	UK	tonnes	116	238	-51%	-	-

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 mileage undertake for business purposes via RM's 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 RM emissions from business activities that are not under RM's direct control. During 2023 RM was able to obtain a data from 2015 relating to some of the reported scope three emissions. This data has been added above, RM do not expect to obtain any further data for the baseline year. During 2024 RM will obtain supply chain emissions and report these in its 2024 annual report.

In the year ending 30 September 2023, scope 1 and 2 as a percentage of total energy consumption for the UK is 81% and the rest of the world is 19%.

The climate disclosure period of 1 October to 30 September is not aligned to RM's financial year. The data reported covers a 12-month period and ensures it captures the seasonality variation and is based on best quality primary source data available, which enables management's best estimation for the emissions during the period. In the FY24 annual report, climate disclosures will be aligned to RM's financial year. To ensure that accurate comparisons are able to be made, the base year and previous year data will be realigned to the same periods – this will ensure that FY24 does not include two extra months of data.

The rise in kWh in RM India electricity is owing to the reopening of a previously closed office floor to accommodate increased work in RM Assessment.

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 2023. The methodology in the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) has been applied. These figures include emissions arising from all financially controlled assets.

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 and 3 the mileage of Company vehicles is the base data source.

RM's scope 3 emissions for waste, water, train travel and business mileage from personal cars are from RM's UK-based operations only. The waste data covers RM's two distribution centres and its Abingdon office. The water data covers the distributions centres.

During 2024 RM will seek to report on a minimum of 60% of supplier emissions by spend in its 2024 annual report.

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, or where available emissions factors published by each country where the emission were created.

Emissions by scope

Scope 1, 2 and 3 emissions report

	Full Year 2022/23 Carbon Emissions		2022/23			2021/22		Baseline 2015		
Scope	Source	Country	Tonnes CO_2(e)	Absolute tonnes CO_2(e)	% Change year-on-year	Tonnes CO_2(e)	Absolute tonnes CO_2(e)	Tonnes CO_2(e)	Absolute tonnes CO_2(e)	% Reduction from baseline
Scope 1	Car/van travel	UK	17	**-**	-41%	29	**-**	225	**-**	-92%
	Car/van travel	India	5	**-**	25%	4	**-**	19	**-**	-74%
	Car/van travel	Australia	-	**-**	-	0	**-**		**-**	-
	Gas	UK	406	**428**	-45%	737	**770**	909	**1,153**	**-63%**
Scope 2	Electricity	UK	417		-12%	474		2,229		-81%
	Electricity	India	454	**871**	48%	306	**785**	791	**-**	-43%
	Electricity	Australia			-100%	5			**3,020**	**-71%**
Scope 3	Business travel via personal car	UK	129	**-**	-30%	185	**-**		**-**	-
	Air travel	Group	90	**-**	-65%	254	**-**	1017	**-**	-91%
	Water	UK	0.3	**-**	43%	0.2	**-**		**-**	-
	Hotels	UK	13	**-**	-73%	48	**-**	46	**-**	-72%
	Train travel	UK	6	**-**	-45%	11	**-**	7	**-**	-14%
	Waste - Energy to waste	UK	1	**-**	0%	1	**-**		**-**	-
	Waste - Recycling	UK	5	**244**	0%	5	**504**		**1,070**	**-**
Total UK (tcO_2E)			**1,084**	**-**	**-**	**1,744**	**-**	**4,433**	**-**	**-**
Total Overseas (tCo_2e)			**459**	**-**	**-**	**315**	**-**	**810**	**-**	**-**
Total (tCO_2e)			**1,534**	**-**	**-25%**	**2,059**	**-**	**5,243**	**-**	**-71%**

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.

Air travel is labeled as Group but counted in the UK Total tcO_2E.

Analysis

- UK gas use has significantly reduced due to closure of the Trowbridge site. RM has also delivered reductions in consumption through a focus on energy efficiency throughout its operational sites.
- Business mileage has reduced since the 2021/22 reporting year through a continued rationalisation of travel and upward trend for virtual meetings.
- RM India's electricity consumption has increased in line with increased operations leading to the opening of previously closed office space.
- UK electricity has reduced in line with the gas consumption, due to a combination of estate rationalisation and delivery of an energy efficiency programme.
- Scope 3 employee travel, covering air, personal cars and trains, have all reduced significantly since 2021.
- In the year ending 30 September 2023, scope 1 and 2 as a percentage of total CO_2e for UK is 54.2% and the rest of the world is 29.9%. The remaining 15.9% of the total is UK scope 3.
- Versus the 2015 baseline, RM has reduced its overall carbon emissions, covering scopes 1,2 and 3, by 71%.

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 2023	Year ended 30 September 2022	Year ended 30 September 2015
Scope 1	2.13	3.60	6.27
Scope 2	4.33	3.66	16.13
Scope 3	1.21	2.35	6.00
Total Scope 1, 2 & 3	**7.67**	**9.61**	**28.40**

Following the increase in RM's scope 3 data, the Emissions Intensity has now been updated to include scope 3 intensity. The improvement of emissions per £m of revenue in 2023 compared to the baseline year and 2022 is as follows:

Intensity changes

	Year ending 30th Sept 2022	Year ending 30th Sept 2015
Scope 1	-41%	-195%
Scope 2	18%	-273%
Scope 3	-48%	-394%
Total	**20%**	**-270%**

Social value

Each division in RM plc (RM) plays a role in delivering on its purpose to enrich the lives of learners, each at different parts of 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, the divisions come together to usher in better lives for learners worldwide.

RM has always recognised and sought the opportunity to support and have a positive impact on the economic, social, and environmental wellbeing of the communities in which it operates. To enable this, RM is going beyond the social value provided by its products and services.

During FY24, RM will develop its social value strategy which will provide the framework for the delivery of social value throughout RM.

As a leader in Educational Technology solutions, RM supports its customers to provide the best educational outcomes for pupils throughout the country, this includes:

- Protecting 1.5 million students and teachers, and filtering 700 million web requests a day via RM SafetyNet.
- Development of specialist Special Educational Needs and Disabilities (SEND) Oti Bot.
- Digital assessment service, removes the need for 5 million sheets of paper per year.
- Creation of RM Study Kit, with the mission to place a device in the hand of every pupil in the UK. Study Kit enables schools to deliver appropriate, affordable and high-quality technology at an inclusive price for all.

During FY23, RM has focused on building upon the foundation of its social value programme through the continued support of projects while seeking new opportunities to support both our local and national communities, these have included:

- Sponsorship of Hucknall Town FC – in 2023, Hucknall Town FC named their ground the RM Stadium.
- Bake-off events held in our Nottingham and Abingdon Offices in support of Gifts from Fairies & Quest for Learning.
- RM SafetyNet Football Shirt sponsorship of a grassroots youth football team with its SafetyNet brand, supporting children to have active lives beyond the classroom.
- Enabling our colleagues 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.
- Colleagues participate in school-based events that help to guide students in their career choices, these have included the careers fair at Cranbrook School in Kent and the careers workshop at Trinity School in Berkshire.
- RM partnered with SaxaVord Spaceport to create Starflight Academy, launching a four-day STEAM initiative which brought the excitement of space to classrooms across the country through interactive virtual sessions. Just under 130 schools registered for the programme across the country.
- Collection of Christmas Gifts at three of our offices for Barnardo's with over 100 gifts donated.
- Partnership with 2nd Chance supporting technology skills development for people with disabilities.

Our colleagues in India operate two flagship social value programmes – these programmes are designed to make a holistic impact on the education sector.

- Graeme Dewart Scholarships
- School Adoption Programme

Since its inception in 2007, the Graeme Dewart scholarship programme has touched the lives of more than 300 students, many of whom are now employed within IT and ITES companies. The programme has independently funded 83 student's annual tuition to support the next generation of learners.

In December 2022, we gave assistive devices to five children with disabilities as part of our new initiative to support Children with Special Education Needs.

Through the School Adoption Programme, we supported seven schools by sponsoring Communicative English and IT teachers.

Our people

The Board considers our people and engagement as an issue of core importance to RM plc's (RM) success.

In June 2023, a new Head of Internal Communications and Engagement was appointed in the business to support in enriching RM's approach to employee engagement. In recent months, communication has seen increased focus from the RM Executive team, with more structure being embedded to allow for improved interactions with the workforce.

People at all levels of the organisation are invited to quarterly all company town hall sessions, led by Chief Executive Officer, Mark Cook, who provides key business insight on strategy and direction. This, coupled with more frequent business unit briefings allow all people the opportunity to hear from, and ask questions directly of the Executive team, supporting in their understanding of the business direction and enabling the Executive team to better understand sentiment among the workforce.

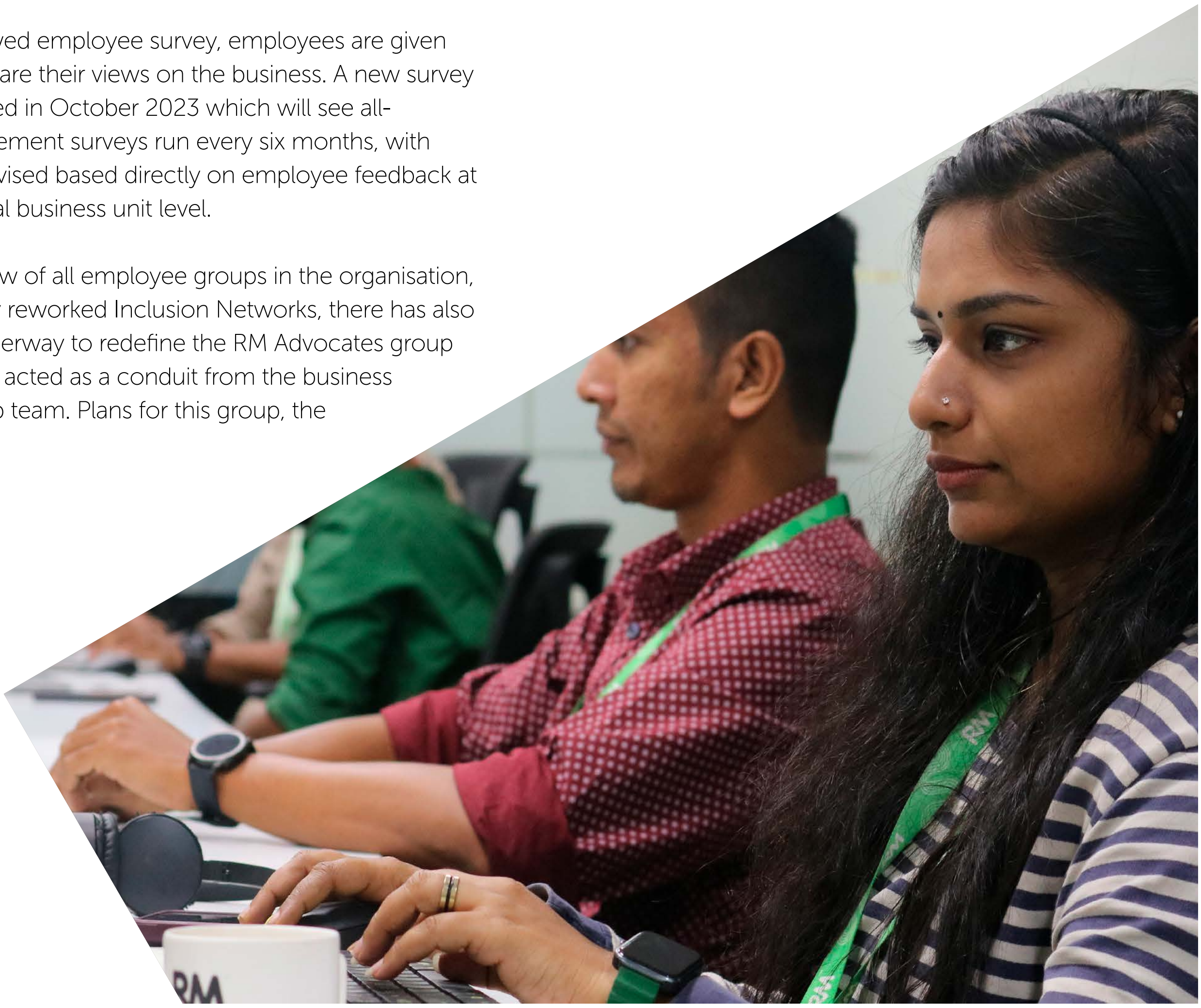
Through a renewed employee survey, employees are given the chance to share their views on the business. A new survey cadence launched in October 2023 which will see all-company engagement surveys run every six months, with actions being devised based directly on employee feedback at a Group and local business unit level.

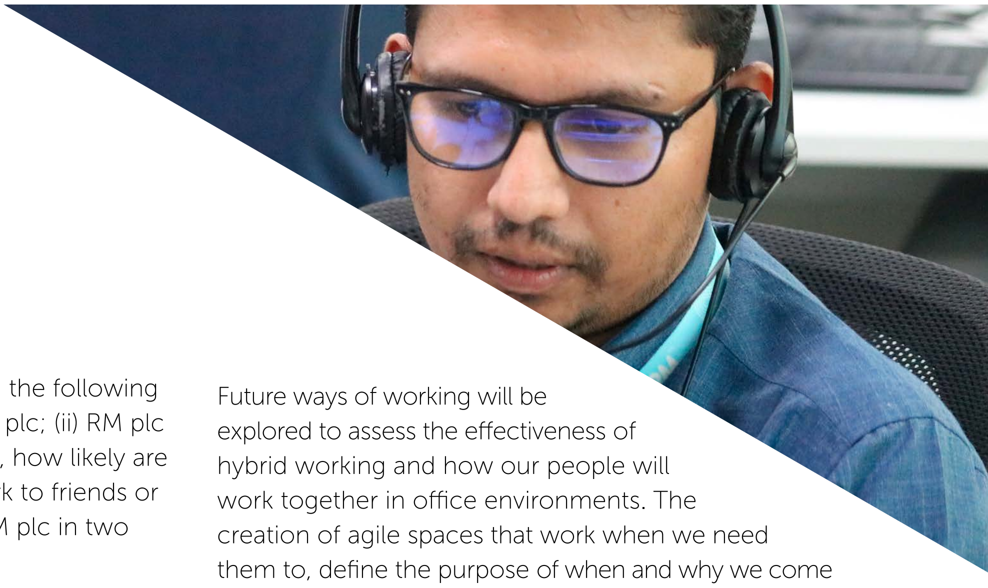
Following a review of all employee groups in the organisation, along with newly reworked Inclusion Networks, there has also been activity underway to redefine the RM Advocates group which previously acted as a conduit from the business to the Leadership team. Plans for this group, the form they will take, and how it will continue will be finalised and embedded throughout FY24.

To read about the induction process for new Board members please see Governance on page 76.

Employee engagement survey

To better understand how our people feel about life at RM, this year saw a change in how we manage our employee engagement survey. The survey previously provided limited insight into a small number of elements of life at RM. In FY24, we increased the number of questions asked, revised the question set to better reflect how our people felt towards the areas that mattered most, and changed our approach to how we survey our people around engagement. Year-on-year there is a strong response rate from our people, with more than 80% of employees participating (August 2022: 79%, January 2023: 86%).





How we measure engagement

Historically, we measured engagement using the following four questions: (i) I am proud to work for RM plc; (ii) RM plc is a great place to work; (iii) On a scale of 1-5, how likely are you to recommend RM plc as a place to work to friends or family; and (iv) I still see myself working at RM plc in two years' time.

Having reviewed the survey format during 2023, we decided to add one additional question addressing likelihood of leaving RM to ascertain sentiment linked to attrition and retention and understand employee loyalty which is strongly linked to engagement. The additional question did impact the overall engagement score slightly – including the new question the score was 57%, whereas if we excluded it, the score was 59%.

Feedback from the engagement survey provided insight into how our people felt during what has been a period of significant transformation for the business. Since the last survey in January 2023, we've seen a renewed Executive Team, continued challenges in the external market continuing to affect parts of the organisation, and reprioritisation of budgets. These factors contribute to the 57% overall engagement score mentioned above which is down 6ppts from 63% in January 2023 (August 2022: 65%) however many of the scores within the survey held strong and consistent. Notably, there has been an increase in Company Confidence, Leadership, Managers and Collaboration, which all indicate future optimism.

Moving forward, we'll conduct employee engagement surveys every six months, with the next survey scheduled for May 2024, and subsequently November 2024, continuing the six-month cycle.

Creating environments our people can thrive in

By rethinking the physical space, embracing the latest digital innovations, and embedding sustainability into every aspect of the workplace, we have made steps to deliver memorable employee experiences in the hybrid world. In addition, the diversification of our real estate options, adopting coworking spaces and serviced offices, will provide our people with more freedom and choice in their work environments while reducing operating costs.

Future ways of working will be explored to assess the effectiveness of hybrid working and how our people will work together in office environments. The creation of agile spaces that work when we need them to, define the purpose of when and why we come together. Effective implementation and review of workplace strategies like hot-desking, hoteling, and development of remote working policies are ongoing.

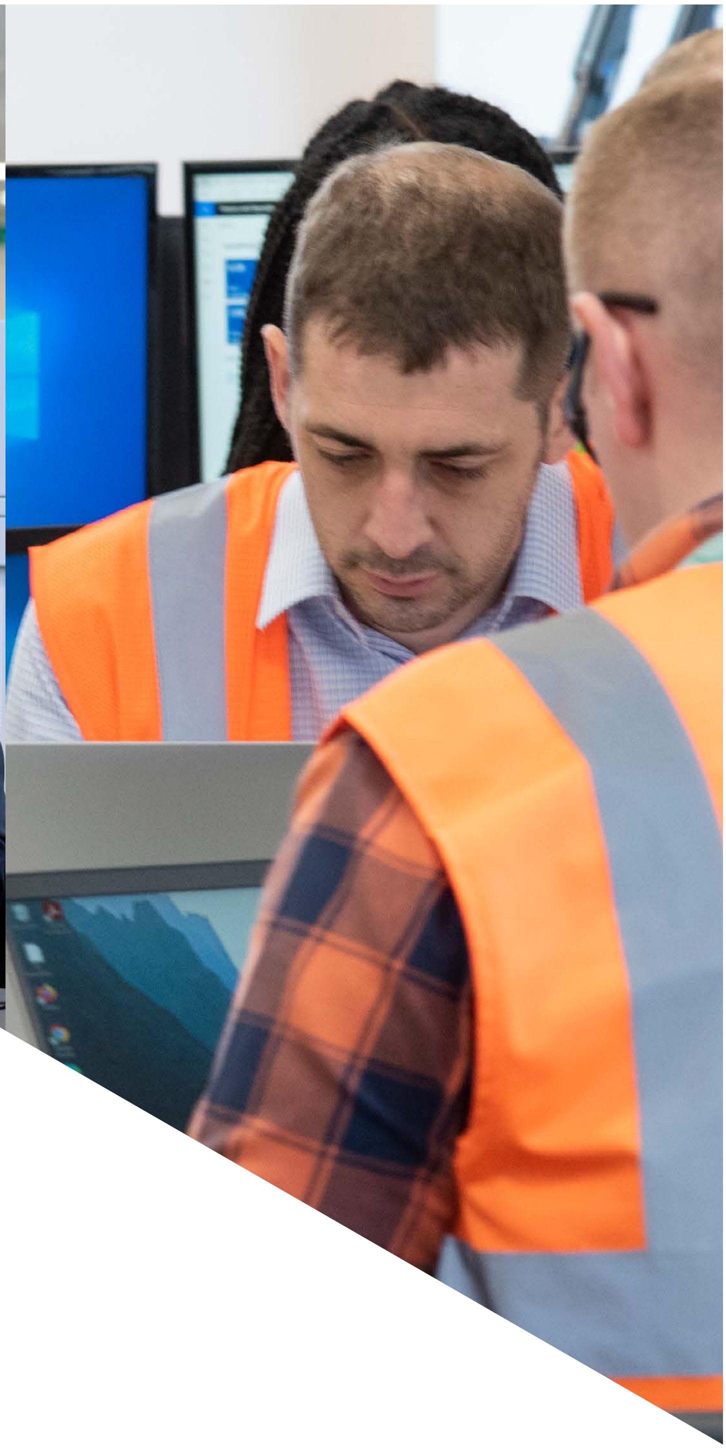
We will be embracing flexible layouts and modular designs to accommodate changing needs and evolving workstyles. Focusing on providing a human-centric workplace that promotes the physical, mental, and emotional wellbeing of our people.

Health, Safety and Wellbeing

RM is committed to supporting its employees and promoting positive health and wellbeing, and throughout FY23 we continued to ensure that the workforce is safe and well. A particular strength which our employee engagement survey confirmed, is our people feel safe at work, scoring the highest positive response across the business.

We delivered a range of programmes in 2023 to help us understand and manage our workplace safety and employee wellbeing while driving continuous improvement, these included:

- All members of our leadership team have commenced executive training to better integrate health and safety practices into our business holistically, while also role modelling behaviours for a positive safety culture.
- RM created a new Group Health & Safety Manager role in September 2023 to develop and standardise global ways of working ensuring a consistent approach to organisational health and safety.
- Our employees have continued to operate in a hybrid working approach supported by My WorkBlend, enabling employees to work flexibly where appropriate, supporting our people to balance their roles and lives. The positive activity here led to work-life balance being among our highest scoring employee engagement 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 for employees with physical health.



- All employees have access to an employee assistance programme provided by Aviva which offers access to a confidential helpline available 24hrs a day everyday with online support and guidance, face-to-face counselling and specialist bereavement counselling if required.
- Numerous virtual and hybrid initiatives tailored to engage both in-office and remote colleagues. We organised an online seminar on Breast Cancer Awareness led by a radiation oncologist to promote proactive health check-ups and early detection. Another highlight was a Krav Maga training session, where experienced coaches helped the participants learn the basics of self-defence.

Future focused

We have reviewed our areas of focus for the future and we will:

- Support and strengthen the culture of psychological safety throughout RM to enable our people to feel safe and empowered, to take ownership of health and safety, and to speak out when actions are outside of the policy. Through this empowerment of all our people, RM will be able to focus on learning from our mistakes which will drive continuous improvement in our performance and create an authentic positive safety culture.
- Expand our mental health support and awareness, creating a culture where mental illness is 'equal' to physical illness, through the application of Stress Management Standards in how we plan and undertake our work. We will support our people through mental health and workplace stress awareness training supported by our newly formed Mental Health & Wellbeing Network and the Employee Assistance Programme.
- Integrate an Occupational Health and Safety Management System that supports ISO 45001 into our business operations. Through this structured approach, RM will keep safety simple and proportionate, by proactively identifying and eliminating hazards and risks to maintain safe work environments.
- Re-energise our framework to ensure worker consultation and participation in health and safety matters through implementation of our Group Health and Safety Committee and Safety Champions. We will enable all our people to input and feedback into our policies, procedures, processes, and initiatives to increase job satisfaction through workforce engagement and to capture best practice and efficiencies in how we work.

Equity, diversity and inclusion

Equity, Diversity, and Inclusion (EDI) is an inherent part of RMs purpose to Enrich the Lives of Learners globally.

RM's vision is to be a leader and key driver of EDI throughout the education sector. And by ensuring RM reflects its customers and communities in which we operate, we will enable RM to create products and services aligned to their needs and expectations.

2023 overview

This year has been a year of significant refocus across RM as a business and has seen EDI brought to the forefront of the organisation. The recognition of the benefits that a strong, inclusive and diverse team can bring is firmly embedded throughout at all levels of RM.

RM appointed the Head of Sustainability to lead the work and build on last year's foundations.

RM currently has six EDI networks, these are Women at Work, Pride, Neurodiversity, People of the Global Majority and Allies, adding The Disability Network midway through the year.

Internal sentiment towards EDI is positive. We enhanced the questions we asked our people in our Engagement Survey to capture more comprehensive feedback around inclusion and scores remained strong. The areas that returned low scores are now focus points for RM plc going forward. We scored particularly well on two new questions, 'people from all backgrounds have equal opportunities' and 'RM plc is an inclusive place to work' which were rated 73 and 70 respectively. There has also been an increase in two points when asked 'when I share my opinion, it is valued'. Feedback also acknowledges team diversity across the business which is also represented in our Executive Leadership Team which is now comprised of 3:5 females to males.

Data on Diversity

Each member of the Board and member of the Executive Committee self-reported their gender identity and ethnic background through a fixed choice questionnaire with possible responses aligned to the specific categories in Listing Rule 9 Annex 2.

Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57%	2	5	62%
Women	2	29%	1	3	38%
Other categories	-	-	-	-	-
Not specified/prefer not to say	1	14%	1	-	-

Ethnic Background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	86%	3	6	75%
Mixed/Multiple Ethnic Groups	-	-	-	1	12.5%
Asian/Asian British	-	-	-	-	-
Black/African/ Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	1	12.5%
Not specified/ prefer not to say	1	14%	1	-	-

Governance

Highlights from our FY23 Journey

- Regular discussion with Executive and SLT teams, with the aim to drive the strategy, raise EDI knowledge and awareness throughout all levels of the business.
- Clear structure and framework implemented for our Network Leads, to recognise and compensate them for EDI-related activities, making it more than a 'side-of-desk' expectation.
- Significant increase in EDI-related communications with dedicated campaigns, for example National Inclusion Week where we featured external industry experts and charity partners.
- Dedicated measures of success using sentiment tracking as a part of our Engagement Survey activity – which will continue through the year.

EDI isn't just something we do to ensure an equal, diverse, and inclusive working environment, EDI is also part of the way we do business. This year EDI was at the centre of our customer bid proposals and solutions, for example;

- The new robotics range have capabilities that specifically cater for children with learning disabilities.
- Our Neurodiversity Network Lead has visited customer and non-customer SEND schools to talk about his lived experience. The talk extended to life at RM and the support available, as well as our approach to EDI and future ambitions to further enable SEND customers.

Key themes for FY24

To ensure that RM continues its positive trajectory from FY23 into FY24, we have focused on the strategy and what is needed to deliver our strategy and vision. Our key themes for actions in FY24 are:

- Continue to embed our Inclusive and psychologically safe working environment.
- Creation of products and services that are inclusive and accessible to all.
- Create links across our wider industry.

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 72 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 once 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 high levels 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 is available for all relevant employees to help them understand the issues they need to be aware of. A register is maintained by the Legal Department and is available for employees to complete in advance of attending trade association meetings. Additional specific training is provided to those attending trade association meetings where appropriate.

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 Chief Digital Officer 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 updates to the Board or Executive Committee 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 on pages 38 to 41.

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 information security policy and implementation. The Acceptable Usage Policy is further supported by other specific policies including Data Classification & Handling and Incident Management.

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 India 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. Further information on this is detailed in the Our people section on pages 59 to 63.

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. A Modern Slavery Working Group has been set up with representatives from across the business with the objective of ensuring our modern slavery risks, are managed, monitored and mitigated wherever possible. RM works with Sedex, a leading ethical trade membership organisation platform and the Resources division, which manages a significant proportion of the suppliers of the group, issues a Supplier Code of Conduct. See page 81 for further details.

The Modern Slavery statement is available on the RM website.

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 Policy

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

Tax

As a UK company, the Group pay taxes to the UK Government and overseas where applicable. 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.

Non-financial and sustainability information

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 42 to 47) Climate-related Financial Disclosures (pages 42 to 47)	RM risks relating to the environment are detailed in the aforementioned sections of climate-related risks across the whole business.
Employees	Equal Opportunities Policy (pages 59 to 62) Health and Safety Policy (pages 60 to 61)	RM reflects diversity and health and safety risks in the People risk section on page 40
Social and Community	Safeguarding Policy (page 65)	RM reflects safeguarding risk in the Operational execution risk on page 39
Respect for Human Rights	Annual Modern Slavery Statement (page 65) Data Protection Policy (page 64) Supplier Code of Conduct (page 65)	RM considers these risks with its suppliers on page 40 and Data and Business continuity on page 38
Anti-Corruption and Anti-Bribery	Anti-Bribery Policy (pages 63 to 64) Anti-Money Laundering Policy (pages 63 to 64) Share Dealing Code (page 65)	RM reflects anti-bribery and corruption risks in its Operational execution risk on page 39

See page 17 for the description of the business model and pages 20 to 25 for KPIs and non-financial targets.

Environmental Policy and Reporting

The Environmental Policy and Reporting section in the Sustainability Report on pages 42 to 47 is incorporated into this report.

Workforce

The section on workforce in the Social Value Report on page 58 is incorporated into this report.

Section 172 statement

In summary, as required by Section 172 (s.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 Viability		17
Viability Statement and Going Concern		32 to 35
Principal Risks and Uncertainties		38 to 41
Interest of employees		
Social Value (Workforce)		58
Stakeholder Engagement (Employees)		79 to 80
Foster relationships with suppliers, customers and others		
Stakeholder Engagement (Suppliers and Partners)		81
CEO Report		10 to 16
Impact on community and environment		
Sustainability Report (Environmental Policy and Responsibility) and TCFD Report		42 to 57
Sustainability Report (Community)		58
Stakeholder Engagement (Environment/Community)		81
Maintaining high standards of business conduct		
Purpose, Values and Culture		4 to 5
Sustainability Report (Governance)		63 to 65
Acting fairly between members		
Stakeholder Engagement (Shareholders)		80

Consideration of our key stakeholders is embedded into Board decision-making, strategy development and risk assessment with high importance placed on each of our key stakeholder groups: Customers, Employees, Shareholders, Suppliers and Partners, and Environment/Community.

An overview of stakeholder engagement and key initiatives undertaken by the Board during the year is detailed on pages 79 to 81 in the Corporate Governance Report.

Corporate governance

governance

Board of Directors

Helen Stevenson R N E

APPOINTED TO THE BOARD
16 February 2022 as Non-Executive Chair

CAREER
Helen Stevenson was appointed as Non-Executive Chair of RM plc on 16 February 2022. She is also the Chair of the Nomination Committee.

RELEVANT SKILLS AND EXPERIENCE
30-year executive career spanning senior supply and demand side roles across large Consumer Goods, Retail Financial Services and Digital Media organisations. Considerable expertise in strategic brand and customer marketing, and 11 years PLC non-executive director.

OTHER ROLES
Helen is a Non-Executive Director and Remco Chair of IG Group Holdings plc, a FTSE 250 fintech company providing derivatives trading. Until recently, she was also the Senior Independent Director of Reach plc, a Non-Executive Director of Skipton Building Society, and 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

APPOINTED TO THE BOARD
16 January 2023 as Chief Executive Officer

CAREER
Mark Cook joined the Board as CEO in January 2023.

RELEVANT SKILLS AND EXPERIENCE
With a background in operations and technology, Mark brings extensive experience in business transformation and creating shareholder value.

OTHER ROLES
After qualifying as an accountant and working in several finance roles, Mark moved into consulting, joining Xansa PLC where he led transformation and systems implementation programmes for clients including the BBC and Boots. In 2010, Mark joined Getronics Group under Aurelius Investments where he refocused the portfolio and created a global technology digital services business. In 2019, Mark joined Capita plc as CEO for the People Solutions Division and latterly the Technology Solutions Division. Mark is currently non-executive Chair of Searchlight Consulting.

Simon Goodwin

APPOINTED TO THE BOARD
29 August 2023 as Group Chief Financial Officer

CAREER
Simon Goodwin joined the Board as Group CFO on 29 August 2023.

RELEVANT SKILLS AND EXPERIENCE
Simon is a Chartered Management Accountant with 15 years of experience in finance leadership roles.

OTHER ROLES
Prior to joining the Board of RM plc, Simon was the Group CFO of MTI Technology from December 2017 until July 2023, where he was responsible for the finance and administrative functions across their operations in the UK, France, and Germany. Simon has also held senior finance roles in Getronics, the Dutch ICT business, and Sopra Steria, the digital services and software development consultancy. After qualifying as an accountant, Simon worked in a number of finance and commercial roles for Xansa PLC, Warner Bros and Marks and Spencer PLC.

Christopher Humphrey A R N E

APPOINTED TO THE BOARD
7 July 2023 as Non-Executive Director

CAREER
Christopher Humphrey joined the Board on 7 July 2023 as a Non-Executive Director and was appointed Chair of the Remuneration Committee on 10 October 2023. On 1 January 2024 Christopher was appointed Senior Independent Director.

RELEVANT SKILLS AND EXPERIENCE
Christopher Humphrey has extensive international, financial and general management experience gained across a range of sectors and in a variety of international markets (UK, USA, Europe and Far East) both in growth and turnaround situations.

OTHER ROLES
He is currently Chair of AIM-listed Eckoh plc, a customer engagement and contact solutions provider, a position he has held since 2017, and Non-Executive Chair of Heywood Pension Technologies – a pension solutions provider. He also served as Senior Independent Director and Audit Chair at AVEVA Group plc, Senior Independent Director and Audit Chair at Videndum plc, and Non-Executive Director at SDL plc, a language translation software provider. Christopher has had a number of leadership roles during his career, including the position of Group Chief Executive Officer of Anite plc from 2008 to 2015.

Richard Smothers A R N E

APPOINTED TO THE BOARD
3 January 2023 as Non-Executive Director

CAREER
Richard Smothers joined the Board on 3 January 2023 as a Non-Executive Director and became Chair of the Audit and Risk Committee on 31 March 2023.

RELEVANT SKILLS AND EXPERIENCE
Richard is a Chartered Management Accountant and has recent and relevant finance experience.

OTHER ROLES
He is currently the Chief Financial Officer at Greene King Limited, a role he has held since 2017, and has both strategic, financial and operational responsibilities. 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.

Jamie Murray Wells OBE A R N E

APPOINTED TO THE BOARD
1 November 2023 as Non-Executive Director

CAREER
Jamie Murray Wells joined the Board as a Non-Executive Director and was appointed Chair of the ESG committee on 1 November 2023. Jamie brings leading digital product and strategy expertise to the Board, having worked since 2013 for Google, where he has held roles defining new platforms and ecosystems, including as Head of Digital Platform Experiences and Head of Extended Reality (XR) Platform Enablement. Prior to joining Google, Jamie founded and led Glasses Direct, a digital-led retail business, before taking it through a private equity transaction with Cipio Partners. He recently served as a non-executive director of DD Group, the wholesale supplier to the dental sector.

RELEVANT SKILLS AND EXPERIENCE
Jamie brings leading digital product and strategy expertise to the Board.

OTHER ROLES
Jamie is a director of Trotters (Childrenswear & Accessories) Ltd, the timeless British childrenswear, footwear and hairdressing brand and The Cheese Geek Ltd, a business modernising cheese wholesale and retail online.

Carolyn Dawson OBE A R N E

APPOINTED TO THE BOARD
1 November 2023 as Non-Executive Director

CAREER
Carolyn Dawson joined the Board as a Non-Executive Director on 1 November 2023. She is currently CEO of the Founders Forum Group, the business services group for entrepreneurs, and is leading the relaunch of Tech Nation. Prior to this role she spent over 20 years at Informa Group plc, working in a range of leadership roles, including founding London Tech Week and most recently as President, Verticals and ESG, Informa Tech.

RELEVANT SKILLS AND EXPERIENCE
Carolyn brings significant and current experience in the technology and education sectors.

OTHER ROLES
Carolyn is a Trustee for Centre for Entrepreneurs. She has co-founded Miroma Founders Network, which provides growing businesses with media opportunities. Carolyn also serves on the board of 01 Founders, a free-to-access coding school; Founders Makers, a creative partner to scaleups and major brands, and Grip, an AI-powered networking solution.

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 2023, 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 2023.

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 January 2023, Mark Cook was appointed as CEO, replacing Neil Martin who resigned from the Board on 1 April 2023. In addition, Simon Goodwin was appointed as CFO on 29 August 2023 replacing interim Chief Financial Officer, Emmanuel Walter. For details of other appointments and 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 sale of the RM Integris and RM Finance business and the decision to cease trading in the Consortium business. 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 these stakeholders has been important, particularly during a year of transformation. You can read more about RM's engagement with stakeholders, including shareholders, on pages 79 to 81.

Helen Stevenson
Non-Executive Chair

14 March 2024

1. Board leadership and company purpose	Section and page
A: Leadership, long-term success, value generation and societal contribution	Purpose, Values and Culture - pages 4 to 5 Throughout the Sustainability Report on pages 42 to 47, Corporate Governance Report on pages 70 to 125 and Remuneration Committee Report on pages 96 to 118, 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 - pages 4 to 5 Major Activities of the Nomination Committee - pages 84 to 87
C: Resources and controls	Resources - page 17 KPIs - pages 20 to 25 Managing our Risks - page 36 Internal Controls - pages 82 to 83 Review of Risk Management - pages 36 to 41
D: Stakeholder engagement	Stakeholder Engagement - pages 79 to 81 Section 172 Statement - page 67 and 79
E: Workforce policies and practices	Remuneration Policy and Stakeholder Engagement - page 79 Whistleblowing - page 65 Employee Stakeholder Engagement - page 79
2. Division of responsibilities	**Section and page**
F: The Chair	Board of Directors - pages 70 to 71 Roles - pages 75 Board Evaluation - pages 76 to 77
G: Board composition and division of responsibilities	Board of Directors, Board Committees - pages 70 to 71 Roles - pages 74 to 75 Directors' Conflicts of Interest and Independence - page 77
H: Role and time commitment of Non-Executive Directors	Board of Directors - pages 70 to 71 Board Attendance - page 76 Committee Attendance - pages 84, 88, 117 Roles - pages 75 Directors' Conflicts of Interest and Independence - page 77
I: Board function and the Company Secretary	Board of Directors - pages 74
3. Composition, succession and evaluation	**Section and page**
J: Board appointments and succession planning	Nomination Committee Report - pages 84 to 87 Board Diversity and Inclusion Policy - page 78
K: Board and committee skills, experience and knowledge	Board Tenure - page 76 Board Composition - pages 70 to 71
L: Board evaluation	Board Evaluation - page 76
4. Audit, risk and internal control	**Section and page**
M: Internal and external audit independence and effectiveness	Internal Controls - pages 82 to 83 Audit and Risk Committee Report - pages 88 to 95
N: Fair, balanced and understandable assessment of position and prospects	Statement of Directors' Responsibilities - pages 124 to 125
O: Risk management, internal control framework and principal risks	Managing our Risks - page 36 Principal Risks and Uncertainties - pages 38 to 41 Internal Controls - pages 82 to 83
5. Remuneration	**Section and Page**
P: Remuneration policies and practices	Remuneration Committee Report - pages 96 to 118
Q: Executive remuneration	Remuneration Committee Report - pages 96 to 118 Remuneration Policy, Stakeholder Engagement - page 79
R: Independent judgement and discretion in remuneration outcomes	Discretion - page 98

Board of Directors

The Board consists of the Chief Executive Officer, Chief Financial Officer and five Non-Executive Directors including the Chair. The Chair was considered independent on appointment. The Board considers Richard Smothers, Christopher Humphrey, Carolyn Dawson and Jamie Murray Wells, 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. 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 reports or presentations 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 shareholder feedback and the disposal of the RM Integris and Finance business and the impact of the decision to cease trading in the Consortium 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.

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 last year at which time the Audit Committee was also 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 Executives 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
- Ensures that the internal audit function has the resources to perform its function and reviews audit plans
- Reviews matters relating to fraud and whistleblowing and reports to the Board

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 ensures that it is fit for purpose
- Monitors progress against the ESG strategy and performance against targets
- Reviews 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
- Maintains and protects 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 had 14 scheduled meetings during the 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 2023, topics discussed included the sale of the RM Integris and RM Finance businesses and extension of the bank financing facility and covenant positions. 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	14/14
Mark Cook (appointed 16 January 2023)	12/12
Simon Goodwin (appointed 29 August 2023)	5/5
Chris Humphrey (appointed 7 July 2023)	6/6
Richard Smothers (appointed 3 January 2023)	13/13
Carolyn Dawson (appointed 1 November 2023)	1/1
Jamie Murray Wells (appointed 1 November 2023)	1/1
Patrick Martell (resigned 31 December 2023)	14/14
Charles Bligh (resigned 31 October 2023)	12/13
Paul Dean (resigned 1 April 2023)	4/4
Vicky Griffiths (resigned 6 October 2023)	12/12
Neil Martin (resigned 31 March 2023)	5/5

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.

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 2023.

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	86%
2-5 years	14%
5+ years	0%

Induction

All Directors receive an induction on joining the Board. Mark Cook, Simon Goodwin, Richard Smothers, Christopher Humphrey, Carolyn Dawson and Jamie Murray Wells joined the Board this year and met with all Board Directors, members of the Executive and other relevant employees. They received comprehensive resources on Board activities and Company documents such as Committee Terms of Reference, Delegation of Authority and Group structure and received training as required.

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 the Board meeting in January 2024. 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.

Suggestions for improvement were made with regard to:

- A greater focus by the Board on the ongoing performance of KPIs during the year;
- Having more relevant performance metrics for the Board to assess RM's performance within the markets it operates in;
- Providing more context on the external market at Remuneration Committee meetings;
- Shifting the balance further at Board meetings from short-term priorities (which was critical in 2023) to longer-term sustainable success; and
- Building on the succession planning work during 2023 to ensure all key positions are addressed following senior management appointments towards the end of year.

The improvements suggested in the Board and Committees evaluation last year were felt to have been implemented, specifically:

- Further enhancements to the risk management process;
- There being more regular presentations to the Board by Executive Team members in order to give the Board greater visibility of progress in the business;
- The engagement of an external remuneration advisor to support the work of the Remuneration Committee; and
- Work on succession planning for Board and senior management (see page 86).

An external facilitated Board evaluation was considered but it was felt it would not be useful given the number of new appointments to the Board 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. Non-Executive Directors can, on request, 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, who resigned from the Board on 31 October 2023, was the CEO of Restore plc, which was a supplier to RM of scanning and associated services, until 6 July 2023. The Board believes that, since his appointment, Charles had constructively challenged matters that came before the Board and the Nomination Committee, and effectively held management to account during his tenure. Charles was not a member of the Audit and Risk Committee and or the Remuneration Committee during the year. Accordingly, the Board was satisfied that Charles was a valuable member of the Board but was 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 47.

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. It was reported in last year's Annual Report that the Board intended to meet the FCA targets on diversity by end of November 2024 through succession planning. Despite diversity being a key area of focus in the recruitment of new board members during the year, the appointments did not result in two out of three of the Listing Rule targets being achieved as the Board needed to balance this alongside the specific experience requirements such as technology transformative experience and current technology roles within education. See table below for more details. Accordingly, while the Company remains committed to achieving the two remaining FCA targets on diversity, the Company is now committed to achieving them by the end of November 2026. 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;	Currently female Board members comprise of 29% of the Board which has decreased compared to the previous year due to the CFO position now a member of the board as opposed to an interim role.
ii. at least one senior Board position is held by a woman; and	The position of Chair is held by a woman and therefore this target has been met.
iii. at least one member of the Board is from a non-white ethnic minority background.	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 and will continue to be for future appointments.
To consider composition and diversity as part of its review of effectiveness in the Board evaluation.	These matters were considered in the 2023 Board evaluation.
To make key diversity and inclusion information about the Board and senior management available in the Annual Report.	Data on diversity within RM under listing Rule 9 Annex 2 is shown on page 62. The gender diversity at Executive Committee within senior management has improved from 33% last year to 38%.

Further information including diversity statistics is in the Sustainability Report on page 62.

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.
- During the year, 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 - Section 172 statement

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 engagement and key initiatives undertaken 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. The Board further receives regular updates on new customer wins, significant tender process updates, customer complaints, presentations from the divisional MDs about customer experiences, and approves all major new contracts. This year members of the Board met with major customers to discuss the formation of new partnerships and ways of working to meet the customers' needs. The Board also received a presentation on new customer propositions and the strategy of the Assessment business.

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 a matter 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 59 to 63

Shortly after joining, Mark Cook, CEO, continued the process to engage the workforce through All Company presentations, held quarterly, sharing strategic focuses by the Board and financial performance. During these live sessions, employees are given the opportunity to ask questions and share their views on the business with an Executive audience present. Feedback is provided to the Board to provide greater awareness of workforce sentiment.

During 2023, the Board supported a rework of the annual employee engagement survey, which now sees a fuller, more comprehensive set of questions to attain detailed feedback on life at RM. The results are presented to the Board to home in on key areas of improvement with greater clarity and agree actions with management. An example of this was increasing the time spent discussing the Company's strategic initiatives at quarterly All Company presentations (described above) to provide greater transparency. The frequency of these surveys has also changed to become twice-yearly, taking place in November and May.

Patrick Martell was the designated Non-Executive Director for workplace engagement during 2023 and was replaced by Jamie Murray Wells with effect from 1 January 2024. In this role, Patrick met with groups of employees including the Senior Leadership Team to hear about and discuss their experiences of working at RM. He also held meetings with the Chief People Officer to discuss Executive remuneration and wider workforce matters, reporting 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.

To continue to support the mental wellbeing of the workforce, the Mental Health First Aiders continue to operate across RM. Throughout FY24 the group will receive additional support from RM as they become an official EDI network, supported by both RM's Head of Sustainability and EDI and Head of Internal Communications. This, paired with our continuing Employee Assistance Programme provides the workforce with multiple avenues for support for a range of matters, personal and professional.

Other actions, which have a direct impact on employees, taken by the Board during the year include:

- Approving the Whistle Blowing policy to provide a mechanism for our people to speak up.
- Approving the Modern Slavery Statement, supporting our zero-tolerance policy towards any form of modern slavery or child labour.
- Approving the Health, Safety and Environment Policy Statement, which was published.

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 results presentations were held by the Chief Executive Officer and Chief Financial Officer to update the market and shareholders on RM's strategy and performance. In order to maintain dialogue with institutional shareholders, the Chief Executive Officer and Chief Financial Officer are available to speak with shareholders following interim and final announcements of results, and otherwise, as appropriate.

The Chair 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 Directors.

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 Chief Executive Officer 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, 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 Board also receives regular updates on shareholder register changes and analyst communications.

Suppliers

RM recognises the importance of its suppliers within its supply chain and collaborates closely with our key vendors. From a governance perspective, review meetings are held with strategic suppliers across the Group with the aim of managing performance, identifying improvement opportunities and minimising risk.

Internally, Procurement resources are organised by division, with separate Procurement and Supplier Management Teams aligned with divisional supply chains. In addition, Group Procurement support the Corporate Services supply chain plus cross-divisional Procurement activity. All Procurement is governed and authorised via RM's Delegation of Authority Schedule meaning that significant supplier contracts require Board approval.

RM continued to work with Sedex, a leading ethical trade membership organisation platform, during the year. Suppliers pay a small annual fee and are required to complete a self-assessment annually covering labour, health and safety, and ethics and environment. Responses are reviewed and a risk rating is given across each of the four areas. In addition, supplier audits were undertaken on higher risk suppliers, e.g. in the Far East, with only a couple of minor issues being identified, which were immediately resolved. A Modern Slavery Working Group has been set up to include representatives from across the business with the objective of ensuring that modern slavery risks, are managed, monitored and mitigated wherever possible. The Board received a report on this and approved the Modern Slavery Statement 2023, which is available on the Company's website: www.rm.com/anti-slavery

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 considers how RM's products could benefit potential customers in that market by working collaboratively.

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 page 46 and is therefore important to the Company's strategic objectives to 'Reach more customers' and 'Improve 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. The Board established the ESG Committee last year which reports directly to the Board on environmental and social initiatives in accordance with its terms of reference. This includes a reduction of our carbon emissions by 25% during 2023. See page 56 for details.

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 38 to 41)

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 at monthly Board meetings.
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 off-system model and associated governance process was improved during the year. 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 annual 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 65).
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 Head of Internal Controls & Internal Audit and reviewed by the Group Financial Controller and Chief Financial Officer before submission to the Audit and Risk Committee for approval. 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 there remains a requirement to improve internal financial controls. Reviews were commissioned to be performed by Grant Thornton covering internal controls and processes such as balance sheet reconciliations, supplier statement reconciliations and Assessment revenue. Several recommendations have been implemented by management during the second half of the year to strengthen the internal controls. Additionally, a new Head of Internal Controls & Internal Audit was appointed during the year to work with the outsourced internal audit firm in identifying areas of risk, recommending an audit plan to the Audit and Risk Committee, and executing the plan.

Following these changes, the Board and Audit and Risk Committee are satisfied with internal control progression.

Further details are provided in the Audit and Risk Committee Report on pages 88 to 95.

Nomination committee report

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 30 November 2023.

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 2023 was comprised of Non-Executive Directors and the Chair of the Board as detailed below:

Helen Stevenson (Chair)
Richard Smothers – appointed 3 January 2023
Christopher Humphrey – appointed 7 July 2023
Jamie Murray Wells – appointed 1 November 2023
Carolyn Dawson – appointed 1 November 2023
Patrick Martell – resigned 31 December 2023
Vicky Griffiths – resigned 6 October 2023
Paul Dean – resigned 1 April 2023
Charles Bligh – resigned 31 October 2023

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

The Nomination Committee held four scheduled meetings during the period and other ad hoc meetings. Attendance is set out below.

	No. of meetings held in the period/Eligible to attend
Helen Stevenson	4/4
Christopher Humphrey	1/1
Richard Smothers	4/4
Vicky Griffiths	4/4
Patrick Martell	4/4
Jamie Murray Wells	0/0
Carolyn Dawson	0/0
Paul Dean	2/2
Charles Bligh	4/4

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 activities were undertaken by the Committee:

- The recommendation for reappointment at the Annual General Meeting of all Directors standing for re-election based on the evaluation of the Board and its Committees.
- Initiating succession planning for Executive Director and other senior management roles.
- The search for:
  - a new CEO, which was led by the Chair;
  - a new CFO, which was led by the Chair; and
  - four independent Non-Executive Directors, which was led by the Chair.

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, and then met with 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 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.

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

- H.I.E.C. was engaged for the search for the new CEO; and
- Teneo People Advisory were engaged for the search of four Non-Executive Directors during the year.

H.I.E.C and Teneo People Advisory do not have any connection with the Company or individual Directors (other than in relation to similar previous appointments).

Appointment of CEO

The search for a new CEO was supported by and external search agency, H.I.E.C., who were selected after a thorough selection process. A comprehensive international search process was undertaken to identify and onboard a significant, transformational and proven CEO who was readily available and who could deliver value to the business, its employees, customers and shareholders. Having extensive experience in leading organisations through transformation to growth was a key requirement ascertained by the Committee.

In total, 166 potential candidates were identified, 44 candidates were contacted, with 14 undergoing rigorous multi-stage interviews with HIEC. This included a mix of female and male candidates.

Eight candidates underwent a first interview with RM, with further stages included until one preferred candidate (Mark Cook) was unanimously recommended by the Committee to the Board for appointment, with effect from 16 January 2023. Mark has a strong background in business process and technology and brings extensive experience in business transformation and creating shareholder value.

Appointment of CFO

The CFO recruitment was managed through a direct process, with eight candidates sourced through RM networks (five external and three internal candidates) to identify and onboard an experienced and proven CFO with transformational experience and who could deliver immediate and long-term value.

Four of the candidates were formally interviewed through a number of stages, and two candidates met the Chair and Chair of the Audit Committee.

A preferred candidate, Simon Goodwin, was identified and met the remaining Non-Executive Directors. The Committee recommended Simon's appointment noting that he had played a key role in strategic turnaround in a previous position, along with having a strong financial background.

Non-Executive Director appointments

The appointments of Richard Smothers (3 January 2023), Christopher Humphreys (7 July 2023), Carolyn Dawson (1 November 2023) and Jamie Murray Wells (1 November 2023) were made after a thorough selection process supported by an external search agency, Teneo People Advisory, who had demonstrated to the Committee a solid understanding of the briefs and skills requirements. For each appointment, interviews were conducted by Teneo People Advisory followed by RM before the Committee recommended a preferred candidate to the Board.

In respect of Richard Smothers' appointment, having relevant and recent financial experience was fundamental in order to take up the role of Chair of the Audit Committee upon Paul Dean's retirement. Richard is currently CFO at Greene King Limited having previously held a number of other senior financial positions.

In respect of Chris Humphrey's appointment, listed company experience including other non-executive director roles along with prior senior leadership positions at plc's were identified as key requirements in order to enhance the Board's skillset in these areas. Chris is currently Chair of AIM-listed Eckoh plc and has also served as Senior Independent Director and Audit Chair at AVEVA Group plc, Senior Independent Director at Videndum plc, and Non-Executive Director at SDL plc.

Prior to the appointments of Carolyn Dawson and Jamie Murray Wells, the Committee identified, following a review of the Board's skillset, a need for the following skills and experience:

- Current or very recent executive experience of technology changing consumer experiences; and
- Credible experience of building consumer-facing digital products.

Carolyn Dawson brings significant experience in the technology and education sectors. She is currently CEO of the Founders Forum Group, the business services group for entrepreneurs, supporting businesses at the forefront of the tech ecosystem. Jamie Murray Wells brings leading digital product expertise to the Board, having worked since 2013 for Google, where he has held roles defining new platforms and ecosystems, including as Head of Digital Platform Experiences and Head of Extended Reality (XR) Platform Enablement.

Further details on the skills, knowledge and experience of each of the new appointments are set out below and in their biographies on pages 70 to 71.

Succession planning

A review of the Board's composition and skillset was conducted during the year, as changes to the Board were planned for and decisions made. In doing so the Committee assessed the skills, knowledge and experience that new Board members would be required to have, as detailed above, to strengthen the capabilities of the Board in line with the needs of the Group.

In addition to the appointment of a new CEO and CFO, the Executive Committee has been strengthened through the external hire of a new Chief Technology Officer, a new Chief People Officer and a new Company Secretary. Following these appointments, succession planning was undertaken and involved the creation of a senior leadership team, made up of existing management roles in the Group, that sits below the Executive Committee. High performers and those with great potential were then identified as future leaders. As at 30 November 2023, a potential successor had been identified for all but two members of the Executive Committee and a plan was in place for this exercise to be completed during 2024.

Diversity

The Board policy for Diversity was reviewed last year and amended to reflect the new Listing Rule targets which, as stated in last year's Annual Report, it intended to achieve by November 2024. These targets were a key area of focus in the recruitment of new board members during the year and, accordingly, search agencies were requested to provide a diverse pool of candidates in terms of both gender and ethnicity. However, these appointments did not result in two out of three of the Listing Rule targets being achieved (see Corporate Governance Report, page 78) as the Board needed to balance this alongside the specific experience requirements such as technology transformative experience and current technology roles within education. The Board remains committed to promoting broader diversity and to achieve each of the Listing rule targets in the medium term.

As mentioned above, there were three new appointments to the Executive Committee excluding the CEO and CFO; two out of three of these appointments were female and, accordingly, female representation of the Executive Committee increased to 38% as at 30 November 2023 (2022: 33%).

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 Our People section in the Sustainability Report on page 59 for more information on diversity).

Diversity and inclusion in the workforce potentially create a better environment for innovation and service excellence and achieve the strategic goals.

See page 62 of the 'Our People section' of the Strategic Report for further information and details of RM's policy on equal opportunities and how it supports strategy.

Board and committees evaluation

An evaluation of the effectiveness of the Board and its Committees was carried out in the year. For details including the outcomes and actions taken, see page 76.

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 70 to 71 (Board of Directors). The Committee considers the current Board membership provides the right mix of skills, knowledge and experience.

Board Skills, Knowledge and Experience	Helen Stevenson	Mark Cook	Simon Goodwin	Chris Humphrey	Richard Smothers	Carolyn Dawson	Jamie Murray Wells
Independence	✔			✔	✔	✔	✔
Governance, Risk & Regulatory	✔	✔	✔	✔	✔		
Technology		✔	✔	✔		✔	✔
Digital product management	✔					✔	✔
Finance		✔	✔	✔	✔		
CEO & Leadership Experience		✔	✔	✔		✔	✔
Education sector	✔		✔			✔	
M&A/Restructuring	✔	✔	✔	✔	✔		
International	✔	✔	✔	✔	✔	✔	✔
Stakeholder/IR/IP	✔	✔	✔	✔	✔		

The Board had one Non-Executive Director, Patrick Martell, who was nearing the tenth anniversary of his appointment prior to his resignation effective 31 December 2023. In light of the significant number of board changes in the last two years, 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 ten years, Patrick has demonstrated role model independence in his approach and in his thinking. Accordingly, the Board was satisfied that Patrick remained independent until his retirement, notwithstanding his tenure.

Helen Stevenson
Chair of the Nomination Committee

14 March 2024

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 2023.

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 Committee during the year ended 30 November 2023 comprised:

- Paul Dean – Chair to 29 March 2023, until his resignation from the Board on 1 April 2023
- Richard Smothers – appointed 3 January 2023, Chair from 29 March 2023
- Vicky Griffiths – resigned 30 September 2023
- Patrick Martell – resigned 31 December 2023
- Christopher Humphrey – appointed 7 July 2023
- Jamie Murray Wells – appointed 1 November 2023
- Carolyn Dawson – appointed 1 November 2023

All of the above were independent Non-Executive Directors. The Group considers that Richard Smothers has 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 Chairperson (Helen Stevenson), the Chief Executive Officer (Mark Cook), the Chief Financial Officer (Emmanuel Walter to 29 August 2023 and Simon Goodwin thereafter), Charles Bligh (Non-Executive Director until 31 October 2023), Group Financial Controller (Jo Bridgman to 29 March 2023, Richard Welfare from 3 July 2023) and other management are invited to attend the Committee meetings as appropriate.

The Committee met four 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	2/2
Richard Smothers	4/4
Vicky Griffiths	4/4
Patrick Martell	4/4
Christopher Humphrey	2/2
Jamie Murray Wells	0/0
Carolyn Dawson	0/0

Roles and responsibilities

The 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, 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, to be responsible for the procedure for the selection of the external auditor and recommend their appointment.

Effectiveness
To report to the Board on how it has discharged its responsibilities. 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 Committee. These agendas include meetings with the external auditor without Executive Directors or managers of the Company present.

Financial reporting

Financial statements
The 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 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 and the restatement of financial information related to prior years.
- 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.
- Management's progress in remediating control deficiencies.
- Whether the Company's financial report is fair, balanced and understandable.

As part of this process the Committee received reports from the Company's management and the external auditor. The external auditor provided her audit opinion along with audit findings that were of significance in relation to the audit of the annual Financial Statements. The 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: financial reporting impact of decision to cease trading in Consortium (new risk)

On 24 November 2023 the Company announced its decision to cease trading of the Consortium business, which is part of the RM Resources division. As the business was still trading on 30 November 2023, it did not meet the criteria to be classified as a discontinued operation under IFRS5, but nonetheless the announcement has several implications on the FY23 financial statements which involve a high degree of judgement or estimation, and include:

- *Individual testing of fixed assets (including right of use lease assets, fixtures and fittings and intangibles) for impairment* – assets that will continue to be used by the remaining TTS business need to have their carrying value supported by the future cash flows of that business unit, and residual values to be estimated for those assets that will be abandoned or sold;
- *Carrying value of inventory and receivables* – inventory should be carried at the lower of cost and net realisable value, with an estimation of realisable value of items to be sold through flash sales to wholesalers, and an assessment of expected credit loss assumptions in light of the closure announcement will be required;
- Goodwill allocation - as noted in the 'carrying value of goodwill and intangibles' matter below, the decision by management to separately monitor the results of the Consortium and TTS brands in June 2023 triggered an allocation of goodwill, previously monitored at the RM Resources level, between the TTS and Consortium cash generating units. Goodwill allocated to TTS will require supporting via the value in use of the business, whereas goodwill allocated to Consortium has been written off following the announcement of the closure of that business;
- *Segmental reporting* – as noted above, the decision by management to separately monitor the results of Consortium and TTS in June 2023 provided the trigger to split the segmental reporting; and
- *Adjusting items* – following the annoucement of the closure of the Consortium business, restructuring costs associated with the closure were recognised as adjusting items in the income statement.

Committee action:
The Committee has reviewed and challenged papers which set out the approach to the above items and supporting detail, discussed judgements with management, and considered the conclusions of the external auditor.

Outcome:
The Committee is satisfied that the financial reporting impact of the decision to cease trading of the Consortium business has been appropriately reflected and disclosed in the Annual Report and Accounts.

Matter considered: long-term revenue recognition

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 estimation 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.

Committee action:
The Committee received papers which included bi-annual updates on the key judgements and estimates arising from the more complex and significant contracts in respect of IFRS15, which in the period have related to Assessment contracts. The Committee is also provided with a bi-annual update on any significant new contracts throughout the business and the types of performance obligations and judgements identified in these contracts.

During the year, as part of the ongoing controls improvement project, management developed and implemented a new revenue recognition model which, together with an overarching governance framework, was applied to the nine largest contracts in Assessment. During FY24 this model will be rolled out further to cover all significant contracts by total value.

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.

Matter considered: going concern review process

The Committee review and consider the appropriateness of the preparation of the accounts on a going concern basis. There was a focused prominence on this year's review as a result of the forecast breach of EBITDA covenant announced in the half-year reporting, which resulted in waivers being granted by lenders for the quarters ended 31 August 2023 and 30 November 2023, and the commencement of an amend and extend exercise on the facilities which has now concluded.

Committee action:
The Committee reviewed papers that outlined a base case forecast with associated cash flows which was aligned to the previously approved three-year budget noting latest forecasts. A set of scenarios were then 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. The resulting cash flows were considered against the new covenant positions agreed with the facility lenders for the 12-month outlook period required.

Outcome:
The Committee assessed that a thorough process had been adopted and were satisfied no material uncertainties existed, and therefore 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

The Group carries significant asset balances in respect of goodwill and intangible assets related to acquisition activity. The Group has also recognised intangible assets primarily associated with its own IT systems platform programme and selected customer funded intangible software development. In addition, the parent Company carries a material balance of investment in subsidiaries within 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 cash-generating unit (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.

Management's decision to review the results of the Consortium and TTS brands separately, taken in June 2023, represented a trigger to assess goodwill. Specifically, goodwill that was previously monitored as a group of CGUs representing RM Educational Resources Limited was required to be split. Following the announcement of the closure of the Consortium business in November 2023, the goodwill component relating to Consortium was impaired, and the intangible assets representing the IT systems platform associated with that business were also impaired.

Committee action:

The 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 Committee is satisfied the impairment of goodwill and intangibles that is recognised in these statements has been appropriately calculated and disclosed.

For goodwill and intangibles not impaired, the Committee is satisfied this is in line with expectations given the assessment was based on Board-approved future projections.

Matter considered: adjusting items

The Group reports adjusting items which are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group's long-term interests. Adjusting items are identified by virtue to the size, nature or incidence at a segment level.

Committee action:

The Committee reviews and challenges papers that set out adjusting items and supporting detail associated with those adjustments. Items that are new in year were discussed including impairments resulting from the announced decision to cease trading of the Consortium business, and associated restructuring costs.

Outcome:

The Committee is satisfied that the presentation of adjusting items have been made appropriately in respect of size, nature and incidence, and believes the disclosures in the Annual Report and Accounts allow the reader to obtain a good understanding of the nature of the adjustments made.

Conclusion of financial reporting considerations

Management reported to the Committee that they were not aware of any material misstatements in the Annual Report and 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 restatements as outlined in Note 33). The 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 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 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 positive and negative considerations. The Committee also considered whether the half year and full year results announcements were presented clearly.

The 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 Committee recommended, and shareholders approved at the Company's Annual General Meeting on 25 May 2023, the reappointment of Deloitte LLP as Group external auditor.

The 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 2024 AGM.

The Committee will continue to review the auditor appointment and anticipates that the audit will be put out to tender at least every 10 years. The Company has complied with the Statutory Audit Services Order 2014 for the financial year under review. The last external audit tender took place in 2020, which resulted in the appointment of Deloitte. This is Deloitte's third year as the Group's auditors.

Oversight of external audit

The 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 and how these have been addressed by the external auditor which were discussed with the Committee. The external auditor also reports on other matters such as upcoming regulatory changes, control observations and peer practices.

The 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.

Fees for non-audit work in the period were 75% (£1,030k) of the annual audit fee, which related to the appointment of Deloitte as reporting accountant for the Group's sale of the RM Integris and RM Finance businesses. This decision was reviewed and approved by the Audit and Risk Committee in advance of appointment, with threats of self-review and self-interest considered mitigated through the use of a separate team, engagement partner, independent reviewer and engagement letter. No interim review was performed during the financial year.

Financial Reporting Council (FRC) review of 2022 financial statements and regulatory audit quality

In October 2023, the FRC carried out a review of the Group's Annual Report and Accounts in line with usual cyclical practice and raised a number of queries. Management responded to the review, which is now closed, and have made a number of disclosure improvements to the financial statement disclosures in these (and future) accounts.

The FRC's review was based on the Group's annual report and accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. The FRC review provides no assurance that the Group's report and accounts are correct in all material respects, as the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Deloitte's audit of the Group's 30 November 2022 year end was selected for review by the FRC's Audit Quality Review (AQR) team. The Audit & Risk Committee Chair met with the AQR as part of the process and was kept up to date by Deloitte as the review progressed. The review has now completed, identifying limited improvements required, with the Chair of the Audit Committee receiving a copy of the findings.

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 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 Committee is responsible for monitoring the effectiveness of the Company's internal system of control.

Assessment of control environment

During the year, the Group continued to evolve its control framework following the findings of previous years. Whilst not all of the recommendations made in the Financial Position and Prospects Procedures report have yet to be fully addressed, the Group has specifically focused on controls considered most important to reduce the risk of material misstatements in these accounts. These included supplier statement reconciliations, controls over revenue recognition and balance sheet reconciliations.

The Committee is being updated regularly with respect to progress related to remediation activities as well as reviewing ongoing control improvements identified. Because a number of controls are only in place from the balance sheet date a fully substantive audit approach continued to be undertaken for the 2023 year end.

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 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.

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, which was reviewed and enhanced during the year. Individuals are made aware of their level of authority and their budgetary responsibility which enables them to identify and monitor financial performance. There are established policies and procedures, which have been further refined and documented during the year. 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.

During the year the Group developed and implemented an enterprise risk framework model, which is overseen by the Board and will be reviewed by the Committee at least once a year or when there are significant changes affecting the Group's risk profile.

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 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 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 Committee on an annual basis, 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

During the year, a Head of Internal Audit & Internal Controls was appointed to the Group. The Committee, with the advice and support of the Head of Internal Audit & Internal Controls, sets an internal audit plan, focused 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 & Internal Controls reports on progress against this plan at Committee meetings, and has a direct route to the Committee Chair.

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 has completed audits of:

- Compliance with Governance and Listing Rules by RM plc
- Contractual commitments in the Assessment division
- Data security & privacy for the Group

The Internal Audit plan continues to be reviewed and approved on an annual basis. For FY24 an initial plan has been approved using inputs from Grant Thornton, executive management of the Group, and findings from the external audit process. Once the enterprise risk framework is finalised it is expected that the most significant risk outputs from this process will inform future Internal Audit programmes.

'Whistleblowing' Policy

The Group has adopted a formal Whistleblowing Policy and more details may be found in the Sustainability Report at page 42 to 47.

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 42 to 47.

Richard Smothers
Chair, Audit and Risk Committee

14 March 2024

Remuneration committee report

Part A – Remuneration Committee Chair's Statement

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 30 November 2023.

This report is divided into the following three sections:

Part A Remuneration Committee Chair'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 2023;

Part B Directors' Remuneration Policy (the "Policy"): which sets out the Policy which we are seeking to amend and update at our 2024 AGM on 9 May 2024; and

Part C Implementation Report: which sets out the payments and awards made to Directors for the year ending 30 November 2023 and how the Directors' Remuneration Policy will operate for the year ending 30 November 2024.

Remuneration arrangements for our new leadership

Mark was appointed as our Chief Executive in January 2023 and Simon was appointed as our Chief Financial Officer in August 2023. As the new leaders of our leadership group (which also includes some newly appointed executives), Mark and Simon have a clear objective which is to improve RM's recent performance and thereby (it is anticipated) to drive a recovery in shareholder value.

In terms of the packages for Mark's and Simon's recruitments, these were appropriately positioned:

- Base salaries are not ahead of the base salaries of the prior holders of the roles; and
- Both Mark and Simon have joined our annual bonus and Performance Share plans (PSP) on their continuing terms (with Simon's 2023 annual bonus and PSP participation pro-rated to reflect his joining date).

Roles & 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, Chair 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 Chair, 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.

Our renewed Directors' Remuneration Policy

We will be renewing our three-yearly Directors' Remuneration Policy at our 2024 AGM.

Looking ahead to the next three-year 'policy period' (AGM 2024 to AGM 2027), it is very important for RM and its shareholders that appropriate pay arrangements are in place to retain and incentivise our new leadership group while they are seeking to deliver the turnaround in RM's performance which we, as a Board, are all working towards. Part of this requires that we have in place meaningful (but not excessive) share incentives to align the pay of our executives directly to shareholders' experience. It is because of this that we need to look at the dilution limits for our share plans that will apply for the next policy period.

Accordingly, we are proposing to make only one material change to the Policy, and that is to ask our shareholders for authority to amend our current 2019 Performance Share Plan (PSP) so that the PSP operates within a new 12.5% in 10 years share plans dilution limit. This new limit will replace the current dilution limits in RM's share plans (a 10% in 10 years dilution limit that applies to all RM share plans and within that an internal 5% in 10 years dilution limit for selective share plans). This change will enable the Company to make meaningful awards that will be retentative and incentivising. If the amendment to the PSP is approved by shareholders, the company the Company will review the extended 12.5% dilution limits ahead of the AGM 2027 to see if we can revert to a more standard 10% dilution limit.

No other material changes are proposed on the quantum of pay available to our Executive Directors or in the overall architecture of the incentive plans which we operate (annual bonus and three-year shares-based PSP) and which we believe continue to be appropriate for RM.

Stakeholder engagement

The Committee has engaged appropriately with major shareholders on proposed changes to the Policy. The Chair of the Remuneration Committee is available to discuss remuneration with shareholders at any time and will be available to answer questions at the forthcoming AGM.

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 Director 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.

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 on interactions with the Advocates on Executive Remuneration and Policy was considered in reviewing the remuneration for the Executive Directors and workforce at the Remuneration Committee.

Performance during year ended 30 November 2023

The financial performance for the year was largely impacted by a series of operational challenges inherited by the newly appointed Executive Directors. The decisive action taken to address these issues coupled with achieving some key strategic initiatives have laid the foundation for the year ahead.

Remuneration during 2023

Base Salary

The salaries of the Executive Directors on appointment were Chief Executive £365,000 (the same as the prior Chief Executive) and Chief Financial Officer £275,000 (prior Chief Financial Officer £300,000).

Bonus award for 2023

Following the year end, the Committee considered the progress made by the Executive Directors on matters of strategic importance for the business in 2023 and determined that it would be appropriate to award annual bonuses of £120,000 for the Chief Executive (equivalent to 33% of base salary) and £27,717 for the Chief Financial Officer (equivalent to 10% of base salary (38% on a pro-rata basis)).

In a year of transition, the Remuneration Committee had identified three strategic priorities for RM's 2023 annual bonus plan – weighted two-thirds towards financial performance (split equally between Group Adjusted Operating Profit and Cash Flow) and one-third on Transformation strategic objectives.

Although it was not considered appropriate to make any payment in respect of FY23 financial performance, the Committee determined that it was appropriate to make a payment in respect of the attainment of Transformation strategic objectives which in FY23 included steps to secure the long-term financial stability of the business (including pensions funding settlement), implementation of costs saving across several areas including external professional resources, sale of Integris, building a new leadership group and successful execution of corporate actions that will reshape the business for future growth.

The Transformation strategic objectives for FY23's annual bonus were all matters which are important to RM's long-term development. Accordingly, paying some element of annual bonus for attainment of these is, in the Remuneration Committee's view, important to reinforce the integrity of having such measures within our annual bonus plan which, we believe, is strongly in shareholders' best interests. It also acknowledges our new executive team's strong and robust leadership in a year with many challenges and in which the team have taken good steps to re-establish the business on a path towards stronger future performance.

When bonus measures for FY23 were originally set for the period, the Remuneration Committee had included a term that Group Adjusted Operating Profit (AOP) should be attained at a level then regarded as on-target to allow payment of any bonus for Transformation strategic objectives. The commercial circumstances of the Group in FY23, however, meant that it was inappropriate to continue to apply this. The Remuneration Committee is satisfied that the proposed bonus payments to the Chief Executive and Chief Financial Officer are in shareholders' long-term best interests.

Long Term Incentive Plan (LTIP) in 2023

As part of their joining arrangements, the Committee approved the grant of LTIP awards to our Chief Executive Mark Cook on 16 January 2023 in respect of 873,763 shares and to our Chief Financial Officer Simon Goodwin on 29 August 2023 in respect of 300,000 shares. Details of performance conditions are set out later in the Directors Remuneration Report but are broadly: (i) 40% based on relative Total Shareholder Return (TSR); and (ii) 60% based on demanding absolute TSR growth.

Advisors

During the year, FIT Remuneration Consultants LLP were appointed as advisor to the Committee. Further details of FIT and the advice they have provided are included in the Implementation Report.

Discretion

The Board did not exercise discretion (positive or negative) regarding Directors' remuneration outcomes during the year, other than when commercially appropriate to do so and in the best long-term interests of shareholders. As described above for FY23 annual bonus, the original requirement regarding attainment of Group Adjusted Operating Profit in FY23 at levels set early in the period was adjusted to reflect the commercial circumstances of the business during FY23.

The Committee considers that the overall pay outcome for the year ended 30 November 2023 is justified given the overall performance of the business and the performance of the Executive Directors.

Looking forward

At our 2024 AGM, shareholders will be asked to approve three resolutions related to Directors' remuneration matters. These resolutions are:

- To approve the Directors' Remuneration Report;
- To approve the updated Directors' Remuneration Policy; and
- To approve an amendment to our current 2019 Performance Share Plan (LTIP).

The vote to approve the Directors' Remuneration Report is the normal annual advisory vote on such matters. If approved by our shareholders, the Directors' Remuneration Policy will apply for a maximum of three years from the 2024 AGM and will replace the Directors' Remuneration Policy previously approved at the 2021 AGM. The last resolution will approve an amendment to the LTIP to introduce a new 12.5% in 10 years share plans dilution limit to replace the current share plans dilution limits in RM's share plans (as explained above).

I hope that our shareholders will remain supportive of our approach to executive pay at RM and vote in favour of these resolutions at our 2024 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.

Christopher Humphrey
Chair, Remuneration Committee

14 March 2024

Part B – Directors' Remuneration Policy

This new Directors' Remuneration Policy ('Policy') shall become effective immediately following the 2024 Annual General Meeting, subject to its approval at that meeting.

1. General objectives

RM's Policy is designed to support the strategy and promote the long-term success of the Company. The Policy is designed to attract, retain, and motivate Directors and senior employees, both to achieve the Group's business objectives and to deliver sustained shareholder returns, while also being conscious of the wider climate in relation to executive pay. The Chair of the Remuneration Committee is available to discuss remuneration with shareholders as required. The Policy should ensure that the payments made to Executive Directors reflect their performance, are not excessive and are aligned with the purpose and values of the Company.

Under these arrangements, the variable component of the remuneration package is designed to be predictable, proportionate, and focused on performance. These incentive arrangements enable Executive Directors and senior employees to have the opportunity to earn higher levels of reward if they enhance shareholder returns by meeting the Group's short-term and long-term targets. The Committee is satisfied that this model provides appropriate alignment with shareholder interests and therefore acts as an appropriate motivator.

The Committee has reviewed the level of risk inherent in the Policy and is satisfied that there is an appropriate balance between encouraging entrepreneurial behaviour from Executive Directors and senior employees and ensuring that there are no areas of the Policy which encourage undue risk-taking. In relation to the target setting process and other matters arising in relation to the operation of the annual bonus and long-term incentive plans, the Committee considers that the structure is clear, straightforward and does not encourage excessive risk-taking.

This report contains the proposed Policy which will take effect, subject to the approval of the shareholders, immediately after the 2024 AGM. Changes from the prior policy are highlighted within the main Policy table. The main change to the Policy is to amend our current 2019 Performance Share Plan (LTIP) so that it operates within a new 12.5% in 10 years share plans dilution limit only, as described in the Remuneration Committee Chair's statement.

No Director should be involved in deciding their own remuneration. The members of the Remuneration Committee shall not have any personal financial interest in the Company other than through fees received or as a shareholder. Furthermore, they shall not be involved in the day-to-day running of the business and shall have no personal conflict of interest which could materially interfere with the exercise of their independent judgement or discretion.

The engagement of any third-party remuneration consultant is the responsibility of the Remuneration Committee, and their appointment must be objective and independent.

2. Components of Remuneration for Executive Directors

The following table sets out a summary of the various components of remuneration for Executive Directors, their purpose and link to strategy, their operation, the maximum opportunity available, the nature of any applicable performance metrics and changes (if any) made during the year.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes from previous policy
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. Following an appointment, an Executive Director's base salary may also be increased over a period to attain a market level as described in the Policy on Recruitment. 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.	No material changes.
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.	4.5% of base salary (being the contribution level of the majority of UK employees).	None.	No material changes. Clarified that current contribution level is 4.5%.
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.	The cost of such benefits varies in accordance with market conditions.[1]	None.	No material changes.

1. There is no maximum base salary or maximum for any of the benefits.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes from previous policy
Variable pay: Annual Bonus	Provides an element of at risk pay, which incentivises good annual performance.	Awards are based on performance typically measured over one year. Any payment is discretionary and pay-out levels are determined by the Committee after the year end based on performance against pre-set targets. The Remuneration Committee has discretion, where it believes it to be appropriate, to amend the vesting level should any formulaic outcome not reflect the Committee's assessment of overall business performance, including consideration of shareholder experience. Annual bonuses are subject to malus and clawback provisions (see further below). 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 normally be held for a minimum of two years (the same holding period as LTIP vested shares).	Performance measures, weightings and targets are set by the Committee at the beginning of each year. Measures are linked to the Group's strategy and aligned with key financial, strategic and/or individual targets. The performance measures applied may be financial or non-financial, corporate, divisional, or individual, and in such proportions as the Remuneration Committee considers appropriate. Typically, they include profit but may also be other financial and strategic measures. Details of the specific performance targets will normally be disclosed retrospectively in the following year's Directors' Remuneration Report.	No material changes.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes from previous policy
Variable pay: LTIPs	Incentivises Executive Directors to achieve returns for shareholders over a longer period.	Awards (nil cost options or share awards) are granted to Executive Directors typically each 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 two years will apply (save that Directors may sell sufficient shares on vesting/exercise to satisfy the income tax/ National Insurance liability that arises). To the extent awards vest, they may accrue the benefit of dividends or dividend equivalents during the vesting period. LTIP awards are subject to the Remuneration Committee's discretion, where it believes it to be appropriate, to amend the vesting level should any formulaic outcome not reflect the Committee's assessment of overall business performance, including consideration of shareholder experience. LTIP awards are subject to malus and clawback provisions (see further below). LTIP awards are not pensionable.	200% of base salary per annum. At threshold performance, no more than 25% of the award will vest.	Performance measures[1] and weightings are set by the Committee at the date of grant to align with shareholders' interests. These will normally be measured over a three-year period and may include EPS, TSR and other financial, strategic or shareholder return measures. The vesting period for LTIPs will be a minimum of three years. All targets will be subject to an underpin based on the underlying performance of the Company.	No material changes.

1. Details of the expected measures for 2024 are set out in paragraph 8 of Part C.

The following table sets out a summary of the various components of remuneration for Non-Executive Directors, their purpose and link to strategy, its operation, the maximum opportunity available, the nature of any applicable performance metrics and changes (if any) made during the year.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes from previous policy
Fixed pay: Fee	To reward individuals for fulfilling their roles and attract good candidates	The Committee makes recommendations to the Board on the Chair's remuneration. The Chair and the Executive Directors determine the remuneration of Non-Executive Directors. Directors do not participate in decisions regarding their own fees. The Chair receives a single annual 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.[1] Remuneration data is considered during the process, including fees paid for comparable roles in companies of an equivalent size and complexity, as the Company.[2] In exceptional circumstances, if there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro rata basis to recognise the additional workload.	The aggregate fees of the Chair and of the Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £500,000 p.a. in aggregate).[3 4 5]	None.	No material changes.

1. *The annual and additional fees for additional responsibilities are paid monthly in cash.*
2. *Fees for the Non-Executive Directors and the Chair were last reviewed in August 2023 and increased to be more in line with market rates at that time.*
3. *Fees are not performance-related but reflect the time commitment and responsibilities of the role.*
4. *Out-of-pocket expenses (such as travel, hospitality, and other modest benefits, including related tax liabilities) 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.*

3. Shareholding policy

The Committee has implemented the following shareholding policy for all Executive Directors to further align their interests with those of the Company's shareholders:

1. Within five years of the first opportunity for an LTIP to vest following appointment to the Board, Executive Directors are required to build up, and retain, ordinary shares in the Company equivalent in value to at least 200% of their base annual salary.
2. If Executive Directors do not hold the appropriate level of shares, they may not sell shares other than to satisfy income tax/National Insurance liabilities that arise in relation to the vesting/exercise of LTIP awards. In all cases, any such sale will be subject to the normal Listing Rules and Disclosure and Transparency Rules' requirements for Directors' dealings.
3. For a one-year period after stepping down from the Board, Executive Directors are required to retain ordinary shares in the Company equivalent in value to the lower of 100% of their base annual salary and the Executive Director's actual shareholding at that time. This only applies in respect of shares owned as a result of LTIP awards granted after 8 April 2021 (being the date of the 2021 Annual General Meeting).
4. The Committee has the discretion to waive the above requirements when the Committee considers appropriate.

4. Policy on recruitment

The ongoing remuneration arrangements for a newly recruited or promoted Director will be in accordance with the Policy in place at the time of the appointment.

In respect of Executive Directors, the initial base salary will be set to reflect the individual's experience, salary levels within the Company and market levels. Where an individual is appointed on an initial base salary that is below market, base salary levels may later be increased to attain a market level. These increases may be managed with phased increases over a period, subject to the individual's development in the role. This may result in above-average base salary increases during this period.

For external appointments, the Committee may also offer additional cash and/or share-based elements to replace remuneration forfeited, when it considers this to be in the best interests of the Company and its shareholders (as buy-outs). This includes the use of buy-out awards made under rule 9.4.2 of the Listing Rules and/or buy-out awards made under existing incentive arrangements available to the Company. The terms of any such payments offered will reflect the nature, time horizons and likelihood of performance requirements being met in respect of remuneration forfeited, as determined by the Committee. Shareholders will be informed of any such payments at the time of appointment and/or in the next published annual report. However, for the avoidance of doubt, the value of buy-out awards is not capped.

For internal appointments, any commitments made before appointment and not relating to appointment will be allowed to pay out according to their terms.

For external and internal appointments, the Committee may agree that the Company will meet certain reasonable relocation expenses as appropriate, if these are incurred and claimed within 12 months of appointment.

While the Nomination Committee may hold initial discussions with prospective candidates on remuneration, the Remuneration Committee will formally decide on the remuneration arrangements.

5. 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
- clawback may apply 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:

- the malus provision may apply 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 an Executive Director; and
- the clawback provision may apply where there are any Serious Grounds where in the reasonable opinion of the Committee, the clawback should be operated in relation to an Executive Director. The clawback under the LTIP 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.

6. Payment under previous policies

The Committee reserves the right to make any remuneration payments and payments for loss of office, notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed: (i) under a previous Policy, in which case the provisions of that policy shall continue to apply until such payments have been made; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' includes the satisfaction of awards of variable remuneration and, in relation to share-based awards, the terms of the payment which are agreed at the time the award is granted.

7. Discretions

The Remuneration Committee retains discretion with regards to the variable elements of pay (annual bonuses and LTIP awards), in relation to:

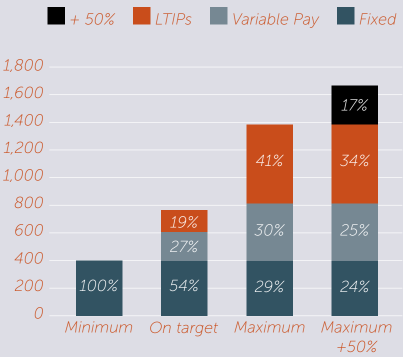
- The individuals that may participate in a scheme, timing, size, and type of awards and holding periods (subject always to the limits set out in the applicable Policy);
- The weighting, measures and targets should be for the relevant bonus or awards from year to year;
- The extent of vesting of awards generally and treatment of awards and/or payments on a change of control or restructuring of the Group;
- Whether an Executive Director or a senior manager is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s);
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends);
- Adjustment of targets and/or set different measures or weightings if events occur (such as corporate acquisitions or other major transactions) that cause it to determine that the conditions set in relation to an annual bonus plan or a granted LTIP award are no longer appropriate or unable to fulfil their original intended purpose. Any such changes would be explained in the subsequent Directors' remuneration report and, if appropriate, be the subject of consultation with the Company's major shareholders; and
- 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.

8. Illustration of Remuneration Policy

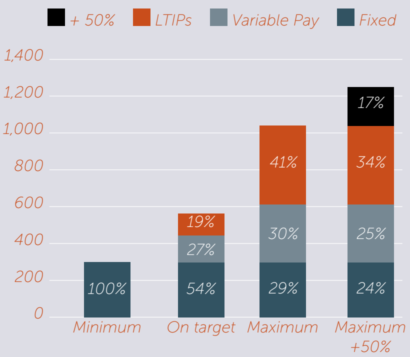
The graphs below provide estimates of the potential future reward for each of the Executive Directors based on their current roles, the Policy outlined above and base salaries after applying a 3% increase which takes effect from 1 April 2024. The maximum LTIP awards at 150% of base salary as shown are for illustration.

Chief Executive Officer
£000



	Base	Benefits	Pension	Total
Minimum (£000)	376	11	16	403
On-target	• On-target is assumed to be an annual bonus equal to 55% (on target) of base salary and an LTIP vesting of 25% (threshold) of maximum			752
Maximum	• Full pay-out of annual variable pay i.e. 110% of base salary • Maximum vesting of LTIP awards			1,382
Maximum +50% share price growth	• As above for maximum plus 50% share price growth over the performance period			1,664

Chief Financial Officer
£000



	Base	Benefits	Pension	Total
Minimum (£000)	283	11	12	306
On-target	• On-target is assumed to be an annual bonus equal to 55% (on target) of base salary and an LTIP vesting of 25% (threshold) of maximum			569
Maximum	• Full pay-out of annual variable pay i.e. 110% of base salary • Maximum vesting of LTIP awards			1,043
Maximum +50% share price growth	• As above for maximum plus 50% share price growth over the performance period			1,255

9. Comparison of Remuneration Policy

This Policy sets out the remuneration structure applicable to Directors of the Company. Salary levels and incentive arrangements applicable to other Group employees are determined by reference to local employment conditions for comparative roles.

Budgeted salary increases for Group employees are taken into consideration when determining increases for the Executive Directors and base salaries for Executive Directors 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.

Employees are provided with a competitive benefits package including (as appropriate) private healthcare, group income protection, life assurance, car allowance and mobile phone allowance. Pension contributions are also provided (4.5% for the majority of UK employees). These are the same as the pension contribution rates provided to Executive Directors.

Consistent with Directors, the majority of employees are eligible to participate in an annual bonus scheme with conditions linked to the performance of their operating subsidiary and the Group overall.

Members of senior management participate in long-term incentive arrangements based on the same performance measures as the Executive Directors.

10. 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 reappointment at each Annual General Meeting. Notice periods are as set out in the table below.

Details of the Directors' service contracts and/or letters of appointment as at 30 November 2023 are shown in the table below:

	Initial agreement date	Expiry date of current agreement	Notice to be given by employer and individual
Executive Directors:			
Mark Cook	16 January 2023	Indefinite	12 months
Simon Goodwin	29 August 2023	Indefinite	12 months
Chair and Non-Executive Directors:			
Helen Stevenson	16 February 2022	14 February 2025	3 months
Patrick Martell	01 January 2014	31 December 2023	3 months
Carolyn Dawson	01 November 2023	01 November 2026	3 months
Jamie Murray Wells	01 November 2023	01 November 2026	3 months
Christopher Humphrey	07 July 2023	07 July 2026	3 months
Richard Smothers	03 January 2023	02 January 2026	3 months

1 Patrick Martell stepped down from the Board on 31 December 2023.

The letters of appointment of the Chair and Non-Executive Directors, and the service agreements for the Executive Directors are available for inspection at the Company's registered office.

11. Policy on termination

In normal circumstances, it is expected that termination payments for Executive Directors should not exceed current salary, pension, and benefits for the notice period in accordance with the Director's service agreement. The Company may terminate employment with immediate effect and, in lieu of the unexpired portion of any notice period, make a series of monthly payments based on entitlements to fixed pay (or make a lump sum payment). When determining termination payments in the event of early termination, the Committee will take into account a variety of factors including length of service, personal and Group performance, the Director's obligation to mitigate their loss, statutory compensation to which a Director may be entitled and legal fees and other payments which may be payable under a settlement agreement (to discharge an existing legal obligation or by way of damages for breach of an obligation). As part of a settlement agreement, the Company may reimburse reasonable legal costs incurred in connection with a termination of employment and/or agree to make a contribution towards outplacement services, if the Committee considers it appropriate. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments.

A Director who leaves will cease participation and forfeit any right to annual bonus normally, although a 'good leaver' may be eligible to continue participation in the bonus scheme at the discretion of the Committee and have a pro-rata bonus for the part of the year worked. For a 'good leaver', the Committee may use its discretion not to defer part of the pro-rata bonus outcome in shares.

Deferred bonus awards are normally preserved in all leaver cases (other than voluntary resignation or termination for cause) and will be retained and can vest at the normal vesting time for the awards. The Committee has the ability to release a good leaver's awards early in suitable cases, such as death in service or other compassionate grounds.

Directors have no entitlement to unvested LTIP awards which will generally lapse following termination of employment. However, where it is considered appropriate to allow a Director 'good leaver' treatment, a time pro-rated proportion of outstanding LTIP awards (as determined by the Committee) may be retained and can vest subject to attainment of the performance conditions at the normal vesting time for the awards. Any originally specified holding periods would normally continue to be applied to the vesting shares. However, if the Director ceases employment during the holding period due to circumstances justifying summary dismissal, LTIP awards and/or any shares subject to the holding period shall lapse in full. The Committee has standard discretions to vary time pro-rating and/or disapply holding periods.

LTIP awards vest on a change in control of the Company, subject to assessment by the 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.

Where a buy-out award is made, then the leaver provisions are determined at the time the award is made.

No compensation is payable on termination of a Non-Executive Director, other than any accrued fees and expenses.

Part C – Implementation report

1. Directors' remuneration – Single figure of remuneration (AUDITED)

The tables below set out a single figure of remuneration for each of the Directors in respect of the year ended 30 November 2023 and, in respect of those Directors, the equivalent figures for the year ended 30 November 2022. The table has been audited.

	Salary/ fees £000		Taxable benefits £000		Annual bonus £000		LTIPs (vested) £000		Retirement Benefits[1] £000		Other £000		Total £000		Total Fixed Remuneration £000[3]		Total Variable Remuneration £000[3]	
Name	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Executive																		
Mark Cook[2]	**320**	-	**9**	-	**120**	-	**-**	-	**9**	-	**100[4]**	-	**558**	-	**338**	-	**220**	-
Simon Goodwin[2]	**71**	-	**2**	-	**27**	-	**-**	-	**1**	-	**-**	-	**101**	-	**74**	-	**27**	-
Neil Martin[2]	**122**	365	**5**	15	**-**	-	**-**	-	**8**	25	**-**	-	**135**	405	**135**	405	**-**	-
Mark Berry[2]	**-**	225	**-**	8	**-**	-	**-**	-	**-**	20	**-**	-	**-**	253	**-**	253	**-**	-
Non-Executive																		
Helen Stevenson[2]	**139**	106	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**139**	106	**139**	106	**-**	-
Patrick Martell	**54**	52	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**54**	52	**54**	52	**-**	-
Richard Smothers[2]	**44**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**44**	-	**44**	-	**-**	-
Christopher Humphrey[2]	**18**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**18**	-	**18**	-	**-**	-
Carolyn Dawson[2]	**3**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**3**	-	**3**	-	**-**	-
Jamie Murray Wells[2]	**3**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**3**	-	**3**	-	**-**	-
Charles Bligh[2]	**40**	41	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**40**	41	**40**	41	**-**	-
Paul Dean[2]	**16**	47	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**16**	47	**16**	47	**-**	-
Vicky Griffiths[2]	**40**	43	**-**	-	**-**	-	**-**	-	**-**	-			**40**	43	**40**	43	**-**	-
John Poulter[2]	**-**	29	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	29	**-**	29	**-**	-
Total	**870**	908	**16**	23	**147**	-	**-**	-	**18**	45	**100**	-	**1,151**	976	**904**	976	**247**	-

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 2023 or 2022, as relevant.*
3. *Total fixed remuneration is the aggregate of the base salary, pensions and benefits, and total variable remuneration is the aggregate of the bonus and vested LTIPs and Mark Cook's bonus on joining (see 4) included under 'Other'.*
4. *Mark Cook received a bonus on joining of £100,000, in recognition of the bonus he forfeited from his former employer when he left to join RM (compared to an estimated target bonus of £150,000). This is shown in addition to the RM FY23 annual bonus amount of £120,000.*

- *The aggregate emoluments (being salary/fees, bonuses, benefits, and pension allowances) of all Directors for 2023 was £1,151k (2022: £976k).*

The following provides details of how the 'single figure' has been calculated:

Annual Salary:	The annual salaries of the Executive Directors on appointment were Chief Executive £365,000 (from 16 January 2023) and Chief Financial Officer £275,000 (from 29 August 2023).
Taxable benefits:	These comprise the benefits noted in Part B above. 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 the bonuses payable to the Executive Directors for the year ending 30 November 2023 are as shown in the table above and relate to the attainment of Transformation strategic objectives as described below.
Long Term Incentive Plans:	No LTIP awards held by the current Executive Directors vested during the year ended 30 November 2023. The unvested LTIP awards held by the former directors, Neil Martin and Mark Berry lapsed on cessation. In February 2023, the performance period ended for the LTIP awards granted in March 2020. The Earnings Per Share and relative TSR performance conditions for these 2020 awards were not met and therefore the Board did not approve vesting of the award.
Past Directors:	Neil Martin stood down on 15 January 2023 as Chief Executive and on 1 April 2023 as a member of the Board. Neil continued to receive his normal fixed pay in accordance with his contractual entitlements for his notice period until his employment ended on 10 July 2023 with the balance of £182,500 paid to him in lieu of notice, plus a termination payment of £10,000. Neil did not receive a bonus for the 2022 or 2023 financial years and all of his unvested LTIP awards lapsed when he left the business.
Retirement benefits:	Retirement benefits are provided via a defined contribution and/or cash supplement. Contributions for the current Executive Directors have been set at 4.5%, being the same contribution rate used for the majority of the UK workforce (UK employees receive contribution rates at 4.5% to 7%, depending on employee salary sacrifice election).
Termination Payments:	There were no termination payments in the year other than that described above (see Past Directors).
Non-Executive Pay Review:	Chair and Non-Executive fees were reviewed against relevant market data and increased in August 2023. Details of Non-Executive Director fees for 2023 and the preceding year are summarised in paragraph 8 (Statement of Implementation), below.

FY23 Annual bonus metrics

As described in the Remuneration Committee Chair's letter introducing this report, FY23 annual bonuses were paid to the Chief Executive and the Chief Financial Officer in relation to the attainment of Transformation strategic objectives. This totals one third of the maximum opportunity, pro-rated for the CFO based on his start date. These objectives included the following matters.

- Activities to deliver a successful Extension and Amendment of the banking facility, and pension agreement on funding and security.
- Produce a comprehensive business transformation plan and gain stakeholder engagement support.
- Make key appointments for future leaders to support a change culture to enact the plan, while reducing cost and dependency on interim resource and external advisors.
- Creation of a strategic hypothesis with execution plan, including Enterprise Architecture roadmap to deliver the strategy, a digital platform and product development roadmap.
- In addition, the Chief Executive Officer was also recognised for contribution, leadership and execution with the sale of Integris.

Early in the 2023 period, Group Adjusted Operating Profit and Cash Flow targets were set. However, the commercial circumstances of the Group in FY23, meant that it was inappropriate to continue to apply those targets. Accordingly, no bonus was payable in respect of those aspects of performance. The Company regards the originally set targets for FY23 for Group Adjusted Operating Profit and Cash Flow as commercially sensitive and accordingly these are not disclosed.

2. Directors' Long-term Incentive Plans (AUDITED)

During the year ended 30 November 2023, the following long-term incentive awards[1] were made.

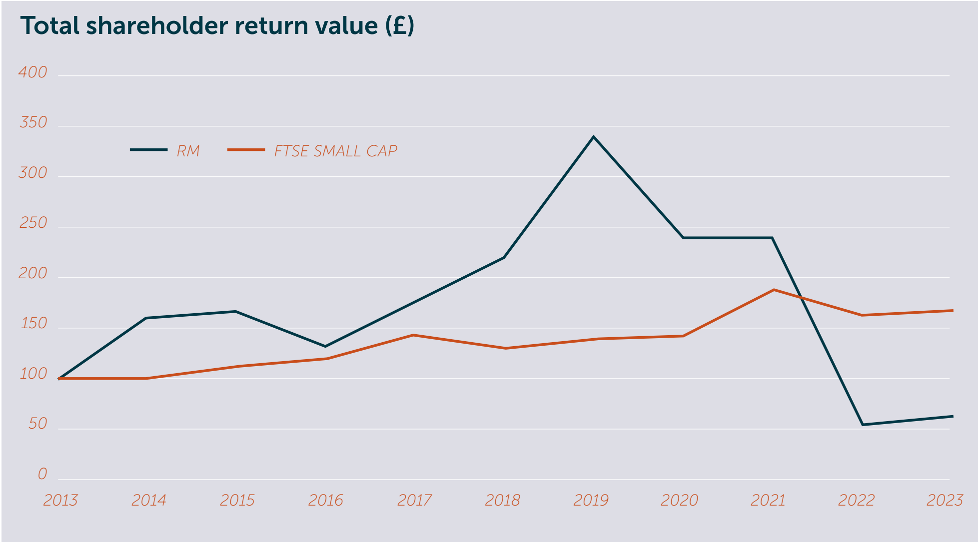
Name	Type of share award	Grant date	No. of Shares under award	Face value of award at grant £000[2]	% of base salary	Percentage that would vest at threshold performance	The end of the period over which the performance conditions must be fulfilled	A summary of performance targets and measures[3]
Mark Cook	Nil cost Option	16 January 2023	873,763	547.8	150.1%	25%	30 November 2025	• 40% – relative TSR • 60% – absolute TSR • Underpin: Committee to consider overall performance of the Company and the contribution of the individual before vesting
Simon Goodwin	Nil cost Option	29 August 2023	300,000	188.1	68.4%	25%	30 November 2025	

1. *Awards granted under the LTIP Scheme (RM Performance Share Plan 2019).*
2. *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 were 62.7p and 62.2p in January and August, respectively. The exercise price per share is £0.00.*
3. *Forty percent (40%) of the award is based on the Company's relative TSR performance for the period from 1 December 2022 to 30 November 2025. The Company's relative 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. Vesting will occur on a sliding scale between median (25%) and upper quartile or above (100%). Sixty percent (60%) of the award is subject to a performance condition relating to the performance of the Company's TSR against absolute targets also measured at the end of the same three-year period and vesting on a sliding scale between 120p (25%) and 195p or above (100%). The award is also subject to an underpin whereby the Committee will consider overall performance of the Company and the contribution of the individual before the award may vest.*

- *This table has been audited.*

3. Performance graph - Total Shareholder Return

The following graph illustrates the Company's Total Shareholder Return for the ten years ended 30 November 2023, relative to the performance of the FTSE SmallCap (ex. Investment Trusts). The FTSE SmallCap represents a broad equity index of which the Company has been a constituent member for the majority of the period shown and, therefore, has been selected as a comparator for this reason.



4. History of Chief Executive 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	Chief Executive	Single Figure (£000)	Annual variable element award rates against maximum opportunity	Long-term incentive vesting rates against maximum opportunity
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%
2020	David Brooks	792	0%	100%
2021[1]	David Brooks	133	0%	0%
	Neil Martin	628	35.8%	38.5%
2022	Neil Martin	405	0%	0%
2023[2]	Neil Martin	135	0%	0%
	Mark Cook	558	34%	0%

1. *David Brooks from 1 December 2020 to 28 February 2021. Neil Martin from 1 March 2021 to 30 November 2021.*
2. *The 2023 figures represent the single figure of total remuneration for Neil Martin from 1 December 2022 to 16 January 2023 and Mark Cook from 16 January 2023 to 30 November 2023.*

5. Relative importance of spend on pay

The following table sets out, in respect of the year ended 30 November 2023 and the immediately preceding financial year, the total remuneration paid to all employees as compared to other significant distributions and payments.

	2023 (£'m)	2022 (£'m)
Total remuneration to employees[1]	63.9	65.0
Dividends paid[2]	0	2.5
Corporation tax paid[3]	0.4	(0.9)
Defined benefit pension cash contribution[3]	4.5	4.5

1. *Includes remuneration paid to Executive Directors. Note 7 of 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 of 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.

		% Change in Year Ending			
Executive Director	Remuneration Elements	30 November 2023	30 November 2022	30 November 2021	30 November 2020
Mark Cook	Base Pay/Fees	n/a	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Simon Goodwin	Base Pay/Fees	n/a	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Neil Martin (Resigned 1 April 2023)	Base Pay/Fees	-67%	4.8%[1]	33.0%	0.0%
	Taxable Benefits	-67%	-2.7%	-2.4%	-0.5%
	Annual Bonus	-	-3	-	-100.0%
Mark Berry (Resigned 15 August 2022)	Base Pay/Fees	n/a	273.6%[2]	0.0%	n/a
	Taxable Benefits	n/a	282.2%[2]	0.0%	n/a
	Annual Bonus	n/a	-	-	n/a
Total UK Employees	Base Pay/Fees	-6.97%	5.46%	1.38%	0.56%
	Taxable Benefits	4.11%	-10.9%	12.9%	2.0%
	Annual Bonus	0	-3	-	-34.0%

1. *The percentage change in salary of Neil Martin is due to a full year of Chief Executive remuneration.*
2. *Percentage change due to partial year.*

- *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.*
- *The elements of remuneration have been calculated based on pay during the period compared with the previous year.*
- *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 table 6 relate to those actually paid in respect of the years ended 30 November 2021 and 30 November 2022.*

Non-Executive Director	Remuneration Elements	% Change in Year Ending 30 November 2023	30 November 2022	30 November 2021	30 November 2020
Helen Stevenson (appointed as Chair 16 February 2022)	Base Pay/Fees	31.00%	0.0%	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Patrick Martell (Resigned 31 December 2023)	Base Pay/Fees	3.85%	5.9%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Richard Smothers (appointed 3 January 2023)	Base Pay/Fees	0.00%	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Christopher Humphrey (appointed 7 July 2023)	Base Pay/Fees	0.00%	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Carolyn Dawson (appointed 1 November 2023)	Base Pay/Fees	0.00%	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Jamie Murray Wells (appointed 1 November 2023)	Base Pay/Fees	0.00%	n/a	n/a	n/a
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Charles Bligh (Resigned 31 October 2023)	Base Pay/Fees	-2.40%	7.5%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Paul Dean (Resigned 1 April 2023)	Base Pay/Fees	-66.0%	6.5%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a
Vicky Griffiths (Resigned 6 October 2023)	Base Pay/Fees	-6.97%	17.5%	0.0%	0.0%
	Taxable Benefits	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a

- *Individuals who were no longer Directors in the year ending 30 November 2023 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.*

7. Chief Executive pay ratio

The following table sets out the Chief Executive pay ratios for the year ended 30 November 2023. This compares the Chief Executive's total remuneration (aggregating the amounts for the periods that Neil Martin and Mark Cook held the role, as shown above in paragraph 4 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 Chief Executive pay ratio is 14.1:1, which is based on a blended CEO Single Figure of £608,632, covering both Neil Martin's tenure and Mark Cook.

Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2023	A	20.8:1	14.1:1	9.6:1
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
2023	Salary	£28,000	£41,108	£58,900
2023	Total Pay	£29,260	£43,013	£63,374

- *Method A was chosen as the statistically most accurate calculation. The total remuneration on a full-time equivalent basis as of 30 November 2023 for all UK employees was calculated and employees ranked accordingly.*
- *Full-time equivalent P11D values for benefits, such as private medical healthcare, have been used for anyone in receipt of the particular benefit as of 30 November 2023.*
- *Pension values are not calculated on the same basis as the Chief Executives' figure, but rather based on the employer contribution as a percentage of salary as of 30 November 2023. This approach allows meaningful data for a large group of individuals to be obtained in a more efficient way.*
- *Chief Executive pay is a blended value based on the single figure of remuneration for Neil Martin to 15 January 2023 and the corresponding value for Mark Cook to 30 November 2023, as disclosed in Part C, paragraph 1.*
- *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 Policy will be implemented in the year commencing on 1 December 2023.

Remuneration in 2024

Salary and fees: It is proposed that the Executive Directors will receive pay rises in line with increases for the general workforce of 3%. The salaries of the Chief Executive and Chief Financial Officer will increase to £375,950 and £283,250, respectively. An increase of 3% is also applied to the Chair and NEDs base fees.

	FY24 £000s per annum (FY23)
Executive	
Mark Cook	376 (365)
Simon Goodwin	283 (275)
Non-Executive	
Chair (Including the Chair of Nomination Committee)	151 (147)
Non-Executive Director base fee	46 (44)
Senior Independent Director (additional fee)	5 (5)
Chair of Remuneration Committee/ Designated NED for HR (additional fee)	7 (7)
Chair of Audit and Risk Committee	7 (7)

Benefits and pension benefits: These are expected to remain unchanged, as stated in paragraph 1 of Part C above.

Bonus: The Annual Bonus for FY24 will operate as in past years and in line with the 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. The maximum bonus levels available will be in line with the Policy.

LTIP awards: It is anticipated that, during the year ending 30 November 2024, an award will be made to each of the Executive Directors under the RM plc Performance Share Plan 2019 totalling 170% of salary for the Chief Executive and 120% of salary for the CFO. Those awards will be of nil-cost options 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 be based on performance against a blend of both absolute Total Shareholder Return (TSR) and relative TSR performance 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 a period of three years commencing on 1 December 2023 and ending on 30 November 2026.
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 three-year period.

It is intended that the measures will encourage the generation of sustainable long-term returns to shareholders.

9. Statement of shareholder voting

The following table shows the results of the advisory vote on the 2022 Directors' Remuneration Report (at the 2023 AGM) and the binding vote on the Directors' Remuneration Policy at the 2021 AGM:

	% of votes in favour	% of votes against	Number of votes withheld
2023 AGM – Resolution to approve the Directors' Remuneration Report	99.67%	0.33%	8,500
2021 AGM – Resolution to approve the Directors' Remuneration Policy	87.23%	12.77%	8,833,873

10. Directors' shareholdings (AUDITED)

The beneficial interests of the Directors including connected persons in the ordinary shares of RM plc as of 30 November 2023 were:

	Holding as of 30 November 2023[3]	Vested but unexercised scheme interests	Current holding as % of base salary[1]	Shareholding policy met[2]	Holding as of 30 November 2022
Mark Cook	14,000	-	1.8%	No	-
Simon Goodwin	-	-	0.0%	No	-
Helen Stevenson	150,000	-	n/a	n/a	-
Patrick Martell	75,000	-	n/a	n/a	5,000
Richard Smothers	26,236	-	n/a	n/a	-
Christopher Humphrey	-	-	n/a	n/a	-
Carolyn Dawson	-	-	n/a	n/a	-
Jamie Murray Wells	-	-	n/a	n/a	-
Charles Bligh	n/a	-	n/a	n/a	-
Paul Dean	n/a	-	-	-	20,000
Vicky Griffiths	n/a	-	-	-	2,900
Neil Martin	n/a	-	n/a	n/a	227,562

1. *Calculated based on the average share price for the period 1 December 2022 to 30 November 2023 (67.31p) and base salaries as of 30 November 2023.*
2. *The Directors' Remuneration Policy requires current Executive Directors to build and maintain a shareholding requirement of at least 200% of base annual salary within five 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 2023 at the date of this report.*

- *Where a Director stepped down from the Board during the year (their interests above are shown at the date they left the Company).*

11. Directors' interests in share plans (AUDITED)

As of 30 November 2023, the Executive Directors had the following interests in the Company's share plans:

	LTIP Awards[1]			
	Date of Grant	No. of shares/options	Performance Conditions	Share price at grant
Mark Cook	16 January 2023	873,763	See paragraph 2 of this Part C	62.7 pence
Simon Goodwin	29 August 2023	300,000		62.2 pence

1. *Granted under the 'RM plc Performance Share Plan 2019'. All LTIP awards are subject to a minimum vesting period of three years.*

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

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 participates in deciding their own remuneration.

Committee membership and attendance

The Remuneration Committee, during the year ended 30 November 2023, comprised of Christopher Humphrey (Chair), Patrick Martell, Paul Dean, Vicky Griffiths, Helen Stevenson, Carolyn Dawson, Jamie Murray Wells and Richard Smothers at such times as they were members of the Board. Please note that Patrick Martell was Chair of the Committee until 1 November 2023.

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

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

	No. of meetings held in the period/Eligible to attend
Christopher Humphrey[1]	2/2
Patrick Martell	5/5
Helen Stevenson	5/5
Paul Dean[2]	2/2
Vicky Griffiths[3]	3/3
Carolyn Dawson[4]	1/1
Jamie Murray Wells[4]	1/1
Richard Smothers	5/5

1 *Joined the Board on 7 July 2023 and was appointed Chair of the Remuneration Committee on 10 October 2023.*

2 *Ceased being a Director on 1 April 2023.*

3 *Ceased being a Director on 6 October 2023.*

4 *Joined the Remuneration Committee with effect from 1 November 2023.*

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

Major activities of the Remuneration Committee

Several key activities were undertaken throughout the year by the Committee, including the following:

- considered and agreed remuneration arrangements for incoming Chief Executive, Mark Cook, including one-off joining bonus in recognition of the bonus he forfeited from his former employer;
- considered and agreed termination arrangements for outgoing Chief Executive Neil Martin (summarised in paragraph 1 of Part C of this report, above);
- approval of the 2022 Directors' remuneration report;
- review and approval of 2023 annual bonus and LTIP awards, including proposed targets;
- review of Directors' Remuneration Policy in preparation for renewal at 2024 AGM;
- monitoring employees pay review and gender pay gap reporting; and
- appointment of an independent remuneration advisor, FIT Remuneration Consultants LLP.

Advisor to the Remuneration Committee

During the year, FIT Remuneration Consultants LLP (FIT) were appointed as advisor to the Committee. FIT is a founder member of the Remuneration Consultants' Group and adhere to its code of conduct. Fees totalling £36,725 plus VAT have been paid for its services during the year for the provision of advice to the Committee on various aspects of remuneration including advice on the remuneration policy and implementation of employee share schemes. The Committee has reviewed the quality of the advice provided and whether it properly addressed the issues under consideration and is satisfied that the advice received during the year was objective and independent. FIT has no personal connection to the Company or its Directors. FIT's fees are charged on the basis of its normal terms of business for advice provided.

Advice and support have 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. 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.

In preparing the revised and updated Directors' Remuneration Policy, 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 and current practices are consistent with these provisions:

Factors in provision 40	RM Policy and practice
Clarity	The 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 LTIP 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 deficient 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.

15. 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

Christopher Humphrey
Chair, Remuneration Committee

14 March 2024

ESG committee report

On behalf of the Board, I am pleased to present the Environmental, Social and Governance (ESG) Committee Report for the year ended 30 November 2023.

The ESG Committee (Committee) operates under terms of reference approved by the Board, we review these annually and refer them to the Board for approval. These can be found on the Group's website at www.rmplc.com.

On Environment, the Committee monitors the operation of the Group's Sustainability and Climate Change governance strategic initiatives, scrutinising the development and implementation of changes in process and practice, as well as advising on the direction of and supporting the delivery of RMs environmental ambitions and obligations. One recent example would be the review of energy use and travel throughout the business.

On Social matters the Committee drives an ambition to deliver positive outcomes for our customers, suppliers and other stakeholders through our product design, our services and delivery. An example of this can be seen in the positive impact that our Special Education Needs and Disabilities (SEND) resources have had on primary schools, and the inclusive changes to the way we assess learners through the examination marking process. Internally the Committee reviews issues and opportunities concerning ethics, rights and equity, for example, our review of Modern Slavery requirements both internally and in our supply chain.

The Committee's responsibility over Governance is to ensure compliance with legislative, and regulatory standards.

In all these areas, we support management to embed a strong culture and set of behaviours that reinforce ESG objectives and we monitor progress on these areas at Committee meetings where we analyse results against published and internal targets. This can be seen in our commitment to Net Zero on scopes 1 & 2 by 2035 and Net Zero on scope three by 2050, as we monitor our energy performance and associated carbon emissions, against the target and examine ways to continue to improve.

Overview of 2023:

- Reconfirmed our commitments particularly the Environmental goals.
- Reduced our carbon emissions by 25% through real estate rationalisation, less employee travel by air, trains and cars in service of our RM Net Zero goal. Detailed analysis of RM plc's carbon emissions is reported on page 56 of the Sustainability report.
- Assessed the legislative landscape, including requirements and compliance to the Task Force on Climate-related Financial Disclosures (TCFD) page 48, Streamlined Energy and Carbon Reporting (SECR), Climate related financial discloses (CFD). RM plc's disclosures in relation to these are found in the Sustainability Report on page 42. During FY24 RM will undertake the assessments and reporting required to comply with Energy Saving Opportunities Scheme (ESOS).
- Renewed Executive support of the Equity, Diversity and Inclusion Networks along with allocated dedicated time to focus on their crucial activities and compensation to recognise them for their hard work.
- Supporting and influencing our customers and partners by offering methods through which they can improve their environmental goals.

The ESG Committee met twice during 2023 in line with its published meeting cadence in September and October 2023.

As the new Chair of the ESG committee, I look forward to the continuing work of this committee in providing ESG governance, as well as the identification and support of strategic initiatives that carry a high degree of ESG materiality and alignment with business priorities.

	No. of meetings held in the period/ Eligible to attend
Christopher Humphrey	2/2
Patrick Martell	2/2
Helen Stevenson (October Chair)	2/2
Vicky Griffiths (September Chair)	1/1
Mark Cook	2/2
Simon Goodwin	2/2
Charles Bligh	2/2
Richard Smothers	1/2

By Order of the Board

Jamie Murray Wells
Chair of, ESG Committee

Directors' report

The Directors submit their report together with the audited consolidated and Company Financial Statements for the year ended 30 November 2023.

The Strategic Report on pages 8 to 67 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 70 to 125 is incorporated into this report by reference.

Annual General Meeting

The forthcoming Annual General Meeting will be held on 9 May 2024 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 reappoint 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
Richard Smothers (from 3 January 2023)
Mark Cook (from 16 January 2023)
Neil Martin (until 1 April 2023)
Simon Goodwin (from 29 August 2023)
Charles Bligh (until 31 October 2023)
Paul Dean (until 1 April 2023)
Vicky Griffiths (until 6 October 2023)
Patrick Martell (until 31 December 2023)
Christopher Humphrey (from 7 July 2023)
Carolyn Dawson (from 1 November 2023)
Jamie Murray Wells (from 1 November 2023)

Biographical details of the current Directors are given in the Board of Directors section of the Annual Report on pages 70 to 71.

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 election or 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 96.

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, among 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 124 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, see note 23) 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 while staff work to develop new and more effective systems and products. The Group incurred £4m of research and development in the year, which was expensed in the Income Statement (2022: £3.1m). 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, among 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 2023, 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 25 May 2023, 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 18 April 2023. 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 9 May 2024.

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 2024, 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 2026. The terms of this facility are outlined on page 207.

Substantial shareholdings

On 30 November 2023, 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 2023	Date of TR1
Harwood Capital	10,100,000	0	12.04%	7 November 2023
Avalon UK Limited	15,547,676	0	18.67%	6 October 2023
Artemis Investment Mgt	0	0	0%	9 August 2023
Schroder Investment Mgt	0	11,735,103	13.99%	20 July 2023

The percentage interest is as stated by the shareholder at the time of the notification and current interests may vary.

Between 1 December 2023 and 14 March 2024, the Company received the following notification of interests pursuant to the DTR 5:

- a notification from Harwood Capital on 4 January 2024 which notified an increase in their voting rights to 11,100,000 (representing 13.23% of RM plc's issued share capital carrying voting rights).
- a notification from Harwood Capital on 19 February 2024 which notified an increase in their voting rights to 11,875,000 (representing 14.16% of RM plc's issued share capital carrying voting rights).

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 Note 31 (Financial Risk Management) to the Financial Statements.

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	207
Directors' waived emoluments	N/A
Dividend waiver	N/A
Employee engagement, interests and effect	59 to 60
Employee information, consultation, share schemes and achieving awareness on financial and economic factors	59 to 60 and 79 to 80
Employees with disabilities	60 to 61
Financial instruments	156
Fostering business relationships with suppliers, customers and others and effect	79 to 81
Greenhouse gas emissions, energy consumption and energy efficiency action	48 to 57
Interest capitalised and tax relief	N/A
Long-term incentive schemes	102
Political donations	65
Viability statement	34

Approved by the Board and signed on its behalf by

Daniel Fattal
Company Secretary, RM plc
14 March 2024

Registered in England and Wales No 01749877

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 Order of the Board

Mark Cook
Chief Executive Officer

14 March 2024

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 8, 2023 was a challenging year for the Group and accordingly the Directors had to focus on a number of short-term, as well as longer-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 page 79 which summarises;
  - how Directors have engaged with employees and had regard to employees' interests
  - how the Directors have had regard for the need to foster the Company's business relationships with customers, employees, shareholders, suppliers and partners, and the community and environment
- Sustainability (pages 42 to 47) 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 life cycle
  - RM's commitment to local communities and how 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.

Financial statements


statements

Independent auditor's report

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 2023 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:

- Going concern;
- Allocation and valuation of Consortium assets within the RM Resources division; and
- Impairment risks associated with the valuation of goodwill in the TTS CGU and the parent company investment in the RM Resources 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 £400,000 (2022: £500,000) which was determined based on 0.2% of revenue. The basis for determining materiality differs from the prior year, owing to the continued trading challenges faced by the Group in 2023. In 2022, a 3-year average of approximately 5% of adjusted profit before tax was used in determining materiality. Whilst not used as a key benchmark in the prior year, materiality equated to 0.2% of revenue.
Scoping	We focused our Group audit scope on the audit work of four components representing the principal business units, where a full scope audit was performed. Our audit work accounts for 99% of revenue (2022: 98%) and 98% of the Group's total assets (2022: 92%). We have obtained coverage of 99% (2022: 93%) of the absolute total of the profit and losses before tax made by the group's individual business units.
Significant changes in our approach	Our audit approach has been designed to respond to the continued operational challenges faced by the Group and their impact on the Group's trading performance. Immediately prior to the year-end, the Group announced the decision to close the RM Consortium business, which was part of the RM Resources Division. As a result of the change in strategy in relation to RM Consortium we identified the valuation of RM Consortium's assets, including the allocation of goodwill between TTS and RM Consortium, as a new key audit matter in the current year owing to the level of judgement involved in separating these into two operating segments. Given the performance of RM Resources in the year we also identified a new key audit matter in relation to the impairment review of goodwill remaining in TTS and the carrying value of the parent company's investment in RM Resources. During 2022 we identified a number of control deficiencies, however given that there has been some progress in remediating the deficiencies identified in key controls, we no longer consider the impact of control deficiencies to be a key audit matter. We have commented further on the control environment in section 7 below. In the prior year we also identified a key audit matter in relation to the revenue recognised on certain long-term contracts within RM Assessment. As customers now provide greater clarity over future volumes and there is one fewer year on the most material contracts forecasting accuracy has improved and audit evidence is more readily available. As a result, we did not identify this as a key audit matter in the year.

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 5.1.

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. Going concern

Key audit matter description	During FY23, the group experienced another challenging year, in part due to the loss-making RM Consortium business, leading to the announcement of its closure. In addition to this, the group was impacted by an increasingly challenging domestic education market with competing expenditure priorities and falling budgets resulting in depressed demand from UK schools. As a result, the Directors reported a material uncertainty related to going concern in the interim results for the six months ending 31 May owing to a risk of non-compliance with the entity's banking covenants. The banks waived the August and November LTM EBITDA covenant tests during the second half of the year. RM Group has a £70.0m (2022: £70.0m) committed bank facility and agreed an amendment and extension to this revolving credit facility in March 2024 which matures in July 2026. As at 30 November 2023 the group was in an adjusted net debt position of £45.6m (2022: £46.8m) with drawn facilities of £55.0m (2022: £49.0m). The terms of these borrowings are set out in note 23 and for the going concern period include a covenant based on Last Twelve Months EBITDA. In addition to this, a revised liquidity covenant test has been added as part of the renegotiation, requiring the group to have liquidity greater than £7.5m on the last business days of the month, and liquidity not below £7.5m at the end of two consecutive weeks within a month. This is with the exception of two step-down periods applying from 15 September 2024 to 24 October 2024 and 1 January 2025 to 21 March 2025 during which the minimum liquidity requirement is reduced from £7.5m to £5.0m. 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 reasonably plausible downside scenario. Both the Directors' base case and reasonably plausible downside scenarios indicate that the banking covenants will be met throughout the going concern period. The base case assumes no significant downturn in the UK or International markets from that experienced in FY23 and assumes a broadly similar macroeconomic environment to that currently being experienced. Additionally, the base case assumes some operating efficiencies as a result of restructuring that took place during FY23. In its financial forecasts, significant judgement was required to decide what assumptions to make regarding future cash flow forecasts following the continued challenges experienced in FY23. 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. The risk associated with going concern remains aligned with the prior year, which is reflective of the group's forecast headroom on its banking covenants, that is at a similar level to March 2023. As set out on page 148 the group expects to have sufficient headroom over its facility to be able to meet covenants throughout the going concern period, with appropriate mitigating actions available to reduce cash outflows, should the need arise. The Audit and Risk Committee's consideration of the judgements taken is on page 90 and the group's critical accounting judgment is set out on pages 161.

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: • we obtained a detailed understanding of the relevant controls that the group has established regarding the cashflow forecasts as well as the review and approval of the group's going concern assessment. • 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 review; • assessed the significant events that occurred since the interim announcement when a material uncertainty was reported. This included reviewing the waivers received for the August 2023 and November 2023 covenant measurement dates, the closure of RM Consortium and its subsequent treatment for testing covenants, and the extension and amendment to financing facilities including revised covenants; • challenged the key assumptions within the going concern assessment with reference to historical trading performance, current trading uncertainty and market expectations, including the likelihood of new product launches, further global expansion and cost saving initiatives; • 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, as stated in note 2 on page 149, should these be required to offset the impact of the forecast performance not being achieved; • consulted with a restructuring specialist to assist with the challenge of management's forecasts and the conclusions reached; 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 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.

5.2. Allocation and valuation of Consortium assets within the RM Resources division

Key audit matter description	During FY23, the trading performance of RM Consortium continued to deteriorate, and revenues of RM Consortium decreased by 42.7% to £19.3m (FY22: £33.7m). The divisional adjusted operating loss increased to £9.7m (FY22: loss of £5.0m). In June 2023 the Board's strategic review started to monitor the results of RM Consortium separately from those of TTS. Monitoring the businesses separately and allocating resources based on the financial information of RM Consortium and TTS as stand-alone businesses led to: • the identification of RM Consortium and TTS as two different operating and reporting segments. • the goodwill previously monitored for the combined RM Resources CGUs being allocated between RM Consortium and TTS.

Key audit matter description (continued)	In November 2023 the company announced the planned closure of RM Consortium. Goodwill of £10.6m was allocated to RM Consortium, with the remaining £31.6m allocated to TTS. At year end the goodwill allocated to RM Consortium was fully impaired given there are no future cashflows to support the carrying value. A critical accounting judgement in respect of the allocation of goodwill is included within the notes to the financial statements, as shown on page 161. Further assets with a carrying value of £28.3m were impaired at 30 November 2023. Following the closure of RM Consortium in December 2023, assets with a carrying value of £15.1m were either transferred to TTS, or sold. The balance transferred to TTS post year-end, included a right of use asset with a carrying value of £10.7m. As a result of this change in strategy, we identified the valuation of RM Consortium's assets, including the allocation of goodwill between TTS and RM Consortium, as a key audit matter owing to the level of judgement involved in separating these businesses and the risk of management bias. Further details are included within the Audit and Risk Committee report on page 89 and notes 2 and 13 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: • obtained an understanding of the timing of actions which impacted on key judgements through review of the board minutes and enquiry throughout the audit process; • obtained an understanding of the relevant controls used by the group when determining the appropriate accounting treatment and reviewing assumptions applied in determining the valuation of assets held on the RM Consortium balance sheet; • challenged the entity's assessment of relative value of the RM Consortium and TTS businesses including the use of material margin and revenue over a two-year period. • challenged key assumptions made by the Directors in the allocation of fixed assets between TTS and RM Consortium given the separate view of these businesses in FY23. In doing this, we appraised the purpose of each asset held; • considered the net realisable value of assets by appraising whether the assets are in a saleable condition, benchmarking their value against sales post year-end and offers received; • involved our valuation specialist to assist with our challenge of the assumptions and conclusions reached; and • challenged the sufficiency of disclosures within the financial statements, including that of the critical accounting judgement. These are shown in notes 2 and 13 to the financial statements.
Key observations	We are satisfied that the goodwill is appropriately allocated between RM Consortium and TTS and that the valuation of RM Consortium's assets is appropriate.

5.3. Impairment risks associated with the valuation of goodwill in the TTS CGU and the parent company investment in the RMER Ltd.

Key audit matter description	On 30 November 2023 the RM plc parent company held an investment of £126.1m in the trading subsidiaries (2022: £126.5m) of which £71.5m (2022: £71.5m) related to RMER Ltd. The group financial statements had goodwill in the TTS CGU, which represents the assets and liabilities of RMER Ltd with a carrying value of £31.6m. Goodwill allocated to RM Consortium of £10.6m was fully impaired at 30 November 2023. The market capitalisation of the group at 30 November 2023 was c.£44m (2022: c.£39m). As the performance of the group and company deteriorated during the year, culminating in the announcement to close RM Consortium in November 2023, and the TTS business generated lower revenues and profits in FY23 than both the prior year and forecast, we identified a key audit matter relating to the carrying value of the investment in RMER Ltd for the parent company financial statements and the carrying value of goodwill in TTS for the group financial statements. There is inherent management judgement in determining the key assumptions underpinning the annual goodwill and investment impairment assessments. This risk is increased given the continued underperformance in RMER together with ongoing macroeconomic conditions and pressures on education budgets. With regard to the valuation of goodwill in the TTS CGU we have focussed the risk on the FY24 cash flow forecasts and the allocation of only £1.3m (of a total £7m corporate costs) to TTS, as the impairment review is most sensitive to these assumptions as this generates the baseline performance required to support the terminal value of the CGU. We have also identified this as an area for potential management bias, owing to the degree of judgement in forecasting assumptions that may result in an impairment charge. Further details are included within the Audit and Risk Committee report on page 91, and notes 13 and 17 to the financial statements.
How the scope of our audit responded to the key audit matter	In response to the key audit matter we performed the following procedures: • obtained an understanding of the relevant controls used by the group around the cash flow forecasts and the data, models and assumptions used within the impairment reviews; • challenged the appropriateness of key assumptions applied in the entity's impairment assessment including cashflow forecasts, discount rate assumptions and long term growth rates. We used internal specialists to assess the reasonableness of the discount rate and long term growth rate assumptions. In doing this, we considered the impact of sensitivities in forecast profitability on long term assumptions that underpin the entity's impairment model; • challenged the entity's assumptions in relation to the short term cashflow forecasts for TTS which underpin the impairment reviews. Specifically, we challenged assumptions relating to forecast growth in TTS in FY24 including the evidence to support the launch of new products, expansion of the overseas distributor network and the entity's ability to deliver annualised cost savings and the overall market demand; • identified the population of costs recorded centrally, assessed the cost drivers used to charge central costs to each CGU, challenged management to evidence the basis upon which the remaining central costs are allocated and performed a stand back assessment of the relative costs charged to each CGU; • searched for and assessed potentially contradictory sources of evidence including variances between the group's market capitalisation and any alternate valuations obtained by the entity, and the value in use derived from the impairment models; • we understood historical variances to forecast and challenged the directors as to how this risk has been mitigated in compiling the FY24 forecasts, and beyond; and • challenged the sufficiency of disclosures within the financial statements, including that of key sensitivities. These are shown in notes 13 and 17 to the financial statements.
Key observations	We are satisfied that the carrying value of the parent company's investment in RMER and the valuation of goodwill recorded within the TTS business are both appropriately stated.

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	£400,000 (2022: £500,000)	£168,000 (2022: £150,000)
Basis for determining materiality	We determined materiality based on 0.2% of revenue (which equates to approximately 8% of adjusted loss before tax. In 2022 materiality was based on approximately 5% of 3-year average profit before tax adjusted for material non-recurring items, (which equated to 0.2% of revenue.) The adjustments made to the group's profit/loss for non-recurring items in 2022 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 0.1% of the parent company's total assets (2022: 0.3% of net assets) which is capped at approximately 40% (2022: 30%) of group materiality.
Rationale for the benchmark applied	Given the continued trading challenges experienced by the group during 2023 we have changed the basis of materiality to revenue. In doing this, we first considered a number of different metrics used by investors and other readers of the financial statements, based upon our professional judgement. Despite the under-performance of the group during 2022, we continued to use a profit-based benchmark that year given this was expected to be isolated at the time.	In determining our materiality, based on our professional judgement, we have considered total assets as the appropriate measure given the parent company is primarily a holding company for the group, which is a change from 2022 as the entity has moved to a net liability position in 2023.

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% (2022: 60%) of group materiality	70% (2022: 70%) of parent company materiality
Basis and rationale for determining performance materiality	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 and misstatements identified during previous audits. Given the nature of the parent Company's operations as a holding company and the control environment being less complex, we considered that performance materiality of 70% was appropriate.	

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 £20,000 (2022: £25,000), 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 four components, which were subject to a full scope audit. This included the parent company, and the four principal UK based trading businesses; RM Consortium, TTS, and RM Education (comprising both RM Technology and RM Assessment).

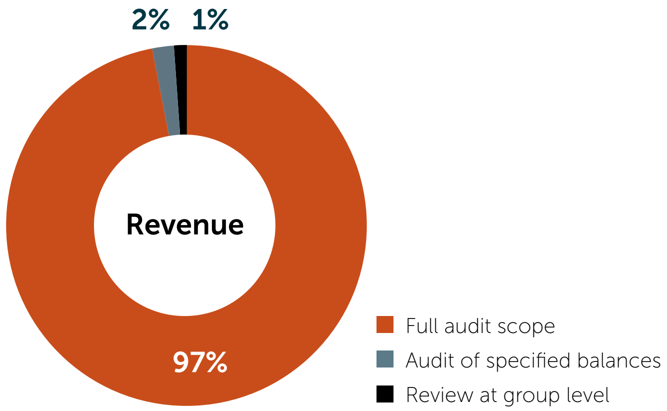
Additionally, an audit of specified balances was performed for both the SoNET and RMESI components during 2023 to be satisfied we had sufficient appropriate audit evidence over these account balances. The procedures performed included an audit of revenue in SoNET and payroll in RMESI. Taken with the entities in full scope, this accounts for 99% (2022: 98%) of the group's revenues and 98% (2022: 92%) of total assets. We have obtained coverage of 99% (2022: 93%) of the absolute total of the profit and losses before tax made by the group's individual business units.

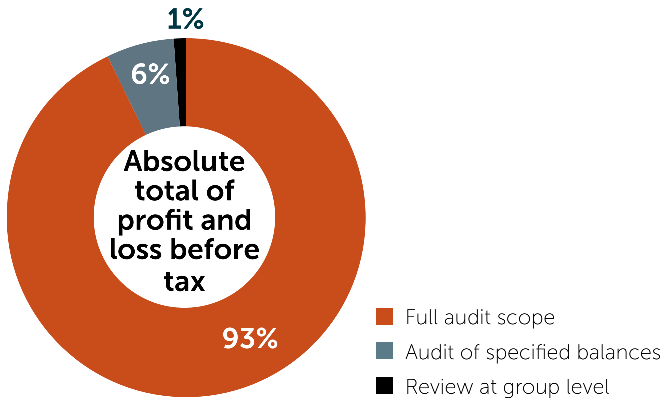
Our audit work at these components was executed at levels of materiality applicable to each individual component, which were lower than group materiality ranging from £120,000 to £168,000 (2022: £150,000 to £210,000).

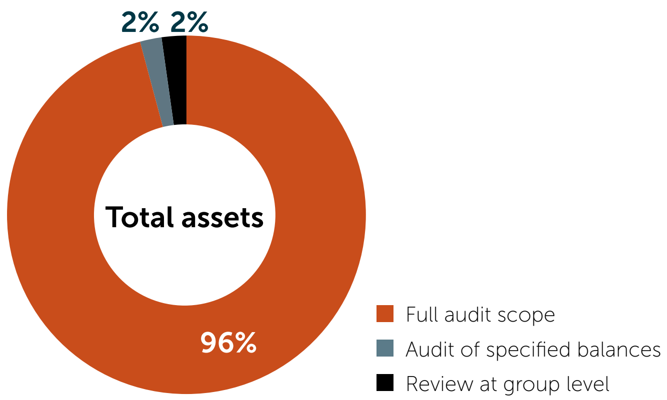
We have disaggregated RM Resources into two separately identifiable components in FY23. We identify components at a reporting level and have assessed RM Consortium and TTS to be separate components as well as RM Education, in FY22 we identified two components RM Resources and RM Education. This change is aligned with the entity's assessment, which is further explained in 5.2, above.

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. The Microsoft Dynamics 365 system implemented during the prior year as part of the group's IT transformation programme ceased to operate as part of the closure of RM Consortium in December 2023. We obtained appropriate information to complete our audit before the system was decommissioned. We worked with our IT audit specialists to evaluate the group's IT systems and determine whether they could be relied upon to support our audit, however a number of IT control deficiencies were identified. 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 historical findings, the entity has begun to implement a control remediation plan. As a number of controls were only implemented close to the balance sheet date, we were unable to adopt a controls reliance audit approach, and this is consistent with the prior year audit. We have extended the scope of our substantive audit procedures in response to the identified deficiencies aligned with previous years.

As described by in the Audit and Risk Committee Report on page 93, while there has been progress related to remediation activities in 2023, there continues to be a lack of formality and documentation in the group's control environment, and in some areas, redesign is still required. The Directors are continuing to implement a control remediation plan and consistent with prior periods we recommend that a Risks and Control Matrix is established which enables top-down identification of key risks to enable faster remediation of controls over material risks.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impacts of climate change on the group's business and its financial statements. The group has assessed the risk and opportunities relevant to climate change across the group on page 44.

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 2023. 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. We additionally consulted an internal specialist to review the Task Force on Climate-related Financial disclosures contained within the annual report on pages 48.

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

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets.
- 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 including those that are specific to the group's sector.
- 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, restructuring 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.
- allocation of Consortium goodwill within the RM Resources division .
- classification of adjusted items.
- management estimates of variable consideration in revenue recognition for certain long-term contracts in the RM Assessment business; and
- impairment risks associated with the valuation of goodwill in the TTS CGU.

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;
- allocation of Consortium goodwill within the RM Resources division; and
- impairment risks associated with the valuation of goodwill in the TTS CGU.

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 internal 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.
- 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 respect to revenue recognition from long term contracts in the RM Assessment business, we have challenged key estimates made by the entity in determining the total transaction price in respect of exam volumes, including evaluating the latest correspondence with customers and assessing the available confirmatory and contradictory external market evidence in relation to volumes.
- 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.

Report on other legal and regulatory requirements

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 32.
- 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 34.
- the Directors' statement on fair, balanced and understandable, set out on page 124.
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 37.
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 93; and
- the section describing the work of the Audit and Risk Committee, set out on page 88.

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 three years, covering the years ending 30 November 2021 to 30 November 2023.

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 – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. 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

14 March 2024

Consolidated income statement

	Note	Year ended 30 November 2023			Year ended 30 November 2022 (Restated[1])		
		Adjusted £000	**Adjustments £000**	**Total £000**	Adjusted £000	Adjustments £000	Total £000
Continuing operations							
Revenue	3	**195,186**	**-**	**195,186**	214,167	-	214,167
Cost of sales		**(129,103)**	**-**	**(129,103)**	(145,663)	-	(145,663)
Gross profit		**66,083**	**-**	**66,083**	68,504	-	68,504
Operating expenses		**(66,612)**	**(7,905)**	**(74,517)**	(60,171)	(26,833)	(87,004)
Expected credit loss credit/(charge)	20	**840**	**-**	**840**	(850)	-	(850)
Impairment losses	6	**-**	**(38,949)**	**(38,949)**	-	(2,236)	(2,236)
Profit/(loss) from operations		**311**	**(46,854)**	**(46,543)**	7,483	(29,069)	(21,586)
Finance income	8	**1,105**	**-**	**1,105**	614	-	614
Other income	6	**-**	**10,785**	**10,785**	-	3,010	3,010
Finance costs	9	**(6,585)**	**-**	**(6,585)**	(2,825)	-	(2,825)
(Loss)/profit before tax		**(5,169)**	**(36,069)**	**(41,238)**	5,272	(26,059)	(20,787)
Tax	10	**(8,072)**	**6,002**	**(2,070)**	(1,760)	6,458	4,698
(Loss)/profit for the year from continuing operations		**(13,241)**	**(30,067)**	**(43,308)**	3,512	(19,601)	(16,089)
Discontinued operations	21	**760**	**13,444**	**14,204**	1,590	-	1,590
(Loss)/profit for the year		**(12,481)**	**(16,623)**	**(29,104)**	5,102	(19,601)	(14,499)
Earnings per ordinary share on continuing operation	11						
– basic		**(15.9)p**		**(52.0)p**	4.2p		(19.3)p
– diluted		**(15.8)p**		**(51.8)p**	4.2p		(19.3)p
Earnings per ordinary share on discontinuing operations	11						
– basic		**0.9p**		**17.1p**	1.9p		1.9p
– diluted		**0.9p**		**17.0p**	1.9p		1.9p
Earnings per ordinary share on total operations	11						
– basic		**(15.0)p**		**(34.9)p**	6.1p		(17.4)p
– diluted		**(14.9)p**		**(34.8)p**	6.0p		(17.4)p
Paid and proposed dividends per share	12						
– Interim				**-**			-
– Final				**-**			-

1. *The prior year restatement is detailed in Note 33.*

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 are used by the Board to monitor and manage the performance of the Group (see Note 6 for details).

The notes on pages 149 to 215 form an integral part of these Financial Statements.

Consolidated statement of comprehensive income

	Note	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Loss for the year		**(29,104)**	(14,499)
Items that will not be reclassified subsequently to profit or loss			
Defined benefit pension scheme remeasurements[1]	26	**(15,771)**	(12,157)
Tax on items that will not be reclassified subsequently to profit or loss	10	**2,790**	2,914
Items that are or may be reclassified subsequently to profit or loss			
Fair value (loss)/gain on hedged instruments		**(402)**	4
Fair value gain/(loss) on hedged instruments transferred to the income statement		**272**	(444)
Tax on items that are or may be reclassified subsequently to profit or loss[2]	10	**-**	11
Exchange (loss)/gain on translation of overseas operations		**(287)**	301
Other comprehensive expense		**(13,398)**	(9,371)
Total comprehensive expense attributable to owners of the parent		**(42,502)**	(23,870)

1. *Year ended 30 November 2023 includes £15,771,000 expense (2022: £12,846,000 expense) in respect of defined benefit pension schemes (see note 26(c)) and £nil (2022: £689,000 gain) in respect of Local Government Pension Schemes (see Note 26(b)).*
2. *Principally includes the impact of the Group's cash flow hedges deferred to other comprehensive income during the year. No deferred tax asset has been recognised in the year ended 30 November 2023 for the future expected charge to the profit and loss account.*

The notes on pages 149 to 215 form an integral part of these Financial Statements.

Consolidated balance sheet

	Note	At 30 November 2023 £'000	At 30 November 2022 £'000
Non-current assets			
Goodwill	13	**38,538**	49,401
Other intangible assets	14	**5,224**	25,510
Property, plant and equipment	15	**8,271**	15,892
Right-of-use asset	16	**14,275**	16,364
Defined benefit pension scheme surplus	26	**12,796**	23,959
Other receivables	20	**240**	290
Contract fulfilment assets	19	**1,959**	1,713
Deferred tax assets	10	**170**	174
		81,473	133,303
Current assets			
Inventories	18	**13,959**	26,359
Trade and other receivables	20	**32,333**	36,203
Contract fulfilment assets	19	**1,949**	1,727
Assets held for sale	21	**-**	418
Tax assets		**1,988**	2,733
Cash and cash equivalents		**8,062**	1,911
		58,291	69,351
Total assets		**139,764**	202,654
Current liabilities			
Trade and other payables	22	**(46,372)**	(65,639)
Provisions	24	**(2,993)**	(2,142)
Borrowings	23	**-**	(48,728)
Liabilities directly associated with assets classified as held for sale	21	**-**	(2,082)
		(49,365)	(118,591)
Net current assets/(liabilities)		**8,926**	(49,240)
Non-current liabilities			
Lease liabilities	22	**(14,297)**	(15,998)
Other payables	22	**(2,463)**	(3,096)
Provisions	24	**(1,749)**	(666)
Deferred tax liability	10	**-**	(2,306)
Defined benefit pension scheme obligation	26	**(411)**	(1,354)
Borrowings	23	**(53,651)**	-
		(72,571)	(23,420)
Total liabilities		**(121,936)**	(142,011)
Net assets		**17,828**	60,643
Equity attributable to shareholders			
Share capital	25	**1,917**	1,917
Share premium account		**27,080**	27,080
Own shares	27	**(444)**	(444)
Capital redemption reserve		**94**	94
Hedging reserve		**(393)**	(263)
Translation reserve		**(868)**	(581)
Retained earnings		**(9,558)**	32,840
Total equity		**17,828**	60,643

The notes on pages 149 to 215 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 14 March 2024.

On behalf of the Board of Directors

Simon Goodwin
Director

Consolidated statement of changes in equity

	Note	Share capital £000	Share premium £000	Own shares £000	Capital redemption reserve[1] £000	Hedging reserve[2] £000	Translation reserve[3] £000	Retained earnings £000	Total £000
At 1 December 2021		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
Loss for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(29,104)**	**(29,104)**
Other comprehensive expense		**-**	**-**	**-**	**-**	**(130)**	**(287)**	**(12,981)**	**(13,398)**
Total comprehensive expense		**-**	**-**	**-**	**-**	**(130)**	**(287)**	**(42,085)**	**(42,502)**
Transactions with owners of the Company:									
Share-based payment fair value charges	28	**-**	**-**	**-**	**-**	**-**	**-**	**(364)**	**(364)**
Share-based payment - tax		**-**	**-**	**-**	**-**	**-**	**-**	**11**	**11**
Unclaimed dividends		**-**	**-**	**-**	**-**	**-**	**-**	**40**	**40**
At 30 November 2023		**1,917**	**27,080**	**(444)**	**94**	**(393)**	**(868)**	**(9,558)**	**17,828**

1. *The capital redemption reserve arose from the repurchase of issued share capital. It is not distributable.*
2. *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.*
3. *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.*

The notes on pages 149 to 215 form an integral part of these Financial Statements.

Consolidated cash flow statement

	Note	At 30 November 2023 £'000	At 30 November 2022 £'000
Loss before tax from continuing operations		**(41,238)**	(20,787)
Profit before tax from discontinuing operations	21	**14,204**	1,590
Gain on disposal of intangible licences	6	**(10,614)**	(2,791)
Gain on disposal of property	6	**-**	(221)
Gain on disposal of operations	6	**(13,615)**	-
Finance income	8	**(1,105)**	(612)
Finance costs	9	**6,585**	2,825
Loss from operations, including discontinued operations		**(45,783)**	(19,996)
Adjustments for:			
Amortisation and impairment of intangible assets	13, 14	**31,050**	4,354
Depreciation and impairment of property, plant and equipment	15, 16	**11,564**	5,149
Impairment of inventory and other current assets	6	**4,476**	-
Utilisation of contract fulfilment asset		**2,513**	2,326
(Gain)/loss on disposal of property, plant and equipment	5	**(265)**	41
Loss/(gain) on foreign exchange		**570**	(648)
Share-based payment (credit)/charge	28	**(364)**	40
Increase in provisions	24	**3,825**	1,469
Defined benefit pension scheme administration cost	26	**6**	8
Operating cash flows before movements in working capital		**7,592**	(7,257)
Decrease/(increase) in inventories		**8,624**	(7,304)
Decrease/(increase) in receivables		**2,804**	(4,095)
Increase in contract fulfilment assets		**(3,035)**	(2,920)
(Decrease)/increase in trade and other payables		**(17,844)**	5,517
Utilisation of provisions	24	**(2,824)**	(1,514)
Cash used by operations		**(4,683)**	(17,573)
Cash from settlement of derivative instruments		**(879)**	444
Defined benefit pension scheme cash contributions	26	**(4,496)**	(4,537)
Tax (paid)/credit		**(397)**	880
Net cash used by operating activities		**(10,455)**	(20,786)
Investing activities			
Interest received	8	**9**	3
Proceeds on disposal of intangible licences	6	**10,745**	2,791
Proceeds on disposal of property, plant and equipment		**300**	3,299
Proceeds on sale of operations	21	**10,899**	-
Purchases of property, plant and equipment	15	**(642)**	(1,575)
Purchases of other intangible assets	14	**(457)**	(3,627)
Net cash generated from investing activities		**20,854**	891
Financing activities			
Dividends unclaimed/(paid)	12	**40**	(2,498)
Drawdown of borrowings	23	**30,167**	73,000
Repayment of borrowings	23	**(24,167)**	(44,000)
Borrowing facilities arrangement and commitment fees		**(1,716)**	(436)
Interest paid	9	**(4,955)**	(2,312)
Payment of leasing liabilities – capital element		**(3,179)**	(3,114)
Payment of leasing liabilities – interest element		**(331)**	(347)
Net cash (used by)/generated from financing activities		**(4,141)**	20,293
Net increase in cash and cash equivalents		**6,258**	398
Cash and cash equivalents at the beginning of the year		**1,911**	1,478
Effect of foreign exchange rate changes		**(107)**	35
Cash and cash equivalents at the end of the year		**8,062**	1,911
Bank overdraft		**-**	-
Cash at bank		**8,062**	1,911
Cash and cash equivalents at the end of the year		**8,062**	1,911

The notes on pages 149 to 215 form an integral part of these Financial Statements.

Company balance sheet

	Note	At 30 November 2023 £'000	At 30 November 2022 £'000
Non-current assets			
Investments	17	**57,952**	126,470
Other receivables	20	**-**	7,858
Deferred tax asset	10	**-**	1,576
		57,952	135,904
Current assets			
Trade and other receivables	20	**267**	115
		267	115
Total assets		**58,219**	136,019
Current liabilities			
Trade and other payables	22	**(31,127)**	(27,390)
Borrowings	23	**-**	(48,728)
		(31,127)	(76,118)
Net current liabilities		**(30,860)**	(76,003)
Non-current liabilities			
Borrowings	23	**(53,651)**	-
		(53,651)	-
Net (liabilities)/assets		**(26,559)**	59,901
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		**(55,206)**	31,254
Total equity		**(26,559)**	59,901

The notes on pages 149 to 215 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 £86,136,000 (2022: £2,502,000 loss) and includes an impairment charge of £68,153,000 in respect of the Company's investment in RM Educational Resources Limited (see Note 17) and an impairment charge of £7,810,000 in respect of an amount owed by a Group undertaking of £7,810,000 (see Note 20).

These Financial Statements of RM plc, registered number 01749877, were approved and authorised for issue by the Board of Directors on 14 March 2024.

On behalf of the Board of Directors

Simon Goodwin
Director

Company statement of changes in equity

	Note	Share capital £000	Share premium £000	Own shares £000	Capital redemption reserve[1] £000	Retained earnings £000	Total £000
At 1 December 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
Loss for the year		**-**	**-**	**-**	**-**	**(86,136)**	**(86,136)**
Total comprehensive expense		**-**	**-**	**-**	**-**	**(86,136)**	**(86,136)**
Transactions with owners of the Company							
Share-based payment fair value charges	28	**-**	**-**	**-**	**-**	**(364)**	**(364)**
Unclaimed dividends		**-**	**-**	**-**	**-**	**40**	**40**
At 30 November 2023		**1,917**	**27,080**	**(444)**	**94**	**(55,206)**	**(26,559)**

1. *The capital redemption reserve arose from the repurchase of issued share capital. It is not distributable.*

The notes on pages 149 to 215 form an integral part of these Financial Statements.

Notes to the financial statements

1. General information

RM plc (the Company) is a public company, limited by shares, incorporated in England and Wales and listed on the London Stock Exchange. It is the parent Company and ultimate parent of a group of companies (the 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 separate financial statements of the Company are drawn up in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced disclosure framework', (FRS 101). The following exemptions available under FRS 101 have been applied:

- 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 requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- 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.

2. Significant accounting policies continued

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 International Financial Reporting Standards that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 March 2025 which indicate that taking into account reasonably plausible downsides as discussed below, the Company is expected to comply with all debt covenants in place and will have 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 142, the headroom to the hard liquidity covenant within the Banking Agreement, and compliance with the LTM EBITDA covenant. Exceeding the hard liquidity or the LTM EBITDA covenant would constitute a material breach of the agreement and consequently the facility would be repayable on demand.

At 30 November 2023, the Group had adjusted net debt of £45.6m (2022: £46.8m) and drawn facilities of £55.0m (2022: £49.0m). Average adjusted net debt over the year to 30 November 2023 was £55.9m (2022: £46.8m) with a maximum borrowings position of £64.8m (2022: £64.1m). The drawn facilities are expected to fluctuate over the period considered for going concern, but remain within the covenants, and are not anticipated to be fully repaid in this period.

As set out in Note 31, RM Group had a £70.0m (2022: £70.0m) committed bank facility (the facility) at 30 November 2023. At the date of this report, the Group has secured an agreement with Lenders, which extends the existing £70.0m facility to July 2026. This agreement is secured against the shares of each of the obligor companies (except for RM plc) and by way of a fixed and floating charge over all assets of the obligors, 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 (excluding discontinued operations) covenant test from February 2024 to November 2025, which is then replaced by a quarterly EBITDA leverage test and interest cover, which are required to be below and above 4x respectively from February 2026; and
- A 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month, with a step-down period applying from 15 September 2024 to 24 October 2024 and 1 January 2025 to 21 March 2025, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m.

The Chief Financial Officer's statement outlines the performance of the Group in the year to 30 November 2023. This statement highlights the material impact of the ongoing issues within the Consortium brand and under performance relative to prior year forecasts in both the RM Technology and TTS businesses.

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 2023 and assumes a broadly similar macroeconomic environment to that currently being experienced.

2. Significant accounting policies continued

Going concern (continued)

Revenue growth in the base case is driven from the following key areas:

- Growth from existing customers and new customer wins in the Assessment division;
- Increased hardware and infrastructure revenues in the Technology division, including further wins under the UK government's Connect the Classroom programme; and
- Growth from UK sales and international partnerships, where the base case assumes an increase in market share through customer wins and new product launches as well as higher average order values, in the Resources business.

Operating profit margin growth in the base case includes, in addition to the revenue assumptions outlined above, annualised savings benefit from restructuring programmes commenced in the year to 30 November 2023. As the target operating model changes did not commence until 2024 the impacts of these changes are not captured in the base case, rather these are incorporated as an upside in the reasonable worst-case scenario.

Net debt is not expected to reduce within the assessment period, as the conversion of profits will be offset by further capital investment, interest and pension payments.

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 the base case and reasonable worst case downside scenarios.

The aggregate impact of reasonably plausible downsides has been taken together to form a reasonable worst-case scenario that removes a number of the growth assumptions from the base case including:

In the Assessment division, a reduction in revenue arising because of:

- A faster runoff of one key contract which has not been renewed;
- New contract win not at preferred bidder status reduced by 50%; and
- One-off revenues associated with changing terms on a large multi-year contract delayed to FY25.

In the Technology division: aligning forecast hardware sales with the average of the last five years, rather than the future growth assumed in the base case, and reducing contract renewal rates by 5%.

In the Resources division:

- UK market share growth does not occur, market continues to decline and revenues delivered by new products are reduced by 50%;
- No growth in international revenues; and
- Increases in costs associated with new product development, carriage, and an inability to pass on 1.5% of inflationary increases.

The reasonable worst downside case scenarios have the following impact on the base case budget:

- 2024: A revenue reduction of £31.2m, an EBITDA reduction of £8.2m, and cash reduction of £7.5m.
- 2025: A revenue reduction of £41.5m, an EBITDA reduction of £8.4m, and cash reduction of £6.0m.

While the Board believes that all reasonable worst case downside scenarios occurring together is highly unlikely, the Group would continue to comply with covenants under the facility, albeit in February 2025 rather would no headroom on the LTM EBITDA covenant, and in December 2024 limited headroom on the hard liquidity covenant. The Board's assessment of the likelihood of a further downside scenario is remote. Management have undertaken reverse stress testing that demonstrates that even if no sales are made by the TTS business in the month of May 2024, the covenants would still be complied with for that quarter.

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 reasonable worst cases and the Group complies with covenants. These mitigating actions include not paying discretionary bonuses, the sale of further IP licences, and extending payment terms with key suppliers, albeit at a much lower level for the latter than were taken in FY23. These are actions that the Group has taken before and therefore the Board are confident of their ability to deliver these mitigating actions if required. Further actions could include reduction in capital expenditure and delaying recruitment. These actions are expected to have little to no implications to the ongoing business in the going concern period.

2. Significant accounting policies continued

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 profit from operations
- 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). Adjusted items 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 provides supplementary information that assists the user to understand the 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 provided.

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.

2. Significant accounting policies continued

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 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 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; and
- 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.

2. Significant accounting policies continued

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 standalone selling prices and recognises revenue when those performance obligations are satisfied. In the 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 and 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 the RM Technology and RM Resources that are transactional, 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 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.

2. Significant accounting policies continued

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 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 and within 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 required by IFRS 15 will be removed for the impairment test.

2. Significant accounting policies continued

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. 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;
b. an intention to complete the intangible asset and use or sell it;
c. ability to use or sell the intangible asset;
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;
e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
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 it has 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 the Group has 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.

2. Significant accounting policies continued

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Income Statement 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:

Short leasehold improvements	The term of the lease
Plant, equipment and fixtures	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. If fair value is not directly observable, valuation techniques will be applied using relevant observable inputs. 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, disclosed 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.

2. Significant accounting policies continued

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.

2. Significant accounting policies continued

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 certain overseas territories 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.

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.

2. Significant accounting policies continued

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; and
- 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

Defined benefit pension schemes

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), 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 Group 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 2023. 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.

Local Government Pension Schemes

Included within defined benefit pension scheme obligations potential IAS 19 liabilities arising from the Group's participation in local government pension schemes. When the Group is awarded certain customer contracts, employees transfer to the relevant Group entity under TUPE provisions and as part of that process that entity is admitted as a participating employer into Local Government Pension Schemes (LGPS). As set out in Note 26, at 30 November 2023 the Group was a participating employer in 23 LGPS schemes each having between 1 and 12 current employees. Some of these participating Schemes have a customer contractual guarantee whereby the Group reimburses for any IAS19 deficit when the Group ceases to be a participating employer.

2. Significant accounting policies continued

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), internal information (such as employee related data) but not IAS 19 inputs such as scheme asset and liability movements and mortality assumptions that relate to participating employees. As the Group is not the main sponsoring employer in these schemes, the Group does not have an unconditional right to recover surpluses, either during the life of the scheme, when all the members have left the plan or on a plan wind-up.

As a result, while the Company accounts for the schemes as a defined benefit arrangement, with actuarial movements recognised through Other Comprehensive Income, due to the basis of calculation set out above, only limited IAS 19 disclosures for these local government pension schemes have been included in Note 26b.

At 30 November 2023, the defined benefit pension scheme obligations liability incorporated information from the 23 local government pension schemes based on the most recent LGPS triennial valuations performed as at 31 March 2023 and, based on the assumptions above, led to a calculation of a liability position on these schemes of £27,000 (2022: £27,000).

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 2023 (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.

2. Significant accounting policies continued

Foreign currencies

The Group presents its Financial Statements in Pounds Sterling because this is the currency in its primary operating environment. Balance sheet items of subsidiary undertakings whose functional currency is not Pounds Sterling are translated into Pounds 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. Foreign 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 Pounds 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. Foreign currency non-monetary amounts are translated at rates prevailing at the time of establishing the fair value of the asset or liability.

During the year ended 30 November 2023, foreign exchange differences arising on an intercompany loan with a foreign subsidiary were treated as finance income or finance costs in line with the underlying asset. This represents a new accounting policy. In prior periods, this exchange difference was recorded in operating costs but as the amount is not considered material, management has not restated the prior year results.

The functional currency of the Company is Pounds 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:

- Valuation of RM Consortium assets – During the year management performed an impairment review of all RM Consortium segment assets to determine their estimated recoverable amounts, defined as being the higher of fair value less costs to sell and value in use. As a result of estimating these recoverable amounts, management recognised an impairment charge of £38.9m against the value of RM Consortium assets, as set out in Note 6. If management assumed that the recoverable amount of property, plant and equipment, inventory and other current assets was 5% higher, the impairment charge would have been reduced by £0.5m.
- Retirement benefit scheme valuation – The present value of post-employment benefit obligations is determined on an actuarial basis using various assumptions, including the discount rate, inflation rate and mortality assumptions. Any changes in these assumptions will impact the carrying amount as well as the net pension finance cost/(income). Key assumptions and sensitivities for post-employment benefit obligations are disclosed in Note 26.
- Revenue from RM Assessment contracts which contain variable revenues based on the number of exam scripts – There is estimation relating to total script volumes to determine the transaction price over the life of the contract and 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. The sensitivity analysis related to future script volumes show that if UK and International exams increased by 5% against assumed volumes from 2024 onwards, then revenue in 2023 would be increased by c.£0.4m. See Note 3 for further details.
- Impairment reviews – As part of the impairment review of goodwill and investments in subsidiary undertakings, calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including future cash flows derived from the most recent Board-approved and forecasts, discount rates and growth rates. Where the forecast is not supportable by prior performance, the FY24 budget has been used in perpetuity. Changing the assumptions selected by management, in particular changes in expected average price increases or average volumes, allocation of corporate costs, discount rate and long term growth rate could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses. Further details, including a sensitivity analysis, are set out in Notes 13 and 17.

2. Significant accounting policies continued

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:

- Going concern – In concluding the going concern assessment was appropriate, the Directors have made a number of significant judgements as set out in Note 2.
- 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.
- 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.
- Goodwill allocation – Management have allocated the Resources goodwill between RM Consortium and RM TTS on the basis of the relative values of the two businesses. Judgement was required in determining the allocation of this goodwill, with management determining that using the material profits of the two businesses over a number of years is the most appropriate method, as the value of these businesses is based on sales of goods. As a result, £10.6m of goodwill was allocated to RM Consortium and £31.6m to RM TTS as set out in Note 13. If a different allocation methodology had been used, such as on the basis of revenues or net assets, the allocation would have been materially different.
- Recognition of pension surplus – The Group has determined that when all members leave the various defined benefit pension schemes, any surplus remaining would be returned to the Group in accordance with the trust deed. As such, the full economic benefit of any surplus under IAS 19 is deemed available to the Group and is recognised in the balance sheet.
- International Baccalaureate AOS – Management have reviewed the performance obligations associated with this contract and judged that, as the performance obligation had not been met at 30 November 2023, development work to date of £3.6m should continue to be recognised as intangible assets in accordance with IAS 38 and £3.3m of amounts received should continue to be recognised as deferred revenue.
- 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 (2023: £nil, 2022: £1.3m) but those relating to assets originally intended for use within the Technology business (2023: £10.6m, 2022: £2.8m) are other income. The assets originally designated as intangible are considered to be material to the underlying performance of the segment and have been treated as an adjustment.

3. Revenue

Year ended 30 November 2023	RM TTS Transactional £000	RM Consortium Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Total £000
Supply of products	**75,884**	**19,300**	**18,209**	**-**	**-**	**113,393**
Rendering services	**-**	**-**	**4,564**	**25,012**	**41,673**	**71,249**
Licences	**-**	**-**	**3,731**	**6,147**	**666**	**10,544**
	75,884	**19,300**	**26,504**	**31,159**	**42,339**	**195,186**

Year ended 30 November 2022 (Restated)[1]	RM TTS Transactional £000	RM Consortium Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Total £000
Supply of products	80,619	33,738	17,108	-	-	131,465
Rendering services	-	9	2,519	30,357	37,979	70,864
Licences	-	-	5,298	5,579	961	11,838
	80,619	33,747	24,925	35,936	38,940	214,167

1. *Following the decision by management to separately monitor the results of Consortium and TTS brands in June 2023, the previously reported RM Resources segment has been allocated between the RM TTS segment, which continues to be operated by the Group, and the RM Consortium segment which has ceased trading. Prior year comparatives have been restated accordingly..*

The RM Technology transactional licence revenues include £nil (2022: £1.3m) in relation to sales of IPv4 addresses from designated stock. These IP addresses were held at nil cost.

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 £5.8m (2022: £6.9m) 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 total script volumes to determine the transaction price over the life of the contract as described in Note 2. The sensitivity analysis related to future script volumes shows that if UK and International exams increased by 5% against assumed volumes from 2024 onwards, then revenue in 2023 would be increased by c.£0.4m (2022: 15% against our assumed volumes from 2023 onwards, then revenue in 2022 would be increased by c.£0.7m).

3. Revenue continued

The table below shows the time bands of the expected timing of revenue to be recognised on over-time contracts at 30 November 2023.

Year ended 30 November 2023	**RM Technology Over Time £000**	**RM Assessment Over Time £000**	**Total Over Time £000**
< 1 year	**4,392**	**26,563**	**30,955**
1-2 years	**3,730**	**11,260**	**14,990**
2-5 years	**-**	**2,931**	**2,931**
> 5 years	**-**	**-**	**-**
Total	**8,122**	**40,754**	**48,876**

Year ended 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

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. The Chief Executive is the Chief Operating Decision Maker. 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 was historically structured into three operating Divisions: RM Resources, RM Assessment and RM Technology, however, following the decision by management to separately monitor the results of the Consortium and TTS brands in June 2023, the previously reported RM Resources segment has been allocated between the RM TTS segment, which continues to be operated by the Group, and the RM Consortium segment which has ceased trading.

The Chief Operating Decision Maker reviews 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.

4. Operating segments continued

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.

Segmental results

Year ended 30 November 2023	RM TTS[1] £000	RM Consortium £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue						
UK	**52,229**	**19,300**	**24,756**	**57,545**	**-**	**153,830**
Europe	**12,757**	**-**	**10,315**	**86**	**-**	**23,158**
North America	**4,722**	**-**	**131**	**32**	**-**	**4,885**
Asia	**1,049**	**-**	**1,219**	**-**	**-**	**2,268**
Middle East	**3,730**	**-**	**157**	**-**	**-**	**3,887**
Rest of the world	**1,397**	**-**	**5,761**	**-**	**-**	**7,158**
	75,884	**19,300**	**42,339**	**57,663**	**-**	**195,186**
Adjusted profit/(loss) from operations	**5,949**	**(9,679)**	**10,252**	**749**	**(6,960)**	**311**
Finance income						**1,105**
Finance costs						**(6,585)**
Adjusted loss before tax						**(5,169)**
Adjustments (see Note 6)						**(36,069)**
Loss before tax						**(41,238)**

1. *Included in UK are International Sales via UK Distributors of £755,000.*

Year ended 30 November 2022 (Restated)	RM TTS[1] £000	RM Consortium £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue						
UK	58,232	33,707	23,324	59,416	-	174,679
Europe	12,907	12	8,153	71	-	21,143
North America	3,555	-	142	1,374	-	5,071
Asia	879	1	1,299	-	-	2,179
Middle East	3,284	21	167	-	-	3,472
Rest of the world	1,762	6	5,855	-	-	7,623
	80,619	33,747	38,940	60,861	-	214,167
Adjusted profit/(loss) from operations	7,817	(5,006)	7,378	2,173	(4,879)	7,483
Finance income						614
Finance costs						(2,825)
Adjusted profit before tax						5,272
Adjustments (see Note 6)						(26,059)
Loss before tax						(20,787)

1. *Included in UK are International Sales via UK Distributors of £687,000.*

4. Operating segments continued

Segmental assets

At 30 November 2023	RM TTS £000	RM Consortium £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Segmental	**28,286**	**17,353**	**15,067**	**16,158**	**39,617**	**116,481**
Other						**23,283**
Total assets						**139,764**

At 30 November 2022	RM TTS £000	RM Consortium £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Segmental	33,373	61,499	16,315	10,936	51,640	173,763
Other						28,891
Total assets						202,654

Included within the disclosed segmental assets are non-current assets (excluding defined benefit pension surplus and deferred tax assets) of £61.7m (2022: £109.1m) located in the United Kingdom, £5.8m (2022: £9.0m) located in Australia and £1.0m (2022: £1.0m) located in India. Other non-segmented assets include defined benefit pension surplus, other receivables, tax assets and cash and short-term deposits. Goodwill is included within the Corporate Services segment. Consortium segmental assets include a leased warehouse which has been repurposed to be used by TTS after the year-end.

5. Profit/(loss) from operations

Profit/(loss) from operations is stated after charging/(crediting):

	Note	**Year ended 30 November 2023 £000**	Year ended 30 November 2022 (Restated) £000
Impairment of goodwill – charged in operating expenses	13	**10,575**	-
Impairment of other intangible assets - charged in operating expenses	14	**17,789**	-
Amortisation of other intangible assets - charged in operating expenses	14	**2,686**	4,354
		20,475	4,354
Depreciation and impairment of property, plant and equipment and right-of-use assets			
– charged in cost of sales		**616**	763
– charged in operating expenses		**10,948**	4,386
	15, 16	**11,564**	5,149
Selling and distribution costs		**25,090**	26,940
Research and development costs		**3,954**	3,078
Administrative expenses		**36,729**	31,003
Adjusted operating expenses		**65,772**	61,021
Adjustments to administrative expenses (see Consolidated Income Statement)		**46,854**	29,069
Total operating expenses		**112,626**	90,090
(Gain)/loss on disposal of property, plant and equipment		**(265)**	41
Cost of inventories recognised as expense		**71,770**	80,257
Staff costs (see Note 7)		**67,682**	69,561
Operating lease expense (low value or less than a year)		**35**	80
Foreign exchange loss/(gain)		**650**	(211)
Inventory write-offs - RM Consortium (see Note 6)		**2,827**	-
Inventory write-offs - Other		**534**	390
Increase/(decrease) in inventory obsolescence provision		**438**	(215)
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**	60
– the audit of the Company's subsidiaries pursuant to legislation		**1,272**	927
Other fees payable to the Company's auditor:			
– other services[1]		**1,030**	125
		2,362	1,112

1. *Fees for other services include reporting accountant fees paid to the Company's auditor in connection with the Group's Class 1 sale of the RM Integris and RM Finance businesses.*

The prior year restatement is detailed in Note 33.

6. Alternative performance measures

As set out in Note 2, the Group uses alternative performance measures that the Board believes reflects the trading performance of the Group, and it is these adjusted measures that the Board use as the primary measures of performance measurement during the year.

		Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Adjustments to operating expenses			
Amortisation of acquisition-related intangible assets		**1,691**	1,839
Impairment of RM Consortium assets[1]	(a)	**38,949**	-
Restructuring costs	(b)	**2,678**	254
Configuration of SaaS licences (ERP)	(c)	**3,063**	17,355
Independent business review related costs	(d)	**473**	-
Dual running costs related to investment strategy	(e)	**-**	5,372
Impairment of ERP solution	(f)	**-**	2,236
Onerous provision for IS licences	(g)	**-**	1,168
Disposal related costs	(k)	**-**	845
Total adjustments to operating expenses		**46,854**	29,069
Other income			
Sale of IP addresses	(h)	**(10,614)**	(2,791)
Gain on disposal of operations	(i)	**(171)**	-
Gain on sale of property	(j)	**-**	(219)
Total adjustments to other income		**(10,785)**	(3,010)
Total adjustments		**36,069**	26,059
Tax impact (Note 10)		**(6,002)**	(6,458)
Total adjustments after tax – continuing operations		**30,067**	19,601
Gain on disposal of discontinued operations	(k)	**(13,444)**	-
Total adjustments after tax		**16,623**	19,601

1. *Includes £10,575,000 of goodwill impairment (see Note 10), £17,431,000 of impairment of other intangible assets, £5,881,000 of impairment of property, plant and equipment, £2,827,000 of inventory write downs, £737,000 write off of other current assets and an onerous contract provision of £1,498,000 in respect of IT licences. See (a) below for further details.*

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.

6. Alternative performance measures continued

During the year ended 30 November 2023, the Group announced the decision to cease trading in the RM Consortium business and the consequent termination of the Group's ERP programme which had formed part of the Group's 2018 warehouse strategy to transfer all its previous warehouse operations into one new automated warehouse together with an interlinked ERP solution which was planned to be rolled out to the whole Group. The Group believes that the size, complexity and number of unusual costs associated with these developments, were 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 relating to these developments have also been treated as an adjustment to profit, consistently period to period.

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.

The following costs and income were identified as adjusted items:

(a) Following the announcement of the closure of the Consortium business and the subsequent termination of the ERP replacement programme, management performed an impairment review resulting in the Group recognising a total impairment charge of £38.9m including £10.6m of goodwill relating to the RM Consortium business (see Note 13), £17.4m of intangible assets including all remaining Consortium brand and ERP assets (see Note 14), £5.9m of property, plant and equipment at the RM Consortium warehouse (see Note 15), £2.8m of RM Consortium inventory write downs to net realisable value, £0.7m of other current assets and an onerous contract provision of £1.5m in respect of IT licences associated with the Group's ERP solution.

(b) Restructuring costs of £2.7m (2022: £0.3m) of which £0.8m related to the Group's decision to cease trading in the RM Consortium business.

(c) The configuration and customisation costs relating to the ERP replacement programme, which have been expensed in accordance with IAS 38: Intangible Assets and IFRIC agenda decisions but have been treated as adjusting items as they were a significant component of the Group's warehouse strategy. These costs total £3.1m (2022: £17.4m) based on the development work undertaken

(d) Independent Business Review related costs totalling £0.5m (2022: £nil) undertaken on behalf of the lenders and pension scheme.

(e) Dual running costs in 2022 of £5.4m related to the Group's warehouse strategy, which became fully operational that year. Costs included £2.8m associated with the new warehouse including items such as utilities, security and increased warehouse staff to test the new facility and to transfer inventory and £2.6m of IT costs (excluding configuration costs of SaaS licences) being expensed that relate to running of IT systems not yet in use.

(f) In 2022, the Group impaired £2.2m of ERP replacement programme costs, previously capitalised within the RM Technology Division, which related to functionality that was paused and where the Group had no active plans to proceed to implement.

(g) In 2022, the Group recognised an onerous contract provision of £1.2m in respect of IT licences associated with its ERP solution.

(h) Income generated following the completion of the sale of IP addresses totalling £10.6m (2022: £2.8m).

(i) Gain on disposal of operations of £0.2m (2022: £nil) following the completion of the iCase business disposal.

(j) In 2022, the Group disposed of a warehouse that was no longer 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.

(k) During the year ended 30 November 2023, the Group completed the disposal of the RM Integris and RM Finance business which generated a gain on sale of operations of £13.4m (2022: loss of £0.8m) representing proceeds of £15.3m (2022: £nil) less £1.9m (2022: £0.8m) of costs associated with the disposal.

6. Alternative performance measures continued

Adjusted net debt of £45.6m (2022: £46.8m) is the total of borrowings less capitalised fees of £53.7m (2022: £48.7m) and cash at bank of £8.1m (2022: £1.9m). Lease liabilities of £16.5m (2022: £19.1m) 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. The details of the covenant calculations are set out in Note 31.

Average adjusted net debt is calculated by taking the adjusted net debt on a daily basis and dividing by the number of days.

The above adjustments have the following impact on the cash flow statement:

	Year ended 30 November 2023			Year ended 30 November 2022		
	Statutory Measure £000	**Adjustment £000**	**Adjusted cash flows £000**	Statutory Measure £000	Adjustment £000	Adjusted cash flows £000
(Loss)/profit before tax	**(41,238)**	**(36,069)**	**(5,169)**	(20,787)	(26,059)	5,272
(Loss)/profit from operations	**(46,543)**	**(46,854)**	**311**	(21,586)	(29,069)	7,483
Cash used by operations	**(4,683)**	**(5,107)**	**424**	(17,129)	(24,480)	7,351
Net cash used by operating activities	**(10,455)**	**(5,107)**	**(5,348)**	(20,786)	(24,480)	3,694
Net cash generated from investing activities	**20,854**	**24,218**	**(3,364)**	891	1,403	(512)
Net cash (used by)/generated from financing activities	**(4,141)**	**-**	**(4,141)**	20,293	-	20,293
Net increase in cash and cash equivalents	**6,258**	**19,111**	**(12,853)**	398	(23,077)	23,475

The adjustments have the following impact on key metrics:

	Year ended 30 November 2023			Year ended 30 November 2022 (Restated)		
	Statutory Measure £000	**Adjustment £000**	**Adjusted measure £000**	Statutory Measure £000	Adjustment £000	Adjusted measure £000
Gross profit	**66,083**	**-**	**66,083**	68,504	-	68,504
(Loss)/profit from operations	**(46,543)**	**(46,854)**	**311**	(21,586)	(29,069)	7,483
Operating margin (%)	**-23.8%**	**-24.0%**	**0.2%**	-10.1%	-13.6%	3.5%
Adjusted EBITDA	**(3,383)**	**(10,372)**	**6,989**	(12,083)	(24,994)	12,911
(Loss)/profit before tax	**(41,238)**	**(36,069)**	**(5,169)**	(20,787)	(26,059)	5,272
Tax	**(2,070)**	**6,002**	**(8,072)**	4,698	6,458	(1,760)
(Loss)/profit after tax	**(43,308)**	**(30,067)**	**(13,241)**	(16,089)	(19,601)	3,512
Earnings per share (see Note 11)						
Basic (Pence)	**(52.0)**		**(15.9)**	(19.3)		4.2
Diluted (Pence)	**(52.0)**		**(15.9)**	(19.3)		4.2

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.

Adjusted EBITDA is defined as the profit from operations before impairment, amortisation and depreciation costs including £10,575,000 of goodwill impairment (see Note 13), £17,431,000 of impairment of other intangible assets (see Note 14), £2,686,000 of amortisation of other intangible assets (see Note 14), £5,881,000 of impairment of property, plant and equipment (see Note 15), £2,448,000 of depreciation of property, plant and equipment (see Note 15) and £3,235,000 of depreciation of right-of-use assets (see Note 16).

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 2023 Number	Year ended 30 November 2022 Number
Research and development, products and services	**1,321**	1,566
Marketing and sales	**232**	298
Corporate Services	**278**	276
	1,831	2,140

The above figures have been calculated on a Full Time Equivalent basis. The actual monthly average number for the year is 1,840 (2022: 2,174). There are 20 (2022: 41) employees that were associated with the discontinuing operations (see Note 21).

Aggregate emoluments of persons employed by the Group comprised:

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Wages and salaries	**59,163**	62,297
Termination costs	**2,695**	432
Social security costs	**4,120**	4,565
Other pension costs	**2,068**	2,227
Share-based payments (credit)/expense (Note 28)	**(364)**	40
	67,682	69,561

Information regarding the remuneration of the Directors is shown in the Remuneration Report.

The Company had no employees throughout the year (2022: nil).

Information regarding the remuneration of key management personnel, which consisted of the Group's Directors and members of the Executive management team, is set out in Note 32.

8. Finance income

	Note	**Year ended 30 November 2023 £000**	Year ended 30 November 2022 £000
Bank interest		**9**	5
Other finance income		**5**	2
Total income from financial assets measured at amortised cost		**14**	7
Net investment income on defined benefit pension scheme	26	**1,091**	607
		1,105	614

9. Finance costs

	Note	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Borrowing facilities arrangement fees and commitment fees		**491**	425
Unwinding of discount on provisions	24	**89**	-
Net finance costs on defined benefit pension scheme	26	**-**	39
Foreign exchange		**441**	-
Interest on lease liabilities		**330**	347
Interest on bank loans and overdrafts		**5,234**	2,014
		6,585	2,825

Foreign exchange for the year ended 30 November 2023 includes exchange differences arising on an intercompany loan with a foreign subsidiary which is now treated as finance income or finance costs in line with the underlying asset. This represents a new accounting policy. In prior periods, this exchange difference of £80,000 was recorded in operating costs but as the amount is not considered material, management has not restated the prior year results.

10. Tax

a) Analysis of tax (credit)/charge in the Consolidated Income Statement

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Current taxation		
UK corporation tax	**296**	303
Adjustment in respect of prior years	**796**	121
Foreign tax	**479**	495
Total current tax charge	**1,571**	919
Deferred taxation		
Temporary differences	**(23)**	(4,856)
Adjustment in respect of prior years	**527**	(109)
Overseas tax	**(5)**	(652)
Total deferred (credit)/charge	**499**	(5,617)
Total Consolidated Income Statement tax charge/(credit)	**2,070**	(4,698)

10. Tax continued

b) Analysis of tax (credit)/charge in the Consolidated Statement of Comprehensive Income

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Deferred tax		
Defined benefit pension scheme movements	**(2,790)**	(2,407)
Fair value movements of hedging instruments	**-**	(11)
Deferred tax relating to the change in rate	**-**	(507)
Total Consolidated Statement of Comprehensive Income tax credit	**(2,790)**	(2,925)

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 2023			Year ended 30 November 2022		
	Adjusted £000	**Adjustment £000**	**Total £000**	Adjusted £000	Adjustment £000	Total £000
(Loss)/profit on ordinary activities before tax[1]	**(4,409)**	**(22,625)**	**(27,034)**	6,862	(26,059)	(19,197)
Tax at 23.01% (2022: 19%) thereon:	**(1,015)**	**(5,206)**	**(6,221)**	1,304	(4,951)	(3,647)
Effects of:						
– Change in tax rate on carried forward deferred tax assets	**267**	**-**	**267**	-	-	-
– Expenses not deductible for tax purposes	**206**	**2,446**	**2,652**	14	100	114
– Non-taxable income	**(42)**	**(3,094)**	**(3,136)**	-	(43)	(43)
– Impact of super deduction	**-**	**-**	**-**	(56)	-	(56)
– Change in rate on current year movements	**-**	**-**	**-**	64	(1,564)	(1,500)
– Other temporary timing differences: UK	**2,498**	**(97)**	**2,401**	-	-	-
– Other temporary timing differences: Overseas	**1,138**	**(51)**	**1,087**	396	-	396
– Effect of (profits)/losses in various overseas tax jurisdictions	**(324)**	**-**	**(324)**	60	-	60
– Previously recognised deferred tax now unrecognised	**3,857**	**-**	**3,857**			
– Prior period adjustments: UK	**1,259**	**-**	**1,259**	(153)	-	(153)
– Prior period adjustments: Overseas	**64**	**-**	**64**	131	-	131
– Other	**164**	**-**	**164**			
Tax charge/(credit) in the Consolidated Income Statement	**8,072**	**(6,002)**	**2,070**	1,760	(6,458)	(4,698)

1. *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.

10. Tax continued

The tax impact on the adjustments set out in Note 6 are as follows:

Impact of tax on Adjustment items

	2023		2022	
	Charge/ (income) £000	**Tax £000**	Charge/ (income) £000	Tax £000
Change in deferred tax rate	**-**	**-**	-	(1,564)
Amortisation of acquisition-related intangible assets	**1,691**	**389**	1,839	(349)
Impairment of RM Consortium assets	**38,949**	**6,704**	-	-
Restructuring costs	**2,678**	**619**	254	(48)
Configuration of SaaS licences (ERP)	**3,063**	**623**	17,355	(3,298)
Independent business review related costs	**473**	**109**	-	-
Dual running costs related to investment strategy	**-**	**-**	5,372	(1,021)
Impairment of ERP solution	**-**	**-**	2,236	(425)
Onerous provision for IS licences	**-**	**-**	1,168	(222)
Disposal related costs	**-**	**-**	845	(61)
Gain on sale of property	**-**	**-**	(219)	-
Gain on disposal of operations	**(171)**	**-**	-	-
Sale of IP addresses	**(10,614)**	**(2,442)**	(2,791)	530
	36,069	**6,002**	26,059	(6,458)

Factors that may affect future tax charges

The standard rate of corporation tax in the UK for the period is 25% (2022: 19%).

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 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 2021	(235)	(7,588)	236	657	-	(3,744)	(10,674)
(Charge)/credit to income	(556)	-	(177)	164	5,842	344	5,617
Credit/(charge) to other comprehensive income	-	1,937	-	(319)	1,307	-	2,925
At 30 November 2022	(791)	(5,651)	59	502	7,149	(3,400)	(2,132)
(Charge)/credit to income	**1,400**	**(97)**	**16**	**(336)**	**(4,415)**	**2,933**	**(499)**
Credit/(charge) to other comprehensive income	**-**	**2,790**	**-**	**-**	**-**	**-**	**2,790**
Credit to equity	**-**	**-**	**11**	**-**	**-**	**-**	**11**
At 30 November 2023	**609**	**(2,958)**	**86**	**166**	**2,734**	**(467)**	**170**

10. Tax continued

Analysed on the balance sheet as:

Group	2023 £000	2022 £000
Deferred tax assets	**170**	174
Deferred tax liabilities	**-**	(2,306)
At 30 November	**170**	(2,132)

Company	Accelerated 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 2021	-	-	-	-	-	-	-
(Charge)/credit to income	-	-	-	-	1,576	-	1,576
At 30 November 2022	-	-	-	-	1,576	-	1,576
(Charge)/credit to income	-	-	-	-	(1,576)	-	(1,576)
At 30 November 2023	-	-	-	-	-	-	-

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.

The rate of UK Corporation Tax increased to 25% from 1 April 2023. Taxation for other jurisdictions is calculated at the rates prevailing in the respective territories.

Deferred tax assets and liabilities have been offset where the group has a legally enforceable right to set off current tax assets against current tax liabilities an where the deferred tax assets and the deferred tax liabilities relates to income taxes levied by the same tax authority on the same taxable entity.

No deferred tax liability is recognised on temporary differences of £678,000 (2022: £445,000) 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.

A deferred tax asset of £10,542,000 (2022: £396,000) has not been recognised due to uncertainty that the asset will be utilised in the foreseeable future. This deferred tax asset relates to UK and Australia split and includes £312,000 in respect of tangible and intangible assets, £313,000 in respect of pension schemes, £9,108,000 in respect of tax credits and loss carry forwards and £807,000 of disallowed tax in respect of interest expenses.

11. Earnings per share

	Year ended 30 November 2023			Year ended 30 November 2022		
	(Loss)/profit for the year £000	**Weighted average number of shares '000**	**Pence per share p**	(Loss)/profit for the year £000	Weighted average number of shares '000	Pence per share p
Basic earnings per ordinary share						
Basic earnings from continuing operations	**(43,308)**	**83,256**	**(52.0)**	(16,089)	83,256	(19.3)
Adjustments (see Note 6)	**30,067**	**-**	**36.1**	19,601	-	23.5
Adjusted basic earnings from continuing operations	**(13,241)**	**83,256**	**(15.9)**	3,512	83,256	4.2
Basic earnings from discontinuing operations	**14,204**	**83,256**	**17.1**	1,590	83,256	1.9
Adjusted basic earnings from discontinuing operations	**760**	**83,256**	**0.9**	1,590	83,256	1.9
Diluted earnings per ordinary share						
Basic earnings from continuing operations	**(43,308)**	**83,256**	**(52.0)**	(16,089)	83,256	(19.3)
Effect of dilutive potential ordinary shares – share-based payment awards	**-**	**343**	**0.2**	-	1,335	0.3
Diluted earnings from continuing operations	**(43,308)**	**83,599**	**(51.8)**	(16,089)	84,591	(19.0)
Adjustments (see Note 6)	**30,067**	**-**	**36.0**	19,601	-	23.2
Adjusted diluted earnings from continuing operations	**(13,241)**	**83,599**	**(15.8)**	3,512	84,591	4.2
Basic diluted earnings from discontinuing operations	**14,204**	**83,599**	**17.0**	1,590	84,591	1.9
Adjusted diluted earnings from discontinuing operations	**760**	**83,599**	**0.9**	1,590	84,591	1.9

In accordance with IAS 33 the diluted loss per share is corrected on the face of the Income Statement to reflect the undiluted figure as a loss should not be diluted.

12. Dividends

Amounts recognised as distributions to equity holders were:

Group and Company	**Year ended 30 November 2023 £000**	Year ended 30 November 2022 £000
Final dividend for the year ended 30 November 2022 – Nil p per share (2021: 3.0p)	**-**	2,498

The Directors do not propose a final dividend for the year ended 30 November 2023.

13. Goodwill

Group	£000
Cost	
At 1 December 2021	58,896
Foreign exchange differences	199
At 30 November 2022	**59,095**
Foreign exchange differences	**(288)**
At 30 November 2023	**58,807**
Accumulated impairment	
At 1 December 2021 and 30 November 2022	9,694
Impairment charge	**10,575**
At 30 November 2023	**20,269**
Carrying amount	
At 30 November 2023	**38,538**
At 30 November 2022	49,401

At 30 November 2022, the carrying amount of goodwill was allocated to RM Resources and RM Assessment as set out in the table below.

The decision by management to separately monitor the results of the Consortium and TTS brands in June 2023 required that goodwill previously monitored at the RM Resources CGU level was required to be allocated between Consortium and TTS. This was performed on the basis of the relative values of the two businesses, determined using the relative material profits of the two businesses from 1 June 2023 to 30 November 2023, excluding the second half of FY22, where trading performance was most negatively impacted by the rollout of the Evolution programme. Material profit is defined as revenue less material cost and less other margin factors such as customer rebates, supplier rebates and purchase price variance, and carriage in costs. Goodwill allocated to RM Consortium was £10,575,000 and the remaining goodwill of £31,633,000 was allocated to RM TTS.

Following the announcement of the closure of the Consortium business, management performed an impairment review which resulted in the goodwill allocated to RM Consortium of £10,575,000 being fully impaired.

The remaining carrying amount of goodwill is allocated to cash-generating units as follows:

	2023			2022		
Group	**Year ended 30 November £000**	**Pre-tax discount rate £000**	**Headroom £000**	Year ended 30 November £000	Pre-tax discount rate £000	Headroom £000
RM Resources	**N/A**	**N/A**	**N/A**	42,208	13.2%	16,400
RM TTS	**31,633**	**14.2%**	**811**	N/A	N/A	N/A
RM Assessment	**6,905**	**14.2%**	**54,138**	7,193	12.6%	65,400

Further information pertaining to the performance and future strategy of the Divisions can be found within the Strategic Report.

13. Goodwill continued

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. Historically the Group has taken 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 terminal rates which align to market growth and inflation expectations. This approach continues to be used to test impairment of the RM Assessment CGU. Given the performance of the Resources division in recent years, the Directors have reassessed the level of uncertainty associated with the cashflow forecasts of TTS in the outer years of that budget. Whilst the company aims to achieve those budgets, the most supportable (and therefore reliable) budget is that which has been prepared for the purpose of the going concern review. For the purpose of the impairment test of the TTS CGU at 30 November 2023, a value in use has been derived by taking the forecast for the year ended 30 November 2024, removing cashflows which do not comply with the requirements of IAS36, and calculating a terminal value assuming the long-term growth rate and pre-tax discount rate set out below.

There is estimation uncertainty regarding the impact of climate change in the medium to long term. Based on the analysis that has been undertaken to date, on pages 48 to 53 of this report, the impairment review assumes that the medium to long term impact is not material to the cashflow forecasts or in contradiction to the long term growth rate applied.

The Group monitors its post-tax Weighted Average Cost of Capital and those of its competitors using market data. In considering the discount rates applied 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.

Year ended 30 November 2023

The table below shows key assumptions used in the value in use calculations for the year ended 30 November 2023:

	RM TTS	RM Assessment
Pre-tax discount rate	14.2%	14.2%
Long-term growth rate	2.4%	2.4%

RM TTS

If the long term growth rate reduced by 0.18% (i.e. a long term growth rate of 2.22%) or if a pre-tax discount rate increased by 0.2% (i.e. a pre-tax discount rate of 14.4%), the headroom would be eliminated. The FY24 cashflow assumption used in the impairment model is £6m. A reduction of 1.6% would erode headroom.

Given the limited headroom the cashflows, long term growth rates and pre-tax discount rates represent key sources of estimation uncertainty. A material impairment would be recorded if the long term growth rate reduced to 2.11%, the pre-tax discount rate increased to 14.53%, or the cashflow forecasts reduced by 2.6%.

The cashflow forecast is also sensitive to costs incurred by the Group on behalf of TTS. The FY24 forecasts do not take into consideration future potential efficiency savings in the group costs, as those plans were not enacted at 30 November 2023. Central support costs currently allocated to TTS in the FY24 cashflow forecasts total £1.3m. If these costs increased by £100,000, headroom would be eroded.

If the cash flows in RM TTS were to increase over three years inline with the three year budget headroom would increase to £14.3m. If the cashflows in RM TTS were to reduce as set out within the reasonable worst-case scenario approved by the Board for inclusion in the going concern review, headroom would be eroded and an impairment of £23.2m would be required to be recorded. The impairment in a mitigated reasonable worst-case scenario would be £17.1m.

13. Goodwill continued

RM Assessment

The sensitivity of the RM Assessment 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 the pre-tax discount rate or long-term growth rate would lead to an impairment and accordingly these sensitivities have not been provided.

Year ended 30 November 2022

The table below shows key assumptions used in the value in use calculations for the year ended 30 November 2022:

	RM Resources (combined)	RM Assessment
Pre-tax discount rate	13.2%	12.6%
Long-term growth rate	2.5%	2.5%

RM Resources

The key assumptions used within the cash flow forecasts included:

- Price rises during the year ended 30 November 2023 ranging from 12% to 14% depending upon the brand;
- Prices rise during the years ended 30 November 2024 and 2025 ranging from 0% to 3% depending on the brand; and
- Volume changes during the three years ended 30 November 2025 ranging from a contraction of 8% to growth of 7% dependent upon brand.

The weighted average annualised price increase over the three-year period and the assumed volume increases, along with the change in assumption which, taken in isolation, would give rise to an impairment are set out below.

	Annualised weighted average price increase	Annualised weighted average volume increase
Assumption in forecasts	6.2%	1.4%
Assumption required for carrying value to equal recoverable amount	(1.6%)	(5.5%)

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, as disclosed in the Annual Report and Accounts for the year ended 30 November 2022, 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.

No reasonably possible change in the pre-tax discount rate or long-term growth rate would lead to an impairment and accordingly this sensitivity has not been provided.

RM Assessment

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 pre-tax discount rates would lead to an impairment and accordingly these sensitivities have not been provided.

14. Other intangible assets

Group	Customer relationships £000	Brands £000	Intellectual property & database assets £000	Website platform £000	Other software assets £000	Total £000
Cost						
At 1 December 2021	2,231	18,066	2,936	1,324	14,179	38,736
Additions	-	-	-	-	3,627	3,627
Transfers between categories	-	-	-	-	22	22
Foreign exchange differences	121	-	105	-	5	231
At 30 November 2022	2,352	18,066	3,041	1,324	17,833	42,616
Additions	**-**	**-**	**-**	**-**	**457**	**457**
Transfers between categories	**-**	**144**	**(144)**	**-**	**(90)**	**(90)**
Foreign exchange differences	**(126)**	**-**	**(146)**	**-**	**(15)**	**(287)**
Disposals	**(735)**		**(215)**	**(1,324)**	**(130)**	**(2,404)**
At 30 November 2023	**1,491**	**18,210**	**2,536**	**-**	**18,055**	**40,292**
Accumulated depreciation and impairment losses						
At 1 December 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
Foreign exchange differences	54	-	46	-	4	104
At 30 November 2022	1,924	6,697	1,157	1,323	6,005	17,106
Charge for the year	**224**	**1,206**	**260**	**-**	**996**	**2,686**
Transfer between categories	**-**	**-**	**-**	**-**	**(90)**	**(90)**
Impairment charge	**-**	**10,307**	**-**	**-**	**7,482**	**17,789**
Foreign exchange differences	**(63)**	**-**	**(73)**	**-**	**(14)**	**(150)**
Disposals	**(735)**		**(215)**	**(1,323)**	**-**	**(2,273)**
At 30 November 2023	**1,350**	**18,210**	**1,129**	**-**	**14,379**	**35,068**
Carrying amount						
At 30 November 2023	**141**	**-**	**1,407**	**-**	**3,676**	**5,224**
At 30 November 2022	428	11,369	1,884	1	11,828	25,510

Included within other software assets above is £0.5m (2022: £3.6m) of software developed to fulfil customer contracts and £nil (2022: £5.4m) of assets under construction relating to non-commissioned internal software relating to IT transformation programme. The total amortisation in year from internally generated intangibles amounts to £989,000 (2022: £174,000).

Following the announcement of the closure of the Consortium business and the subsequent termination of the ERP replacement programme, management performed an impairment review resulting in the impairment of £10,307,000 of Consortium brand intangible assets and £7,482,000 of associated software assets arising from the consequent termination of the Group's ERP programme (see Note 6). As a result, the carrying amount of other intangible assets in the RM Consortium business at 30 November 2023 was £nil.

During the year ended 30 November 2022, the Group impaired elements of the ERP replacement programme costs, previously capitalised within the RM Technology division, related to functionality that was paused and where the Group had no active plans to proceed to implement (see Note 6).

15. Property, plant and equipment

Group	Short leasehold improvements £000	Plant, equipment & fixtures £000	Computer equipment £000	Vehicles £000	Total £000
Cost					
At 1 December 2021	5,086	18,314	9,196	206	32,802
Additions	564	845	69	97	1,575
Transfers between categories	5,947	(5,947)	-	-	-
Foreign 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
Additions	**19**	**572**	**168**	**19**	**778**
Transfers between categories	**(81)**	**13**	**57**	**16**	**5**
Foreign exchange differences	**(45)**	**(47)**	**(105)**	**(8)**	**(205)**
Disposals	**(130)**	**(84)**	**(64)**	**(83)**	**(361)**
At 30 November 2023	**11,377**	**13,279**	**9,347**	**91**	**34,094**
Accumulated depreciation					
At 1 December 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
Foreign 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
Charge for the year	**665**	**1,348**	**428**	**7**	**2,448**
Transfers between categories	**2**	**(74)**	**79**	**(3)**	**4**
Impairment charge	**501**	**5,380**	**-**	**-**	**5,881**
Foreign exchange differences	**(45)**	**(44)**	**(82)**	**(6)**	**(177)**
Disposals	**(130)**	**(83)**	**(64)**	**(41)**	**(318)**
At 30 November 2023	**5,353**	**11,837**	**8,542**	**91**	**25,823**
Carrying amount					
At 30 November 2023	**6,024**	**1,442**	**805**	**-**	**8,271**
At 30 November 2022	7,254	7,515	1,110	13	15,892

Following the Group's decision to close the RM Consortium business, the Group impaired the value of RM Consortium assets by £5,881,000 (see Note 6). As a result, the carrying amount of property, plant and equipment in the RM Consortium business at 30 November 2023 was £nil.

16. Right-of-use assets

Group	Land & Buildings £000	Plant & Equipment £000	Vehicles £000	Total £000
Cost				
At 1 December 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
Additions	**1,238**	**-**	**-**	**1,238**
Remeasurements	**164**	**88**	**(7)**	**245**
Disposals	**(186)**	**(406)**	**(96)**	**(688)**
At 30 November 2023	**21,429**	**2,062**	**151**	**23,642**
Accumulated depreciation and impairment				
At 1 December 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
Charge for the year	**2,579**	**602**	**54**	**3,235**
Remeasurements	**189**	**75**	**(9)**	**255**
Disposals	**(104)**	**(406)**	**(96)**	**(606)**
At 30 November 2023	**8,024**	**1,198**	**145**	**9,367**
Carrying amount				
At 30 November 2023	**13,405**	**864**	**6**	**14,275**
At 30 November 2022	14,853	1,453	58	16,364

The most significant right-of-use asset is the Harrier Park warehouse of circa £13.4m cost and a net book value at 30 November 2023 of £10.7m (2022: £11.6m) which was used by RM Consortium and RM TTS. The warehouse will continue to be used by RM TTS.

17. Investments in subsidiary undertakings

The subsidiary undertakings of the Company at 30 November 2023 were:

Name	Principal activity	Country of incorporation	Class of share	% Held
RM Education Limited	Software, services & systems	England	Ordinary	100%
RM Educational Resources Limited	Resource supply	England	Ordinary	100%
RM Education Solutions India Pvt Limited[1]	Software and corporate services	India	Ordinary	100%
RM Pension Scheme Trustee Limited	Corporate Trustee	England	Ordinary	100%
RM PLC Australia Pty Limited	Holding company	Australia	Ordinary	100%
SONET Systems Pty Limited[1]	Software	Australia	Ordinary	100%
TTS Group Limited	Dormant	England	Ordinary	100%

1 *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.

RM PLC Australia Pty Limited is registered at 15 Gordon Street, Cremorne, VIC 3121, Australia.

SoNET Systems Pty Limited is registered at 179 Queen Street, Melbourne, Victoria, VIC 3000, Australia.

During the prior year, a newly incorporated, dormant and wholly-owned subsidiary, Schools Educational Software Limited, was created to acquire the RM Integris and RM Finance businesses as part of the hive-down transaction prior to completion. As set out in Note 21, on 31 May 2023 the Group completed the sale of the RM Integris and RM Finance Businesses and related assets, which included Schools Educational Software Limited.

For all of the above subsidiaries, the registered address is also the principal place of business.

17. Investments in subsidiary undertakings continued

The investment in subsidiary undertakings comprises:

Company	Investment in share capital £000	Capital contribution share-based payments £000	Total £000
Cost			
At 1 December 2021	112,470	13,960	126,430
Share-based payments	-	40	40
At 30 November 2022	112,470	14,000	126,470
Share-based payments	**-**	**(365)**	**(365)**
At 30 November 2023	**112,470**	**13,635**	**126,105**
Accumulated impairment			
At 1 December 2021 and 30 November 2022	-	-	-
Impairment charge	**68,153**	**-**	**68,153**
At 30 November 2023	**68,153**	**-**	**68,153**
Carrying value			
At 30 November 2023	**44,317**	**13,635**	**57,952**
At 30 November 2022	112,470	14,000	126,470

At 30 November 2022, the carrying value of the Company's investments in RM Educational Resources Limited (comprising the divisions of TTS and Consortium) and RM Education Limited (comprising the divisions of Assessment and Technology) were £71.6m and £54.9m respectively. Due to operational and financial performance challenges, and following the announcement of the closure of the Consortium business, management performed an impairment review of investments in subsidiary undertakings which indicated that an impairment charge of £68.2m (2022: £nil) to the carrying value of the Company's investment in RM Educational Resources Limited was required.

The recoverable amounts of the investments in subsidiary undertakings are determined from value in use calculations. The value in use calculations include payments for pensions contributions and subsidiary loan repayments. 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 which align to market growth and inflation expectations. The discount rates and growth rates are the same as used in the goodwill impairment review as set out in Note 13. For the Company's investment in RM Educational Resources Limited, the value in use has been derived on the same basis as the TTS CGU impairment review set out in note 13. 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.

The investment carrying value for RM Educational Resources Limited is, as a result of the above impairment charge, sensitive to any changes in cash flows. An additional £0.5m impairment charge or reversal would be caused by a 0.1% movement in discount rate, 0.18% movement in annual growth rate, or 1.25% movement in cash inflows.

No reasonably possible change in assumptions would give rise to an impairment of the investment in RMED.

18. Inventories

Group	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Finished goods	**13,959**	26,359

Any inventory that is not expected to be turned over within 24 months has been provided for. Inventories are stated net of writedowns of £1,111,000 (2022: £673,000).

Following the Group's decision to cease trading in the RM Consortium business the Group had written down £2,826,000 of inventory (see Note 6 item (a)).

19. Contract fulfilment assets

Group	2023 £000	2022 £000
At 1 December	**3,440**	2,847
Additions	**2,981**	2,808
Foreign exchange	**(114)**	111
Disposed in the period	**(77)**	-
Impaired in the period	**-**	(251)
Amortised in the period	**(2,322)**	(2,075)
At 30 November	**3,908**	3,440
Analysed by		
Current	**1,949**	1,727
Non-current	**1,959**	1,713
At 30 November	**3,908**	3,440

Contract fulfilment assets represent investment in contracts which are recoverable and are expected to provide benefits over the life of the contract.

20. Trade and other receivables

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Current assets				
Financial assets				
Trade receivables	**21,207**	24,441	**-**	-
Other receivables	**1,160**	1,934	**-**	-
Accrued income from customer contracts	**2,860**	2,288	**-**	-
Amounts owed by Group undertakings	**-**	-	**-**	1
	25,227	28,663	**-**	1
Non-financial assets				
Prepayments	**7,106**	7,540	**267**	114
Total current assets	**32,333**	36,203	**267**	115
Non-current assets				
Financial assets				
Amounts owed by Group undertakings[1]	**-**	-	**-**	7,858
Other receivables	**240**	290	**-**	-
Total non-current assets	**240**	290	**-**	7,858
Total trade and other receivables	**32,573**	36,493	**267**	7,973
Currency profile of trade and other receivables				
Pounds Sterling	**28,389**	31,699	**267**	115
US Dollar	**2,404**	2,985	**-**	-
Australian Dollar	**200**	439	**-**	7,858
Euro	**135**	130	**-**	-
Indian Rupee	**574**	768	**-**	-
Singapore Dollar	**130**	297	**-**	-
Other	**741**	175	**-**	-
	32,573	36,493	**267**	7,973

1. *During the year ended 30 November 2023, the Company impaired the remaining amount owed by Group undertakings of £7,810,000 on the basis that it was no longer recoverable and this impairment was recognised as a charge in the Company's Income Statement.*

The amounts owed by Group undertakings to the Company were unsecured, repayable on demand and bore interest at Sterling Overnight Index Average (SONIA) plus 2%, although they were repayable on demand the Directors had, at 30 November 2022, no expectation that the amounts would be collected in the next 12 months and were therefore presented 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.

20. Trade and other receivables continued

Analysis of trade receivables and accrued income from customer contracts by type of customer

Group	2023 £000	2022 £000
Government	**13,254**	17,589
Commercial	**10,813**	9,140
At 30 November	**24,067**	26,729

Trade receivables included an allowance for expected credit loss at 30 November 2023 of £1,424,000 (2022: £1,859,000), based on management's knowledge of the customer base, the decision to cease trading the RM Consortium business, externally available information and expected payment likelihood. New customers are subject to credit checks where available, using third-party databases prior to being accepted. The Group applies the simplified approach and records lifetime expected credit losses for trade receivables. Expected credit losses are measured using historical cash collection data for periods of at least 12 months wherever possible and grouped into various customer segments based on product or customer type. The historical loss rates are adjusted where macroeconomic factors, (for example changes in interest rates or other commercial factors) are expected to have a significant impact when determining future expected credit loss rates. The amounts presented in the balance sheet are net of allowances for expected credit losses. The expected credit loss provision is calculated using a provision matrix, in which the provision increases as balances age. Trade receivables and contract assets are written off when there to be no reasonable expectation of recovery and enforcement activity has ceased.

Allowance for estimated credit losses

Group	2023 £000	2022 £000
At 1 December	**1,859**	1,080
Expected credit losses (unwound)/provided	**(840)**	830
Amounts written off in the year	**405**	(51)
	1,424	1,859

No expected credit losses have been recognised on contract assets as these are not considered material.

Aging of customer contract balances

Group	2023 Customer contracts £000	2023 Allowance £000	2023 Net £000	2022 Customer contracts £000	2022 Allowance £000	2022 Net £000
Not past due	**15,190**	**(239)**	**14,951**	16,609	(107)	16,502
Overdue by less than 60 days	**7,682**	**(1)**	**7,681**	7,046	(353)	6,693
Overdue by between 60 and 90 days	**828**	**(88)**	**740**	1,495	(221)	1,274
Overdue by between 90 and 180 days	**951**	**(329)**	**622**	2,064	(515)	1,549
Overdue by more than 180 days	**840**	**(767)**	**73**	1,374	(663)	711
	25,491	**(1,424)**	**24,067**	28,588	(1,859)	26,729

20. Trade and other receivables continued

The following table shows the movements in trade receivables in the year:

Group	2023 £000	2022 (Represented) £000
At 1 December	**24,441**	21,792
Amounts billed to customers in the period:		
Net	**194,969**	218,903
Sales tax	**30,510**	37,353
Cash received	**(228,278)**	(252,604)
Movement in provision	**(840)**	(780)
Written off	**405**	(51)
Items reclassified as assets and liabilities held for sale (Note 21)	**-**	(172)
At 30 November	**21,207**	24,441

The following table shows the movements in customer contract balances and the performance obligations satisfied in the year:

Group	Accrued income (Represented) £000	Deferred income (Represented) £000	Total customer contract balance (Represented) £000	Contract fulfilment asset (Represented) £000
At 1 December 2021	2,463	(17,621)	(15,158)	2,847
Amounts subsequently billed to customers in the period	(2,463)	-	(2,463)	-
Performance obligations satisfied (invoiced and deferred in prior periods)	-	14,352	14,352	-
Revenue recognised but not invoiced in the period	2,420	-	2,420	-
Amounts billed to customers for which revenue will be recognised in later periods	-	(13,287)	(13,287)	-
New contract fulfilment costs incurred	-	-	-	2,808
New contract fulfilment assets amortised in line with performance obligations satisfied	-	-	-	(2,075)
Impairment of contract asset	-	-	-	(251)
Written off	-	6	6	-
Impact of foreign exchange	-	(28)	(28)	111
Items reclassified as assets and liabilities held for sale (Note 21)	(132)	1,954	1,822	-
At 30 November 2022	2,288	(14,624)	(12,336)	3,440
Amounts subsequently billed to customers in the period	**(2,288)**	**-**	**(2,288)**	**-**
Performance obligations satisfied (invoiced and deferred in prior periods)	**-**	**11,163**	**11,163**	**-**
Revenue recognised but not invoiced in the period	**2,860**	**-**	**2,860**	**-**
Amounts billed to customers for which revenue will be recognised in later periods	**-**	**(11,450)**	**(11,450)**	**-**
New contract fulfilment costs incurred	**-**	**-**	**-**	**2,981**
New contract fulfilment assets amortised in line with performance obligations satisfied	**-**	**-**	**-**	**(2,322)**
Disposal of contract asset	**-**	**-**	**-**	**(77)**
Written off	**-**	**108**	**108**	**-**
Impact of foreign exchange	**-**	**48**	**48**	**(114)**
At 30 November 2023	**2,860**	**(14,755)**	**(11,895)**	**3,908**

20. Trade and other receivables continued

The above tables have been represented in order to provide a clearer presentation of the movement analysis for brought forward trade receivables, accrued income, deferred revenue, and contract fulfilment assets.

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

Discontinued operations

On 31 May 2023, the Group completed the sale of the RM Integris and RM Finance Businesses and related assets, to The Key Support Services Limited. Total consideration for the sale was £16.0 million on a cash free/debt free basis of which £12.0 million was received on completion subject to at £3.3m normalised working capital adjustment and £4.0m receivable subject to satisfaction of certain conditions, including those related to competition clearance in cash, of which £3.5m was received in June 2023 and £0.5m was received in July 2023. A transitional services agreement was put in place with Schools Educational Software Limited (see Note 17) following the sale.

Income statement analysis of discontinued operations

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Revenue	**2,410**	4,871
Cost of sales	**(988)**	(1,894)
Gross profit	**1,422**	2,977
Operating expenses	**(662)**	(1,387)
Profit before tax	**760**	1,590
Tax	**-**	-
Profit for the year from discontinued operations	**760**	1,590

Gain on disposal of discontinued operations

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Gain on disposal of discontinued operations before taxation	**15,330**	-
Costs associated with the disposal	**(1,886)**	-
Net gain on disposal of discontinued operations	**13,444**	-

Profit for the year from discontinued operations

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Profit for the year from discontinued operations	**760**	1,590
Net gain on disposal of discontinued operations	**13,444**	-
Net gain on disposal of discontinued operations	**14,204**	1,590

21. Discontinuing operations and assets held for sale continued

Total comprehensive income for the financial year from discontinued operations

Group	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Attributable to owners of the parent	**14,204**	1,590

Cash flows from discontinued operations

During the year, RM Integris and RM Finance contributed £1,633,000 (2022: £1,533,000) to the Group's net operating cash flows, paid £nil (2022: £nil) in respect of investing activities and paid £nil (2022: £nil) in respect of financing activities. As the sale to Schools Educational Software Limited was an asset sale, cash and corporation tax balances related to the business were retained within the Group. Included in the sale agreement were Group owned intellectual properties and the related assets. These assets are fully amortised and depreciated.

The net gain on disposal of discontinued operations represents the net cash proceeds of £12,672,000, plus net liabilities disposed of £2,658,000 and less costs associated with the disposal of £1,886,000.

Assets and liabilities held for sale

Details of RM Integris and RM Finance Business assets and liabilities classified as held for sale in the prior year were as follows:

Group	At 30 November 2023 £000	At 30 November 2022 £000
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)
Deferred income	-	(1,954)
Liabilities directly associated with assets classified as held for sale	-	(2,082)

22. Trade and other payables

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Current liabilities				
Financial liabilities				
Trade payables	**16,441**	34,269	**-**	-
Lease liabilities	**2,194**	3,144	**-**	-
Other payables	**2,757**	2,721	**-**	-
Derivative financial instruments	**278**	272	**-**	-
Accruals	**7,708**	10,516	**214**	93
Amounts owed to Group undertakings	**-**	-	**30,913**	27,297
	29,378	50,922	**31,127**	27,390
Non-financial liabilities				
Other taxation and social security	**4,702**	3,149	**-**	-
Deferred income from customer contracts	**12,292**	11,568	**-**	-
	46,372	65,639	**31,127**	27,390
Non-current liabilities				
Financial liabilities				
Lease liabilities				
– due after one year but within two years	**1,819**	2,062	**-**	-
– due after two years but within five years	**4,107**	4,366	**-**	-
– after five years	**8,371**	9,570	**-**	-
Non-financial liabilities				
Deferred income from customer contracts				
– due after one year but within two years	**1,027**	1,357	**-**	-
– due after two years but within five years	**1,436**	1,473	**-**	-
– after five years	**-**	266	**-**	-
	16,760	19,094	**-**	-
	63,132	84,733	**31,127**	27,390

The amounts owed to Group undertakings by the Company are unsecured, 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	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Pound Sterling	**55,939**	76,865	**31,127**	27,390
US Dollar	**4,234**	2,429	**-**	-
Australian Dollar	**567**	1,219	**-**	-
Indian Rupee	**798**	2,750	**-**	-
Other	**1,594**	1,470	**-**	-
	63,132	84,733	**31,127**	27,390

23. Borrowings

Group and Company	2023 £000	2022 £000
Bank loan	**55,000**	49,000
Less capitalised fees	**(1,349)**	(272)
Borrowings	**53,651**	48,728

The borrowings in the year and details of the facility are detailed in Note 31.

At 30 November 2023, the Group had drawn down £55.0m (2022: £49.0m) of the facility.

Bank and professional service fees relating to securing the loan have been capitalised and are amortised over the length of the loan of which £141,000 (2022: £138,000) relates to the unamortised original facility agreement and £1,208,000 is the unamortised arrangement fee relating to the extension during the current year (2022: £134,000).

In March 2023, the Group secured an agreement with lenders to extend the existing £70.0m facility to 5 July 2025, subject to the addition of a further 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month.

In April 2023, the Group agreed with the Trustee of the RM and CARE Schemes to provide the 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 each at bi-annual intervals starting on August 2023 which is contingent upon the adjusted debt leverage ratio being lower than 3.2x at that date. The definition of adjusted leverage is aligned to the banking facility as set out below. No such payment was made during the year ended 30 November 2023. See Note 26 for further details.

The business operated within its existing financial covenants for the first half of 2023 but indicated in its interim financial statements that a breach was expected for the facility's LTM EBITDA covenant from the third quarter of the year ended 30 November 2023. EBITDA waivers were granted by lenders for the August and November 2023 periods and the Group continues to comply with the conditions of each lender with regards to any waivers and the respective facility agreement. At the end of November 2023 the minimum EBITDA covenant required was £8.6m versus EBITDA of £7.2m. In addition, during November 2023, the soft liquidity covenant limit on forecasted liquidity was exceeded for the first time, resulting in a meeting held with lenders under the terms of the facility.

23. Borrowings continued

Since the year end, the Group has secured an agreement with Lenders, which extends the existing £70.0m facility to July 2026. This agreement is secured against the shares of each of the obligors (other than RM plc) and by way of a fixed and floating charge over all assets of the obligors, and has reset the covenants under the facility as follows:

- A quarterly LTM EBITDA (excluding discontinued operations) covenant test from February 2024 to November 2025, which is then replaced by a quarterly EBITDA leverage test and interest cover, which are required to be below and above 4x respectively from February 2026; and
- A 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month, with a step-down period applying from 15 September 2024 to 24 October 2024 and 1 January 2025 to 21 March 2025, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m.

Changes in liabilities arising from financing activities

Group	At 1 December 2022 £000	Financing cash flows £000	Other £000	At 30 November 2023 £000
Bank loan	**49,000**	**6,000**	**-**	**55,000**
Less capitalised fees	**(272)**	**(1,716)**	**639**	**(1,349)**
Total liabilities from financing activities	**48,728**	**4,284**	**639**	**53,651**

Group	At 1 December 2021 £000	Financing cash flows £000	Other £000	At 30 November 2022 £000
Bank loan	20,000	26,774	2,226	49,000
Less capitalised fees	(256)	(175)	159	(272)
Total liabilities from financing activities	19,744	26,599	2,385	48,728

24. Provisions

Group	Dilapidations £000	Employee-related restructuring £000	Contract risk provisions £000	Total £000
At 1 December 2021	1,450	916	1,175	3,541
Increase in provisions	219	254	1,227	1,700
Utilisation of provisions	(239)	(960)	(317)	(1,516)
Release of provisions	(159)	-	(758)	(917)
At 30 November 2022	1,271	210	1,327	2,808
Increase in provisions	**978**	**2,322**	**1,498**	**4,798**
Utilisation of provisions	**(27)**	**(1,716)**	**(1,160)**	**(2,903)**
Reclassification of provision[1]	**-**	**-**	**(30)**	**(30)**
Release of provisions	**(18)**	**-**	**-**	**(18)**
Unwinding of discount on provisions	**89**	**-**	**-**	**89**
Foreign exchange	**(1)**	**-**	**(1)**	**(2)**
At 30 November 2023	**2,292**	**816**	**1,634**	**4,742**

1. *Contract risk provisions at 1 December 2021 and 30 November 2022 include TUPE unfunded pension related balances of £719,000 and £30,000 respectively, with the movements recognised in Other Comprehensive Income. As set out in Note 26(a), these balances were transferred to defined benefit pension scheme obligations during the year ended 30 November 2023 as they are estimated on an IAS 19 basis.*

24. Provisions continued

Dilapidations provisions, which result in the recognition of corresponding right-of-use assets, increased by £1.0m (2022: reduction of £0.2m) during the year following the reassessment of dilapidations provisions across the Group's real estate portfolio. Of the £2.3m total dilapidations provisions at 30 November 2023, £1.0m is expected to be utilised in 2024, £0.9m in 2025 and the remainder in 2035. In the prior year, the exit of a lease in accordance with the 2018 estates strategy (see Note 6), resulted in the utilisation and release of provisions noted above. Settlement discussions with landlords are ongoing and the outcome of these could result in an increase or decrease in the dilapidations provision by approximately £0.3m, which would then be fully recognised in the income statement.

Employee-related restructuring provisions refer to costs arising from restructuring to meet the future needs of the Group. As set out in Note 6, following the Group's decision to close the RM Consortium business as well as the continuation of the Group's 2022 transformation programme during 2023, restructuring provisions of £2.3m were recognised during the year ended 30 November 2023, of which £1.7m had been utilised by the year end. In the prior year, the Group completed the sale of warehouses planned in the 2018 estates review and therefore utilised the provision held in 2021 as well as commencing further restructuring of £0.3m as part of the Group's 2022 transformation programme (see Note 6). All of these restructuring activities are expected to be completed during 2024.

Contract risk provisions includes items not covered by any other category of which the majority relates to provisions for onerous IT licence contracts, which increased by £1.5m during the year following the Group's decision to cease trading in the RM Consortium business. In the prior year, the provision increased by £1.2m as a result of an onerous contract provision associated with the Group's warehouse strategy, the majority of which was utilised during the year ended 30 November 2023.

Disclosure of provisions

Group	**2023 £000**	2022 £000
Current liabilities	**2,993**	2,142
Non-current liabilities	**1,749**	666
	4,742	2,808

The non-current liabilities include dilapidations provisions of £1.2m (2022: £0.6m) which are anticipated to be paid over 2-12 years, with the remaining non-current provisions relating to certain contract risk provisions.

25. Share capital

	Ordinary shares of 2²⁄₇p	
Group and Company	Number '000	£000
Authorised, allotted, called-up and fully paid:		
At 1 December 2021, 30 November 2022 and 30 November 2023	**83,875**	**1,917**

The valuation of the shares is weighted average cost. Ordinary shares issued carry no right to fixed income.

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 £2,427,000 (2022: £2,047,000) represents contributions payable to these schemes by the Group at rates specified in employment contracts. At 30 November 2023 £334,000 (2022: £262,000) 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, many of which have a customer contractual guarantee whereby the Group reimburses for any IAS 19 deficit when it ceases to be a participating employer and are therefore accounted for as a defined benefit arrangement, with actuarial movements recognised through Other Comprehensive Income. 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), internal information (such as employee related data) but not IAS 19 inputs such as scheme asset and liability movements, mortality assumptions that relate to participating employees. The Group is not the main sponsoring employer in these schemes and therefore does not have an unconditional right to recover surpluses, either during the life of the scheme, when all the members have left the plan or on a plan wind-up. Similarly, the Group is not liable for other entities' obligations in these schemes.

The Group makes payments to these schemes for current service costs in accordance with its contractual obligations. The amount due in respect of these schemes at 30 November 2022 was £62,000 (2022: £40,000). The amounts recognised in the Income Statement and in the Statement of Comprehensive Income in respect of the Local Government Pension Schemes are set out below:

Group	**Year ended 30 November 2023 £000**	Year ended 30 November 2022 £000
Current service cost	**(69)**	(180)
Expense recognised in the Income Statement	**(69)**	(180)
Release of Local Government Pension Scheme provisions	**-**	689
Income recognised in the Statement of Comprehensive Income	**-**	689
(Expense)/income recognised in Total Comprehensive Income	**(69)**	509

At 30 November 2023, the defined benefit pension scheme obligations liability incorporated information from 23 Local Government Pension Schemes based on the most recent triennial valuations performed as at 31 March 2023 and, based on the assumptions above, led to a calculation of an unfunded liability position as set out below:

Group	**Year ended 30 November 2023 £000**	Year ended 30 November 2022[1] £000
Obligations (unfunded)		
At 1 December	**(30)**	(719)
Actuarial gains/(losses)	**-**	689
At 30 November	**(30)**	(30)

1. *The unfunded liability position for the year ended 30 November 2022 was previously included in provisions (see Note 24 for details) but was transferred to defined benefit pension scheme obligations during the year ended 30 November 2023 as it is estimated on an IAS 19 basis.*

26. Pension schemes continued

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 2023 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. 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 2023 there was an amounts outstanding of £266,667 (2022: £266,667) representing one month's deficit payment.

The Company 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.

26. Pension schemes continued

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 2023 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. At 30 November 2023 there was an amount outstanding of £100,000 (2022: £100,000) representing one month's deficit payment.

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 2021. 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 triennial valuation of the Scheme for statutory funding purposes at 31 December 2021 was a surplus of £71,800.

Amounts recognised in the Income Statement and in the Statement of Comprehensive Income

Group	Note	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Administrative expenses and taxes		**(6)**	(7)
Operating expense		**(6)**	(7)
Interest cost		**(8,269)**	(5,326)
Interest on scheme assets		**9,360**	5,894
Net interest income	8, 9	**1,091**	568
Income recognised in the Income Statement		**1,085**	561
Effect of changes in demographic assumptions		**3,400**	2,053
Effect of changes in financial assumptions		**23,820**	135,098
Effect of experience adjustments		**(6,152)**	(20,544)
Total actuarial gains		**21,068**	116,607
Return on scheme assets excluding interest on scheme assets		**(36,839)**	(129,453)
Expense recognised in the Statement of Comprehensive Income		**(15,771)**	(12,846)
Expense recognised in Total Comprehensive Income		**(14,686)**	(12,285)

The effect of changes in financial assumptions is principally due to the increase in the discount rates – see sensitivity information further below. The discount rates have 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 more than offset by falls in asset values reflecting 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 below.

26. Pension schemes continued

Reconciliation of the scheme assets and obligations through the year

	RM Scheme £000	CARE Scheme £000	Platinum Scheme £000	Total £000
Assets				
At 1 December 2021	316,722	17,858	3,061	337,641
Interest on scheme assets	5,524	316	54	5,894
Return on scheme assets, excluding interest on scheme assets	(123,023)	(5,335)	(1,095)	(129,453)
Administrative expenses	-	20	(27)	(7)
Contributions from Group	3,452	1,059	26	4,537
Benefits paid	(5,331)	(625)	(14)	(5,970)
At 30 November 2022	197,344	13,293	2,005	212,642
Interest on scheme assets	**8,670**	**602**	**88**	**9,360**
Return on scheme assets, excluding interest on scheme assets	**(34,841)**	**(1,721)**	**(277)**	**(36,839)**
Administrative expenses	**-**	**-**	**(6)**	**(6)**
Contributions from Group	**3,200**	**1,216**	**80**	**4,496**
Benefits paid	**(3,827)**	**(725)**	**(16)**	**(4,568)**
At 30 November 2023	**170,546**	**12,665**	**1,874**	**185,085**
Obligations				
At 1 December 2021	(282,178)	(22,544)	(2,568)	(307,290)
Interest cost	(4,892)	(389)	(45)	(5,326)
Actuarial gains/(losses)	107,713	7,661	1,235	116,609
Benefits paid	5,331	625	14	5,970
At 30 November 2022	(174,026)	(14,647)	(1,364)	(190,037)
Interest cost	**(7,574)**	**(636)**	**(59)**	**(8,269)**
Actuarial gains/(losses)	**19,386**	**1,512**	**170**	**21,068**
Benefits paid	**3,827**	**725**	**16**	**4,568**
At 30 November 2023	**(158,387)**	**(13,046)**	**(1,237)**	**(172,670)**
Net pension surplus/(deficit)				
At 30 November 2023				
Pension deficit	**-**	**(381)**	**-**	**(381)**
Pension surplus	**12,159**	**-**	**637**	**12,796**
Net pension surplus/(deficit)	**12,159**	**(381)**	**637**	**12,415**
At 30 November 2022				
Pension deficit	-	(1,354)	-	(1,354)
Pension surplus	23,318	-	641	23,959
Net pension surplus/(deficit)	23,318	(1,354)	641	22,605

Included within the CARE Scheme obligations is an unfunded liability of £88,000 (2022: £98,000) which is a liability of the Group and not the Scheme.

26. Pension schemes continued

Reconciliation of net defined benefit obligation

Group	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Net surplus/(obligation) at the start of the year	**22,605**	30,351
Cost included in Income Statement	**1,085**	561
Scheme remeasurements included in the Statement of Comprehensive Income	**(15,771)**	(12,845)
Cash contribution	**4,496**	4,538
Net pension surplus	**12,415**	22,605

Obligation by participant status

Group	At 30 November 2023 £000	At 30 November 2022 £000
Vested deferreds	**133,122**	145,134
Retirees	**39,548**	44,903
	172,670	190,037

Value of scheme assets

Group	Fair value hierarchy	At 30 November 2023 £000	At 30 November 2022 £000
Cash and cash equivalents, including escrow	Level 1	**20,920**	6,691
Equity instruments	Level 2	**16,796**	18,459
Equity instruments – pooled investment vehicle	Level 3	**51,729**	73,447
Debt instruments	Level 2	**1,874**	2,005
Liability driven investments	Level 1	**-**	79,476
Liability driven investments	Level 2	**76,556**	13,270
Insurance contract	Level 3	**17,210**	19,294
		185,085	212,642

Liability driven investments (LDI)

The RM Scheme and the CARE Scheme assets include an LDI portfolio totalling £76.6m at 30 November 2023 (2022: £92.7m). 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 advisor 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.

26. Pension schemes continued

Insurance assets

The RM Scheme also holds insurance policies covering benefits for some pensions in payment. The value of these annuities is £17.2m at 30 November 2023 (2022: £19.3m). 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 2023.

Significant actuarial assumptions

Group	Year ended 30 November 2023	Year ended 30 November 2022
Discount rate (RM Scheme)	**5.15%**	4.40%
Discount rate (CARE Scheme)	**5.15%**	4.45%
Discount rate (Platinum Scheme)	**5.10%**	4.35%
Rate of RPI price inflation (RM Scheme)	**3.10%**	3.05%
Rate of RPI price inflation (CARE Scheme)	**3.15%**	3.10%
Rate of RPI price inflation (Platinum Scheme)	**3.10%**	3.00%
Rate of CPI price inflation – period before 1 January 2030	**2.10%**	2.05%
Rate of CPI price inflation – period after 1 January 2030	**3.10%**	3.05%
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%**	1.95%
Post-retirement mortality table	**S3PA CMI 2022 1.00% 2020 and 2021 weight parameters of 10%, 2022 of 35%**	S3PA CMI 2021 1.25% 2020 and 2021 weight parameters of 10%
Weighted average duration of defined benefit obligation	**16 years**	18 years
Assumed life expectancy on retirement at age 65:		
Retiring at the accounting date (male member aged 65)	**21.0**	21.6
Retiring 20 years after the accounting date (male member aged 45)	**21.9**	22.8

Expected cash flows

Group	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Expected employer contributions for the following year ended 30 November	**4,400**	4,450
Expected total benefit payments		
Year 1	**4,661**	4,316
Year 2	**4,926**	4,534
Year 3	**5,224**	4,791
Year 4	**5,762**	5,142
Year 5	**6,299**	5,682
Years 6 to 10	**37,603**	34,679

26. Pension schemes continued

During the year ended 30 November 2023, the Group has agreed with the Trustee of the RM and CARE Schemes to provide the 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 each at bi-annual intervals starting on August 2023 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 as set out in Note 23. No such payment was made during the year ended 30 November 2023.

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

	At 30 November 2023					
Group	**Base £000**	**Discount rate -0.1% £000**	**Discount rate +0.1% £000**	**RPI -0.1% £000**	**RPI +0.1% £000**	**Life +1 year £000**
Analysis of net balance sheet position						
Fair value of scheme assets	185.1	185.2	184.9	185.0	185.2	185.8
Present value of scheme obligations	(172.7)	(175.5)	(169.9)	(170.4)	(175.0)	(177.6)
Net pension surplus	**12.4**	**9.7**	**15.0**	**14.6**	**10.2**	**8.2**
Actuarial assumptions						
Discount rate (RM Scheme)	5.15%	5.05%	5.25%	5.15%	5.05%	5.15%
Discount rate (CARE Scheme)	5.15%	5.05%	5.25%	5.15%	5.05%	5.15%
Discount rate (Platinum Scheme)	5.10%	5.00%	5.20%	5.10%	5.00%	5.10%
Rate of RPI	3.10%	3.10%	3.10%	3.00%	3.20%	3.10%
Rate of CPI	2.10%	2.10%	2.10%	2.00%	2.20%	2.10%
Mortality table	S3PA CMI 2022 1.00%					+1 year

The significant actuarial assumptions are the discount rate applied to pension liabilities together with RPI/CPI and mortality as shown in the above table. Note that every 0.1% movement in discount rate has a £2.7m impact on the net surplus, a 0.1% movement in RPI has a £2.2m impact and a one-year average life extension has a £4.2m impact.

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.

	Ordinary shares of $2\frac{2}{7}$p	
Group and Company	**Number '000**	**£000**
At 1 December 2021, 30 November 2022 and 30 November 2023	**619**	**444**

The valuation of the shares is weighted average cost.

The maximum number of own shares held in the year was 618,796 (2022: 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 2019 (the PSP Scheme).

During the year ended 30 November 2023, three (2022: two) awards were made under the PSP Scheme. 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 £0.489 (2022: £0.762) per share and key assumptions include risk free rate of 3.53% (2022: 0.12%), dividend yield of nil (2022: 1.36%) and volatility of Company share price of 79% (2022: 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 2019 (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 2023 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, all of which are nil cost options, are as follows:

Group	**Ordinary share options**	Market price on grant
At 1 December 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	
Granted during the year	2,346,640	£0.72
Lapsed during the year	(1,616,500)	
At 30 November 2023	**2,467,388**	

The plans outstanding at 30 November 2023, which were all nil cost options or share awards, had a weighted average contractual life of 2.1 years (2022: 1.7 years).

28. Share-based payments continued

The compensation cost included in the consolidated income statement in respect of performance share plan shares was a credit of £364,000 (2022: charge of £40,000) which comprises equity-settled transactions.

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. In addition, as set out in Note 26(b), some of the local government pension schemes have a customer contractual guarantee whereby the Group reimburses the schemes for any IAS 19 deficit when the Group ceases to be a participating employer. 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.

During the year ended 30 November 2023, the Group has provided first ranking security to the bank facility lenders (see Note 31) and provided second ranking security to the Research Machines 1988 Defined Benefit Pension Scheme and the CARE Pension Scheme (see Note 26(c)).

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	**2023 £000**	2022 £000
Within 1 year	**5**	38
In years 2 to 5 inclusive	**-**	15
	5	53

The Company has no operating leases.

b) Capital commitments

At 30 November 2023 amounts contracted but not provided for total £nil (2022: £nil). The Company had no capital commitments during the year.

31. Financial risk management

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Financial assets				
Trade and other receivables – current	**25,227**	28,663	**-**	1
Trade and other receivables – non-current	**240**	291	**-**	7,858
Cash and short-term deposits	**8,062**	1,911	**-**	-
	33,529	30,865	**-**	7,859
Financial liabilities				
Trade and other payables – current	**(29,378)**	(50,922)	**(31,127)**	(27,390)
Trade and other payables – non-current	**(14,297)**	(15,998)	**-**	-
Bank loans and overdrafts	**(53,651)**	(48,728)	**(53,651)**	(48,728)
	(97,326)	(115,648)	**(84,778)**	(76,118)

All assets and liabilities classified as financial assets and financial liabilities are held at amortised cost except for forward foreign exchange contracts of £278,000 liability (2022: £272,000 liability) which are classified as fair value through other comprehensive income.

The Directors consider that the carrying amount of all financial assets and financial liabilities approximates their fair value.

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.

31. Financial risk management continued

Changes in liabilities arising from financing activities

	2023		2022	
	Borrowings £000	**Lease liabilities £000**	Borrowings £000	Lease liabilities £000
At 1 December	**48,728**	**19,142**	19,744	20,929
Cash movements				
Drawdown of borrowings	**30,167**	**-**	73,000	-
Repayment of borrowings	**(24,167)**	**-**	(44,000)	-
Borrowing facilities arrangement and commitment fees	**(1,716)**	**-**	(436)	-
Interest paid	**(4,955)**	**-**	(2,312)	-
Payment of leasing liabilities	**-**	**(3,510)**	-	(3,461)
Non-cash movements				
Interest costs	**5,724**	**330**	2,439	347
New leases	**-**	**490**	-	1,414
Lease break exercised	**-**	**(87)**	-	(87)
Other	**(130)**	**126**	293	-
At 30 November	**53,651**	**16,491**	48,728	19,142

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 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. The Group also receives US Dollars from certain customers.

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 Pounds Sterling risk, the forward foreign currency contracts purchased are designed to cover a range of 25% to 90% of forecast currency denominated purchases and the contracts are set up to provide coverage over future fixed price periods, typically up to 12 months. To manage the Indian Rupee to Pounds Sterling risk, the contracts purchased are designed to cover 25% to 90% of forecast Rupee costs and are renewed on a revolving quarterly basis, looking out up to 12 months.

During the period from December 2022 to October 2023, hedge accounting was not achieved resulting in changes in the fair value of derivatives being recognised immediately in profit or loss. From November 2023 onwards, hedge accounting was achieved and the effective portion of changes in the fair value of derivatives was recognised in other comprehensive income.

31. Financial risk management continued

The total amount of outstanding forward foreign exchange contracts to which the Group was committed was:

	At 30 November 2023				
Currency	**Contract type**	**Forward contract value Currency '000**	**Forward contract value £000**	**Mark-to-market value £000**	**Fair value £000**
US Dollar	**Buy**	**3,450**	**(2,764)**	**(2,726)**	**(38)**
Rupee	**Buy**	**961,000**	**(9,287)**	**(9,047)**	**(240)**
			(12,051)	**(11,773)**	**(278)**

	At 30 November 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)

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 £12,051,000 (2022: £20,924,000) and fair value of £278,000 liability (2022: £272,000 liability) 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 net debit of £6,000 (2022: debit of £440,000) which has been recognised in Other Comprehensive Income and presented in the hedging reserve in equity.

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 2023 or at 30 November 2022.

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.

31. Financial risk management continued

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 Pounds Sterling (assuming all other variables remain constant), for example from $1.26 : £1 to $1.39: £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 reasonably possible 10% weakening of Pounds 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:

	At 30 November 2023		At 30 November 2022	
Group	Nominal value £000	Fair value £000	Nominal value £000	Fair value £000
Forward foreign exchange contracts	**12,051**	**(278)**	(20,924)	(272)

Sensitivity

	At 30 November 2023		At 30 November 2022	
Group	Net income £000	Equity £000	Net income £000	Equity £000
10% increase in foreign exchange rates against Pounds Sterling:				
US Dollar	**169**	**(3)**	(47)	(47)
Australian Dollar	**(684)**	**-**	(122)	(349)
Indian Rupee	**190**	**(22)**	79	345

All the forward exchange contracts mature within one year.

In addition, a 10% strengthening of Sterling against the AUD Dollar from the translation of a net investment loan would result in a decrease of £711k in equity. However there would be no overall effect on equity because there would be an offset in the currency translation of the foreign operation.

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 £55.9m (2022: £46.8m) and the maximum borrowings position was £64.8m (2022: £64.1m).

At 30 November 2023 the Group had a committed revolving credit facility with HSBC Bank plc and Barclays Bank plc, which was originally signed on 5 July 2019 and in March 2023, the Group secured an agreement with lenders to extend the existing £70.0m facility to 5 July 2025. Of the funds available, £5.0m is allocated to an on-demand working capital facility with £5.7m allocated to foreign exchange and guarantee facilities.

Financial covenants from May 2023 to November 2024 were on a rolling 12 months minimum EBITDA basis. From February 2025, these existing financial covenants would have been replaced by a quarterly LTM EBITDA (post IFRS16) leverage test and interest cover, both of which are required to be below 4x and interest cover over 4x from February 2025. At 30 November 2023 the minimum EBITDA covenant required was £8.6m versus actual EBITDA of £7.2m. For the quarters ended 31 August 2023 and 30 November 2023 period, a waiver for the minimum EBITDA covenant was granted by the lenders. In addition, during November 2023, the soft liquidity covenant limit on forecasted liquidity was exceeded for the first time, resulting in a meeting held with lenders under the terms of the facility. The £55.0m drawn down at 30 November 2023 was not contractually due for repayment until 2025.

31. Financial risk management continued

Prior to the end of the year, the Group entered discussions with lenders to extend the facility by a further year to July 2026 and amend the EBITDA and hard liquidity covenants.

Since the year end, the Group has secured an agreement with Lenders, which extends the existing £70.0m facility to July 2026. This agreement is secured against the shares of each of the obligors (other than RM plc) and by way of a fixed and floating charge over all assets of the obligors, and has reset the covenants under the facility as follows:

- A quarterly LTM EBITDA (excluding discontinued operations) covenant test from February 2024 to November 2025, which is then replaced by a quarterly EBITDA leverage test and interest cover, which are required to be below and above 4x respectively from February 2026; and
- A 'hard' liquidity covenant test requiring the Group to have liquidity greater than £7.5m on the last business day of the month, and liquidity not be below £7.5m at the end of two consecutive weeks within a month, with a step-down period applying from 15 September 2024 to 24 October 2024 and 1 January 2025 to 21 March 2025, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m.

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 were included in other provisions for the year ended 30 November 2022 and are included in the net pension surplus for the year ended 30 November 2023). The Group also has financial guarantees covering payments to suppliers and other performance guarantees for the RM Assessment business.

Interest is payable either weekly, monthly or quarterly based on the drawdown frequency. The interest payable on loans under the revolving credit facility is between 3.35% and 4.1% (the Margin) above SONIA for the remainder of the committed term subject to certain financial ratios. A commitment fee of 40% of the Margin was payable on the unutilised balance and an arrangement fee of £379,000 (2022: £350,000) and independent business review fees and costs of £1,355,000 (2022: £nil) were 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:

	2023			2022		
Group	**Floating rate £000**	**Interest free £000**	**Total £000**	Floating rate £000	Interest free £000	Total £000
Pounds Sterling cash and cash equivalents	**2,304**	**2,153**	**4,457**	898	1	899
US Dollar	**10**	**2,529**	**2,539**	-	320	320
Euro	**-**	**329**	**329**	-	6	6
Indian Rupee	**-**	**238**	**238**	-	228	228
Singapore Dollar	**-**	**210**	**210**	-	41	41
Australian Dollar	**281**	**5**	**286**	-	412	412
New Zealand Dollar	**-**	**3**	**3**	-	5	5
Cash and cash equivalents	**2,595**	**5,467**	**8,062**	898	1,013	1,911
Borrowings – Pounds Sterling	**55,000**	**-**	**55,000**	49,000	-	49,000

31. Financial risk management continued

The weighted average effective interest rates at the balance sheet date on interest bearing financial assets and liabilities were as follows:

Group	**2023** Floating rate £000	**2023** Weighted average interest rate %	2022 Floating rate £000	2022 Weighted average interest rate £000
Financial assets				
Cash and cash equivalents	**8,062**	**0.11**	1,911	0.20
Financial liabilities				
Overdrafts	**-**	**4.37**	-	2.87
Loans	**(55,000)**	**9.16**	(49,000)	4.04

Interest rate sensitivity (assuming all other variables remain constant):

Group	**2023** Income sensitivity £000	**2023** Equity sensitivity £000	2022 Income sensitivity £000	2022 Equity sensitivity £000
1% increase in interest rates	**(550)**	**(550)**	(490)	(490)
1% decrease in interest rates	**550**	**550**	490	490

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 and accrued income. 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 cash and cash equivalents (the geographic risk profile of which is set out above), liquid funds and derivative financial instruments is limited because the counterparties are investment grade banks rated BBB+ and above. 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 Group has approached its maximum borrowing limits during the year with borrowings under the RCF of £55.0m at year end and has worked with its lenders to maintain liquidity. The Group believes it can maintain its liquidity, with the initiatives begun this financial year including the decision to cease trading in RM Consortium business within the RM Resources division.

Full details of the terms of the Group's RCF facility, including financial covenants and the Group's performance under those financial covenants during the year are set out in Note 23.

31. Financial risk management continued

Maturity profile of financial liabilities

The table below highlights the maturity profile of the financial liabilities.

	At 30 November 2023				
Group	**Within one year £000**	**One to two years £000**	**Two to five years £000**	**More than five years £000**	**Total £000**
Financial liabilities					
Trade payables	**16,008**	**-**	**-**	**-**	**16,008**
Lease liabilities	**2,488**	**-**	**-**	**-**	**2,488**
Derivative liabilities	**278**	**-**	**-**	**-**	**278**
Other payables	**2,757**	**-**	**-**	**-**	**2,757**
Accruals	**8,141**	**-**	**-**	**-**	**8,141**
Borrowings[1]	**5,115**	**57,984**	**-**	**-**	**63,099**
	34,787	**57,984**	**-**	**-**	**92,771**
Lease liabilities due after 1 year	**-**	**2,067**	**4,672**	**8,901**	**15,640**
	34,787	**60,051**	**4,672**	**8,901**	**108,411**

	At 30 November 2022				
Group	Within one year £000	One to two years £000	Two to five years £000	More than five years £000	Total £000
Financial liabilities					
Trade payables	34,269	-	-	-	34,269
Lease liabilities	3,457	-	-	-	3,457
Derivative liabilities	9,702	-	-	-	9,702
Other payables	2,721	-	-	-	2,721
Accruals	10,516	-	-	-	10,516
Borrowings[1]	55,068	-	-	-	55,068
	115,733	-	-	-	115,733
Lease liabilities due after 1 year	-	2,313	4,938	10,201	17,452
	115,733	2,313	4,938	10,201	133,185

1. *Borrowings are detailed in Note 23. The profile for the year ended 30 November 2023 reflects the cash flows to the facility extension date of 5 July 2025.*

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 Group's key management personnel during the year, which consisted of the Group's Directors and members of the Executive management team, was as follows:

Group	**Year ended 30 November 2023 £000**	Year ended 30 November 2022 £000
Short-term employee benefits	**2,389**	2,443
Post-employment benefits	**67**	95
Termination benefits	**193**	173
Share-based payment (credit)/expense	**(288)**	129
Total	**2,361**	2,840

Share-based payments above include fair value charges for Executive Directors of £102,008 (2022: £nil) in respect of awards to Mark Cook and £9,656 (2022: £nil) in respect of awards to Simon Goodwin and fair value credits of £(359,565) in respect of awards to Neil Martin who resigned on 16 January 2023 (2022: £62,135 charge) and £nil (2022: £9,045 credit) in respect of awards to Mark Berry who resigned on 15 August 2022.

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 2023 £000**	Year ended 30 November 2022 £000
(Payments)/receipts:		
Management recharges	**(1,175)**	(868)
Net intercompany interest payable	**(1,048)**	(473)

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.

Searchlight Business Services Limited

Mark Cook, an Executive Director, is the Non-Executive Chair of Searchlight Business Services Ltd. Since his appointment on 16 January 2023, the Group has purchased £423,553 (2022: £nil) relating to recruitment and executive search fees. Mark was not involved in the commercial discussions relating to this supply. At the year end, there is a balance payable of £41,040 (2022: £nil).

32. Related party transactions continued

Getronics

Mark Cook, an Executive Director, was a Non-Executive Director of Getronics until November 2023. Since his appointment on 16 January 2023, the Group has purchased £34,573 (2022: £nil) relating to software licences. Mark was not involved in the commercial discussions relating to this supply. At the year end, there is a balance payable of £nil (2022: £nil).

Wellington College

Helen Stevenson, appointed a Non-Executive Director on 16 February 2022, is a trustee of Wellington College. The Group made sales of £664 (FY22: £2,338) to this Trust. At the year end, there is a balance of £nil (FY22: £327).

Dulwich College Junior School

The husband of Vicky Griffiths, a Non-Executive Director until 6 October 2023, is Head Teacher of Dulwich College Junior School. Between the period 1 December 2022 and 6 October 2023, the Group made sales of £1,357 (2022: £1,915) to this school. At year end there is a balance of £144 outstanding (2022: £1,412).

Restore

Charles Bligh, Non-Executive Director of RM plc until 31 October 2023, was the CEO of Restore plc until 6 July 2023, which is a supplier to the Group of scanning and associated services. During the period 1 December 2023 to 6 July 2023, the Group purchased services with a value of €2,302 (2022: €242,340) and £1,394,017 (2022: £3,469,412) from Restore Digital Limited (part of the Restore plc group). At the year end a balance of £nil (2022: £1,066,766) relating to these purchases was outstanding. Charles was not involved in any discussions relating to the use of Restore plc group.

Spinfield School

Neil Martin, an Executive Director until 1 April 2023, is a governor of Spinfield School. During the period 1 December 2022 to 1 April 2023, the Group made sales of £77 (2022: £1,807) to the school. At the year end there is a balance of £nil (2022: £239) outstanding.

Informa plc

Patrick Martell, a Non-Executive Director until 31 December 2023, is Chief Operating Officer of Informa plc. During the year the Group made a payment of £234 (2022: £nil) to Informa Markets (UK) Limited, an indirect subsidiary of Informa plc, in full settlement of the balance outstanding at 30 November 2022 relating to online subscription for legal guidance in 2021.

33. Prior year restatement

The comparative period Financial Statements have been restated to reflect a revised split of cost of sales and operating expenses to improve the presentation and comparability of results, as set out below.

Cost of sales and operating expenses

Following a review of costs in the RM Technology division during the year ended 30 November 2023, the split of costs between cost of sales and operating expenses was amended to align more closely with how the division now operates and to improve presentation and comparability of results. The results for the year ended 30 November 2022 above have been adjusted to reflect the impact if this change which was to move £1,215,000 of costs not directly related to the sale of products and services from cost of sales to operating expenses for the year ended 30 November 2022 (2021: £1,157,000).

33. Prior year restatement continued

These adjustments have the following impact on the primary statements for the year ended 30 November 2022 and the year ended 30 November 2021:

Consolidated Income Statement

	Year ended 30 November 2022			Year ended 30 November 2021		
	As reported £000	Restatement impact £000	Restated £000	As reported £000	Restatement impact £000	Restated £000
Continuing operations						
Revenue	214,167		214,167	206,149		206,149
Cost of sales	(146,878)	1,215	(145,663)	(138,771)	1,157	(137,614)
Gross profit	67,289	1,215	68,504	67,378	1,157	68,535
Operating expenses	(85,789)	(1,215)	(87,004)	(63,634)	(1,157)	(64,791)
Increase in allowance for receivables	(850)	-	(850)	(157)	-	(157)
Impairment losses	(2,236)	-	(2,236)	-	-	-
(Loss)/profit from operations	(21,586)	-	(21,586)	3,587	-	3,587
Finance income	614	-	614	28	-	28
Other income	3,010	-	3,010	1,399	-	1,399
Finance costs	(2,825)	-	(2,825)	(1,396)	-	(1,396)
(Loss)/profit before tax	(20,787)	-	(20,787)	3,618	-	3,618
Tax	4,698		4,698	(1,424)	-	(1,424)
(Loss)/profit from the year from continuing operations	(16,089)	-	(16,089)	2,194	-	2,194
Profit for the year from discontinuing operations	1,590	-	1,590	2,000	-	2,000
(Loss)/profit from the year	(14,499)	-	(14,499)	4,194	-	4,194
Earnings per ordinary share on continuing operation						
– basic	(19.3)p		(19.3)p	2.6p		2.6p
– diluted	(19.3)p		(19.3)p	2.6p		2.6p
Earnings per ordinary share on discontinuing operations						
– 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						
– basic	(17.4)p		(17.4)p	5.0p		5.0p
– diluted	(17.4)p		(17.4)p	5.0p		5.0p

The prior year adjustment does not impact the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet or Consolidated Cash Flow Statement for the year ended 30 November 2022 or year ended 30 November 2021.

34. Post balance sheet events

On 6 March 2024, the Group announced the extension and amendment of the banking facility with its lenders to 5 July 2026, with key changes disclosed in Note 31.

There are no other post balance sheet events.

Shareholder information

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 Daniel Fattal, 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 information

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Corporate website
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