2024

A year of transformation

RM plc
Annual report and financial statements
for the year ended 30 November 2024

01.

Overview

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This has been a year of transformation

Our performance shows how far we have come and reflects the actions we have taken to pave the way for future growth.

We have made progress against our strategic plan and commenced work on the development of our Global Accreditation Platform, taking advantage of the **transformation in education** towards fully on-screen examinations and delivering a step change in the global EdTech market, where the opportunity is huge.

The progress we have made across the business is driven by our talented and dedicated people implementing our new strategy, achieving operational efficiencies and process improvements, **transforming the lives of learners** and laying the foundations for continued success.

About us

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

We are globally recognised as an EdTech leader, supporting the full learning lifecycle, from early years through to higher education and professional qualifications.

Read more on **pages** 04 **to** 05

Highlights of the year

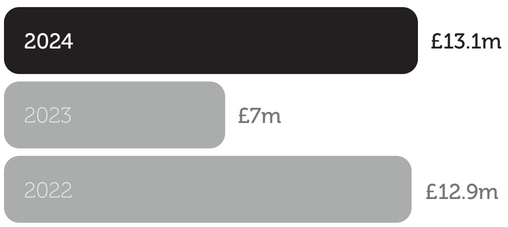
Our vision is to enable the improvement of educational outcomes around the world, and we have made significant progress towards achieving it.

By unifying our go-to-market approach, developing our Global Accreditation Platform, and building a more customer-centric company focused on accreditors, educators and learner-focused solutions, we are making great strides towards that vision.

Transformation

- Following the closure of the loss-making Consortium business adjusted EBITDA has increased by 87.2% to £13.1m (FY23 as reported: £7.0m).
- The new operating model and management team now fully established, including the appointment of Dr Grainne Watson as COO.

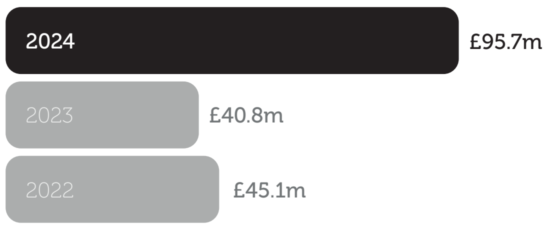
Adjusted EBITDA[2,4]

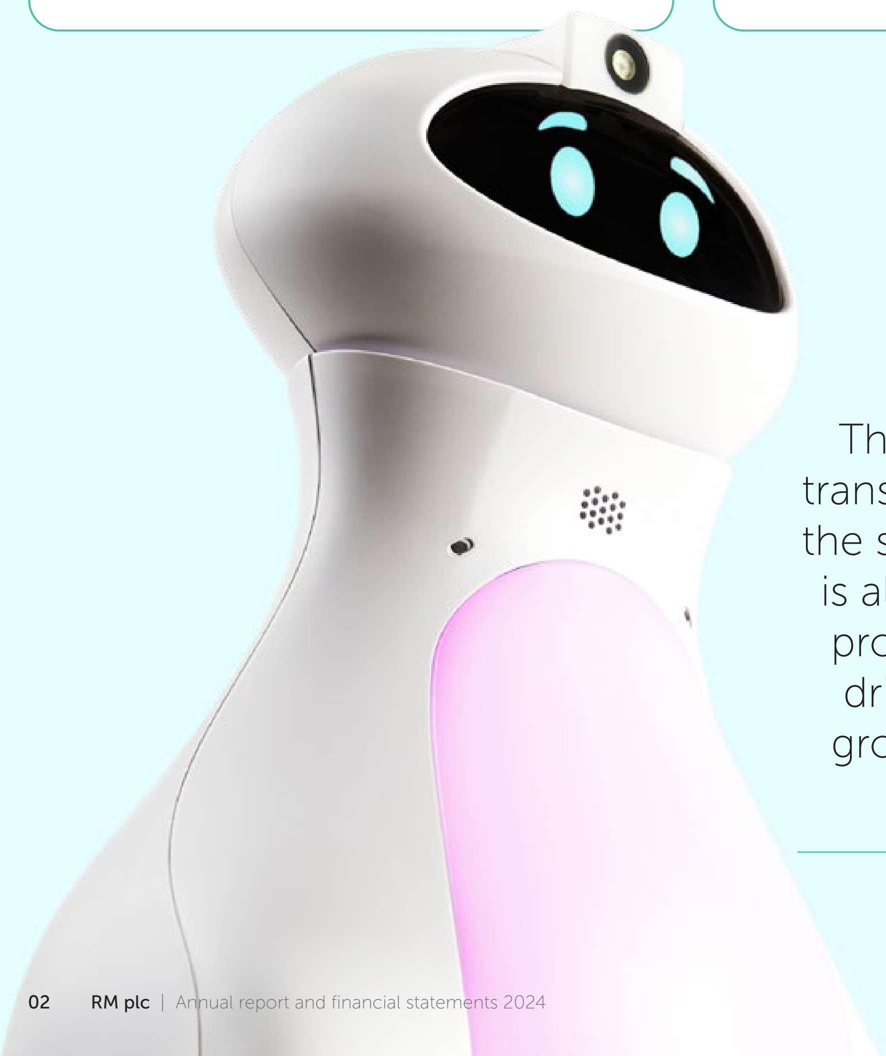


Strategy

- Our Assessment contracted order book has more than doubled to £95.7m at the end of FY24 (FY23: £40.8m).
- This includes two highly strategic customers, International Baccalaureate ("IB") and Cambridge University Press & Assessment ("CUPA"), that have chosen RM to provide the platform for their groundbreaking transition to digital based assessments, for years to come.

Assessment contracted order book





"This has been a year of transformation for RM, and the success of our strategy is already reflected in the progress we have made driving profitability and growing our contracted order book."

Mark Cook
CEO

Realised significant cost savings

- £10.6m of further annualised cost savings and efficiencies including the closure of unrequired office space, consolidation of our warehousing, and simplification of our operating model to support customer delivery. Find associated restructuring costs in adjusted items on page 158.

Annualised cost savings

Revenues

- Revenue compared to that reported in FY23 down 14.9% mostly due to the closure of Consortium early in the year and partly due to the challenging schools market impacting Technology and TTS. Assessment digital platform growth was offset by a small number of non-core legacy contracts coming to an end as planned.
- Strategic Assessment digital platform revenue grew 12% year on year.

Revenue from continuing operations[4]

Financial performance

£m	FY24	FY23 as reported [4]	Variance	FY23 restated [4]	Variance
Revenue from continuing operations	**166.1**	195.2	(14.9)%	175.9	(5.5)%
(Loss)/profit before tax from continuing operations	**(12.1)**	(41.2)	(70.6)%	12.4	n/a
Discontinued operations[1]	**(0.9)**	14.2	n/a	(31.7)	(97.3)%
Statutory loss after tax	**(4.7)**	(29.1)	(83.7)%	(29.1)	(83.7)%
Diluted EPS from continuing operations	**(4.6)p**	(51.8)p	(91.1)%	3.1p	n/a
Adjusted performance measures[2]:					
Divisional contribution excluding corporate costs[4]	**32.8**	25.5	28.8%	32.0	2.7%
Divisional contribution margin[4]	**19.8%**	13.1%	6.7%	18.2%	1.6%
Adjusted operating profit from continuing operations	**8.6**	0.3	2,663.6%	9.3	(7.8)%
Adjusted operating profit margin	**5.2%**	0.2%	5.0%	5.3%	(0.1)%
Adjusted EBITDA	**13.1**	7.0	87.2%	15.0	(12.9)%
Adjusted profit/(loss) before tax from continuing operations	**2.4**	(5.2)	n/a	3.8	(36.5)%
Adjusted diluted EPS from continuing operations	**11.7p**	(15.8)p	n/a	(4.9)p	n/a
Adjusted net debt[3]	**51.7**	45.6	13.3%	45.6	13.3%

1 Discontinued operations in FY23 as reported 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, and in FY23 restated and in FY24 also include the closure of RM Consortium, which occurred during the year ended 30 November 2024.

2 Throughout this statement, adjusted operating profit, adjusted EBITDA, adjusted profit/(loss) before tax and adjusted diluted EPS are Alternative Performance Measures, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and incidence. 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 £15.0m (2023: £16.5m) 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 25).

4 The closure of Consortium during the year has required restatement of the prior year to show the reported loss made by Consortium as discontinued operations (see Note 33). In FY24 corporate overheads are now allocated over the remaining three divisions, rather than the four that operated in FY23. To aid understanding of the true financial performance of the business, we therefore have added the previously reported FY23 numbers to the Financial Performance table, and added divisional contribution figures to the divisional performance table, which shows the profit contribution each division makes to RM (see Note 4).

Group at a glance

We provide market-leading products, services and solutions to educators, accreditors 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 15.9% from 2024 to 2029. The education sector is transforming, and RM is well positioned to capitalise on this.

The global EdTech market is growing!

The global EdTech market size is forecast to increase by USD 170.8 billion at a CAGR of 15.9% between 2024 and 2029.

Source: Technavio

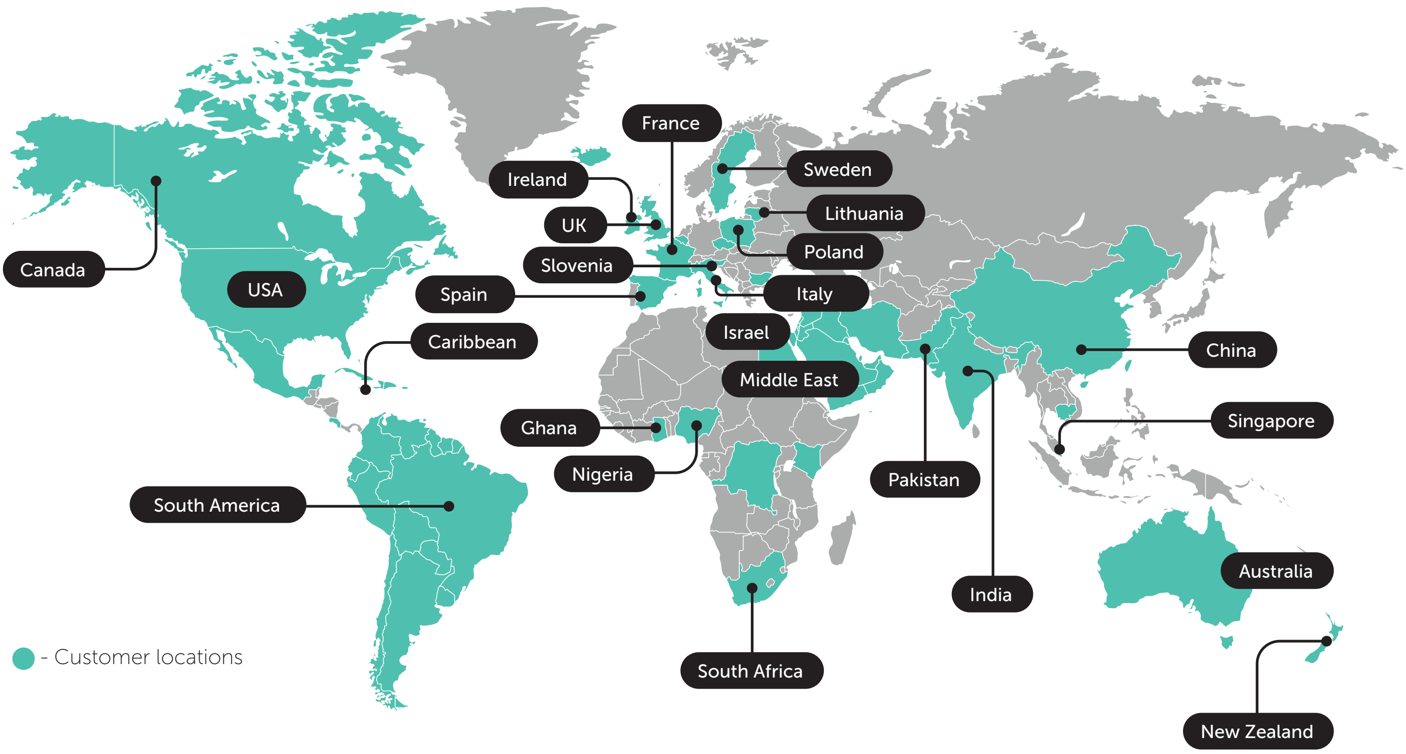
Our customers...

Learners
We help learners globally through their entire education journey from early years through to Higher Education and Professional Qualifications.

Educators
Our managed services and solutions help schools, multi-academy trusts and global departments of education provide better learning outcomes.

Accreditors
We help accreditors provide unbiased and secure courses, assessments and results by utilising our Global Platform and AI driven solutions.

...and where they are located



Our operating divisions

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

RM Assessment which develops and owns our Global Accreditation Platform and Assessment solutions, RM Technology which provides technology and supporting services to learning institutions across the UK, and RM TTS (Technical Teaching Solutions) which designs and owns our proprietary products for schools.

Our competitive advantage

- A deep understanding of the curriculum and how to assess it
- A proven platform to deliver assessments globally
- An agile operating model that can adapt to meet the needs of our customers as technology and our market evolves
- The ability to build long-term relationships and recurring revenue streams from customers
- RM intellectual property, products, services and solutions that are needed and valued by accreditors, educators and learners at all stages of the education life cycle

Assessment

A global leader in platform delivery of digital assessment and exam marking solutions for accreditors, educators and learners. We support customers through the journey to end-to-end digital assessments and marking.

Revenue
£39.7m
(2023: £42.3m)

TTS

A developer and supplier of award-winning innovative curriculum-aligned learning resources. We collaborate with teachers and educational experts from across the globe to create unique resources and environments for children in 114 countries.

Revenue
£72.4m
(2023: £75.9m)

Technology

A provider of IT managed services and value-added IT reseller solutions to schools, local authorities and trusts. We empower educators to harness technology, enhancing both teaching methods and the learning environment.

Revenue
£54.0m
(2023: £57.7m)

Adjusted EBITDA 2024: £13.1m
(2023: £7.0m as reported; £15.0m as restated)

Adjusted EBITDA is an alternative performance measure and is defined in note 6 to the financial statements.

Our transformation journey

We are harnessing technology to modernise learning experiences for a changing world and setting the business up for future growth.

In the last 12 months we have transformed our business…

We secured long-term contract revenue

We have renewed 99% of contracts which fell due for renewal in year, which represents 78% of Assessment contracted revenue in FY24 adding new long-term digital transformation contracts with International Baccalaureate (IB) and Cambridge University Press & Assessment (CUPA). Contracted order book has increased by 135% year-on-year.

We expanded our portfolio

New products have been launched across our divisions, leveraging proprietary IP and a strong customer focus. Highlights include NX-Generation Services, our first holistic IT services portfolio featuring AI modules, and over 600 products launched by TTS, including 124 of our own developed IPR resources, in the key strategic areas of early years, Special Educational Needs and Disabilities, and robotics.

We delivered a cost savings programme

Strong progress has been made in the cost-saving programme. In addition to the annualised cost savings of £10m delivered in FY23, a further £10.6m has been identified and delivered.

We developed a target operating model

Our transformation has been underpinned by a streamlined operating model, which provides a clear go-to-market approach, makes us more agile and has contributed towards our overall £20m+ cost saving.

Read more on **pages 8 to 11**.

and progressed our strategy…

Our strategic plan for growth will capitalise on the significant opportunities in the growing global EdTech market by:

- Building an organisation for success.
- Creating clear line of sight to three customer groups – accreditors, educators and learners.
- Developing our portfolio of products, services and solutions aligned to the learning life cycle to drive revenue.
- Seizing the global opportunity.

Read more on **pages 22 to 23**.

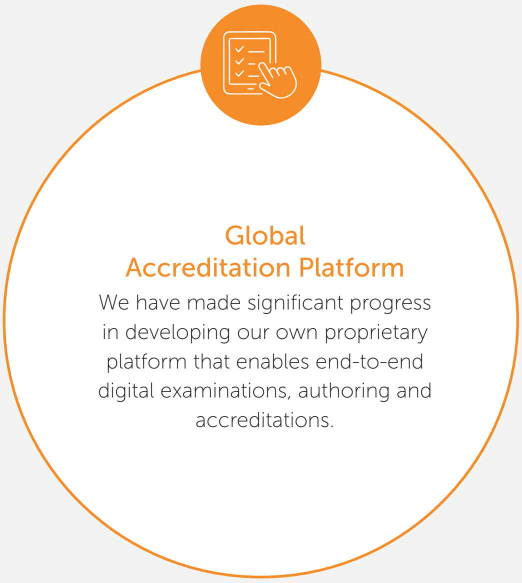
Through these actions we expect to deliver:

- Strong growth in our Assessment Division
- Maximum benefit from our own IP
- More effective and profitable use of AI
- Improved margins

… and enrich

to build long-term relationships through our Assessment Division driven by our Global Accreditation Platform...

RM Assessment



Global Accreditation Platform

We have made significant progress in developing our own proprietary platform that enables end-to-end digital examinations, authoring and accreditations.

- Contract renewals and wins underpin our recurring revenues and long-term customer relationships.

Read more on **pages 10 to 11.**

and strengthen our TTS and Technology Divisions

TTS

600 new products in key strategic areas of early years, Special Educational Needs and Disabilities, and robotics.

RM Technology

Launched NX-Generation Services, our first holistic IT services portfolio featuring AI modules.

Read more on **pages 18 to 19.**

the lives of learners

Transformation in action

Our teaching solutions

Jo Hardy, Director of Innovation at TTS, shares insights on our flagship products, development process, and the future of EdTech.

> We empower future generations to navigate and shape a technology-driven world, responsibly."

What makes TTS' approach to developing learning resources unique in the global market?

Our products go beyond meeting curriculum requirements – they support holistic child development. We research how children learn, and align our products with global pedagogical approaches and skill development. Educators, schools and policymakers play a key role in our process, helping us address real classroom challenges while adapting to policy requirements.

With the child at the heart of our work, we ensure our products are universally valuable, adaptable to different curriculums, and provide meaningful learning experiences for every learner.

A bot for all primary learners

The robots across the programming journey have been designed with features that naturally build on and progress learners through the curriculum. However, as each one can be used in many different ways, it is not necessary to offer all devices in order to achieve curriculum coverage.

Glow and Go Bot

From early years, Glow and Go Bot can be used as the perfect introduction to the pre-requisite skills needed for computational thinking. An age appropriate screen-free resource for early years children.

Bee-Bot

Bee-Bot, our flagship resource, introduces young children to the basics of coding, programming, sequences, algorithms and problem-solving in a fun, hands-on way, through on-robot programming.

Blue-Bot

Blue-Bot is able to deliver KS1 computing outcomes with some elements of KS2 learning via the app. Accessibility and inclusivity can be enhanced by using with the Tactile Reader.

What are some of TTS' key products, and what impact have they had so far?

Our flagship range includes programmable bots, supporting learning from early years to Upper Primary. Their impact has been phenomenal worldwide. Beyond teaching coding, algorithms and directional language, these bots nurture computational thinking, problem-solving, executive function, collaboration and creativity.

We have sold over a million robots, and we are excited to expand into newer technologies, such as machine learning and AI, to help children explore robotics and automation in innovative ways.

How do TTS' products support teachers in delivering high-quality education and enhancing learning outcomes?

Successful education goes beyond academia. Our resources not only align with curriculum concepts but also develop 21st-century skills like critical thinking, creativity, communication and collaboration. These skills enhance problem-solving and computational thinking, making learning more engaging and applicable across all subjects – not just computing.

By enhancing these essential skills through the use of our resources, we ensure a holistic approach to teaching and learning, preparing students for the evolving demands of the future.

What trends in education technology do you see shaping the future, and how is TTS preparing for them?

Machine learning and AI will be pivotal in shaping education. While some focus on using AI for teaching, we prioritise educating children about AI – what it is, how to use it responsibly, and how to contribute to its development.

Our hands-on robotics resources will continue to be crucial in introducing children to fundamental AI concepts. By equipping them with practical knowledge and ethical awareness, we empower future generations to navigate and shape a technology-driven world, responsibly.

Rugged Robot

Rugged Robot is our only robot designed for the great outdoors. It supports all KS1 computing outcomes and offers exciting programming challenges with torque settings, gradients, and forces.

Loti-Bot

Loti-Bot is capable of delivering all KS1 and KS2 computing outcomes. It is controlled via the Loti-Bot app with block-based programming and features a wide range of inputs, outputs and sensors, such as temperature, bridging science and computing. Our tactile reader can also be used with Loti to create a screen-free experience.

Oti-Bot

Oti-Bot can deliver all KS1 and KS2 computing outcomes, including programmable emotions, movement, shape drawing, line following, colour sensors, facial recognition and more. Oti introduces more complex concepts and allows for the programming of facial recognition and helps to introduce the concept of AI in an age appropriate manner.

Transformation in action continued

Shaping the future of digital assessment

RM's journey in digital assessment began 20 years ago with the launch of our first on-screen marking capability. Since then, we've continuously evolved, building strong capabilities in both e-marking and e-testing. Last year, we reached an exciting milestone as we announced the development of our Global Accreditation Platform – which will provide a full end-to-end digital accreditation solution.

Designed to help customers transition from paper to digital, the platform is being developed to streamline and manage the entire assessment process – from exam creation and delivery to marking, grading and appeals. It will expand access to online learning, ensure fair and equitable testing and provide a more seamless experience for accreditors, educators and learners alike.

The platform will enable us to expand our offerings more fully into formative assessment, which means supporting learners by creating, delivering and marking assessments in a way that provides feedback and guidance throughout the learning journey. In today's world, where neurodevelopmental conditions are being increasingly identified, formative assessment allows for more personalised and supportive learning experience ensuring all learners can reach their potential.

In 2024, two of our flagship customers joined the platform, deepening long-standing partnerships with us. This marks another step in our mission to create a future where education is more accessible, effective and impactful..

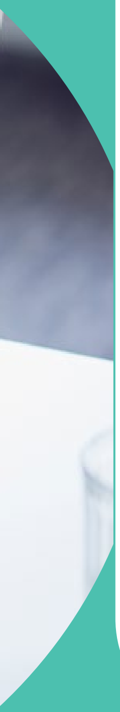
> " A platform to keep us at the forefront of educational technologies."

Dr. Gráinne Watson, Chief Operating Officer at RM, describes how we are shaping the future of digital accreditation as she drives the development of the Global Accreditation Platform.

What is the 'Global Accreditation Platform'?

The Global Accreditation Platform is a cutting-edge assessment solution designed to provide a seamless digital experience for assessors, educators, and learners. It supports a range of qualifications, from GCSEs and A-Levels to professional certifications like accountancy exams. The platform facilitates the entire learning journey, offering SaaS solutions for authoring, publishing, and delivering live exams and classroom tests on-screen.

In the post-COVID era, digital assessment is rapidly expanding but remains highly fragmented. A unified platform will be key to adoption across organisations. Adaptability is crucial, and RM is developing the platform with a modular approach, ensuring it can integrate emerging technologies such as adaptive learning and AI-powered knowledge banks for test generation and evaluation.



Customer focus

The International Baccalaureate

Building on our 15-year partnership with IB, RM significantly expanded our contract to include the transformational delivery of their Diploma and Career-Related Programmes as digital assessments.

> "We have a long history with RM and have now entered into partnership to deliver digital assessments which are a key part of the IB strategy. Digital assessment opens the door to the variety of possibilities the digital transformation gives – not only giving knowledge to students, but making sure they get the skills, the capabilities, the agency and willingness to make a difference in the world – and to find meaningful ways to assess what they are really capable of doing."

Olli-Pekka Heinonen
Director General,
The International Baccalaureate

Customer focus

Cambridge University Press & Assessment

Our latest contract with CUPA extends our 15-year e-marking partnership for a further five years and will see a number of digital mock exams beginning to be taken using RM's Global Assessment Platform.

> "Our number one priority is ensuring that learners are getting the highest quality assessment experience possible. We are really pleased with how our work with RM over the past 15 years has contributed to this through e-marking, and we are looking forward to the possibilities that digital assessments can bring for our exams and learners. Digital exams can be more suited to how students learn, and this work will ensure that our assessments continue to equip learners with the knowledge, skills and understanding they need to achieve their life goals."

Mark Maddocks
Chief Information Officer,
Cambridge University Press & Assessment

What is your vision for the platform, and how is that driving its development?

This platform will support learners not just on exam day – one of the most stressful days of their lives – but throughout their educational and professional journey.

So many people talk to me fondly about having used an RM computer at school, and a measure of success would be for learners to talk about the platform as affectionately in the coming years.

I also feel a deep responsibility to ensure RM continues to thrive for another 50 years. That means delivering a platform that is not only high-performing but also sustainable, innovative, and aligned with future market expectations. Our goal is to pioneer the next era of educational technology while maintaining the excellence RM is known for.

Have you had to transform your delivery organisation to support the platform's development?

Yes. Our transformation was as much about looking back as it was about moving forward. RM has always been a pioneer in educational technology, setting high standards in the industry. To continue that legacy, we revisited our core values while incorporating modern advancements.

I've had the privilege of working with some of RM's earliest employees, whose expertise has helped us merge past innovation with new capabilities. We introduced a new delivery leadership team, bringing top talent from IT and operational backgrounds – many from unconventional paths like self-taught programmers and former computer science teachers. This diversity has enhanced the design and functionality of our platform, making it more adaptable to global needs.

We also hybridised our global teams, blending experience with fresh perspectives to optimise quality and efficiency in our modular platform build.

What role does AI play in the platform's long-term strategy?

AI is central to our long-term strategy, but we are implementing it responsibly. Our approach ensures AI-generated content – whether for lessons, learning or exams – is created within a secure, private perimeter, preventing external influence on our codebase.

This year, we are conducting proof-of-concept (PoC) trials with customers using our AI marking solution. Additionally, we are supporting organisations in delivering their first digital exams, including those with innovative question types that were previously unavailable in digital formats.

This platform reinforces RM's leadership in educational technology, and we are excited about the future.

Our purpose, vision and mission

RM partners with educators and accrediting bodies globally, transforming education for the digital age. We are empowering customers to embrace digital learning, assessment and marking, ensuring impactful teaching, accurate assessment and fair accreditation.

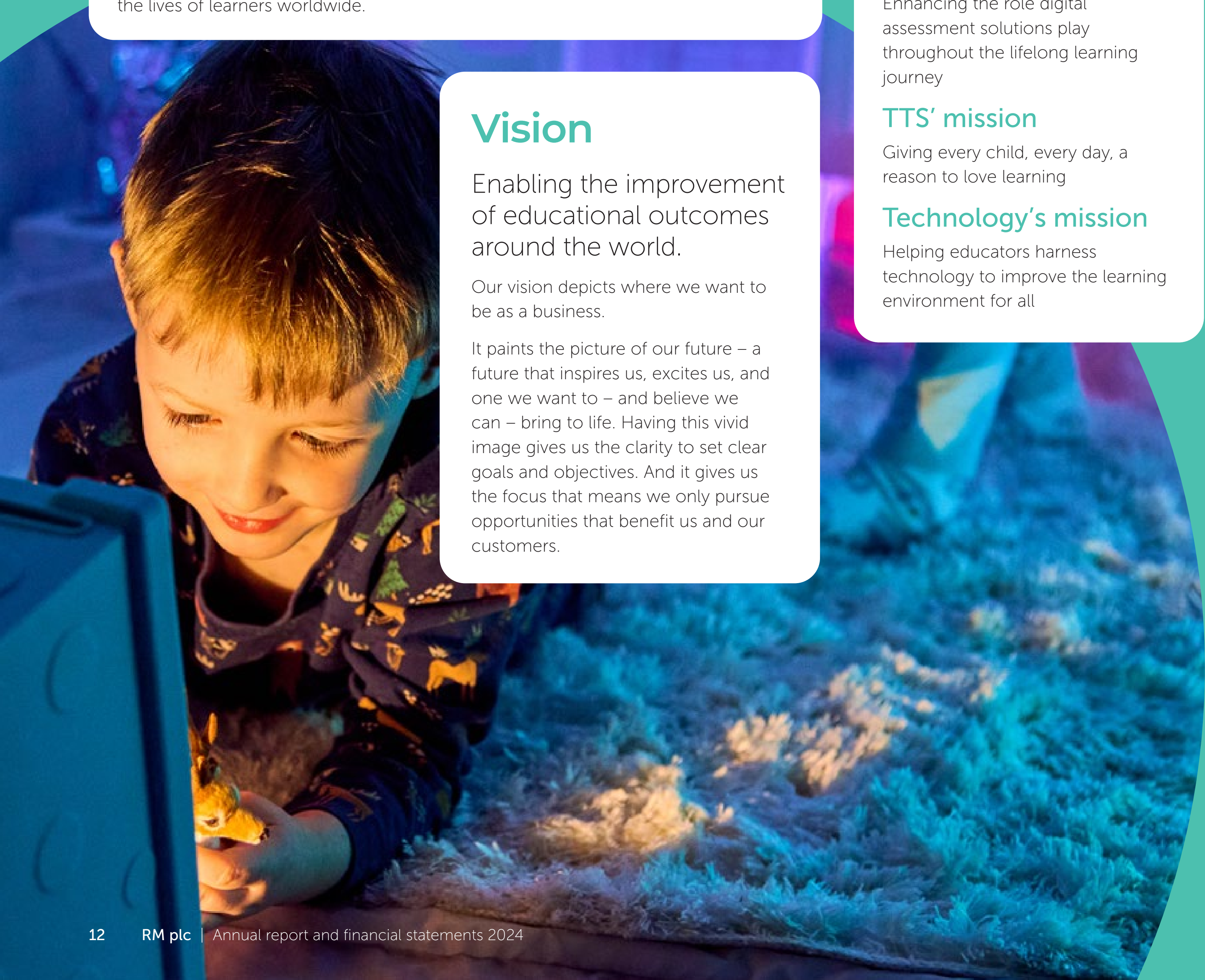
From our early days of building computers and providing internet for schools, today RM is a globally recognised EdTech company that designs, builds and delivers a large proportion of our own unique IP to a global customer base through our curriculum-based resources, marking and assessment platforms and technologies for computing, networking and security filtering. Together with our customers, we are enriching the lives of learners worldwide and shaping the future of education.

Purpose

Enriching the lives of learners.

Our purpose is our reason for being.
No matter what's happening in the world around us, education gives people the tools to own and power their future potential, explore new possibilities and step forward with confidence. By taking what we are brilliant at, and having the courage to do things differently, we can enrich the lives of learners worldwide.

It's a bold purpose – one that captures what we do brilliantly now and fires our imagination about the future. It's ambitious and motivating, and the reason we all show up every day. Every day, in everything we do at RM, we are enriching the lives of learners worldwide.



Vision

Enabling the improvement of educational outcomes around the world.

Our vision depicts where we want to be as a business.

It paints the picture of our future – a future that inspires us, excites us, and one we want to – and believe we can – bring to life. Having this vivid image gives us the clarity to set clear goals and objectives. And it gives us the focus that means we only pursue opportunities that benefit us and our customers.

Mission

We can only work towards our purpose and achieve our vision together, so each division has their own mission to help us get there.

Assessment's mission

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

TTS' mission

Giving every child, every day, a reason to love learning

Technology's mission

Helping educators harness technology to improve the learning environment for all

A strong culture in action

Since 2021, RM's culture has been underpinned by a set of five behaviours, which have inspired our choices and performance.

01 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.

02 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.

03 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.

04 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.

05 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.

For more information on how the Board is kept up to date, please see the **Corporate Governance Report** on **pages 90 to 91**.

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 who 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.

RM in focus

Living our values

In 2024 we launched our Loti-Bot volunteering programme and invited our colleagues to volunteer and deliver training to teachers in local primary schools, after which we gifted four Loti-Bots and a therapeutic wellbeing toolkit. As well as delivering social value to the communities we operate in, our colleagues proudly embodied our culture showing curiosity, bravery and a desire to win together. Read more about the volunteering programme on page 115.

18
local schools participated

02.

Strategic Report

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RM in focus

Technologies, including AI, can transform the delivery of learning assessment

Improved learning outcomes can be gained through more authentic assessment. There is a growing disconnect between the assessment system, new technologies and the need to prepare students for the reality of the world of work in the 2020s, 2030s and beyond. The skills and knowledge required and used in the workplace have changed at a faster pace than the approach to examination.

For example, it is only recently that computer science exams – where in real-world settings people would be working on a screen – have begun moving away from paper-based examinations. This is also happening at pace in other settings, where real-life skills are assessed as a core part of the assessment process. For example, in professional qualifications with accountancy exams, real spreadsheet capabilities are used in controlled conditions to replicate real-life skills. Our platform enables both of these new capabilities for our customers.

Transitioning towards digital assessments must be approached carefully though, ensuring paper exams are not just replicated on screens. For digital assessment to be effectively adopted, it must be integrated throughout the entire learning journey. RM is already supporting accreditors and educators making and planning for this transition.

AI will also transform both the formative and summative spaces, as shown by proof-of-concept projects run by RM, exploring its role in exam marking and feedback. The results demonstrated that AI is not only as effective as human marking, but also improves feedback quality – even for essays and long-form answers – while working in a fraction of the time.

While integrating AI into high-stakes exam marking will require a shift in perception, its immediate potential lies in classroom-based assessments. AI can provide instant feedback on results, assess performance against the mark scheme, and highlight areas for improvement, readying students for final exams and significantly reducing teacher workloads.

RM is now working to productionise our marking engine and collaborating with customers on further projects to explore how AI can help transform the delivery of learning assessment.

Chair's statement

Our strategy is clear: to scale our global assessment offering and to provide solutions to customers who wish to transform from analogue to digital assessment."

I am very pleased with the progress we have made this year. After a tough start following the difficult decision to close the Consortium business, we have seen a marked transformation with all parts of the Group now delivering adjusted operating profit. We achieved substantial strategic wins in our core Assessment Division with International Baccalaureate and Cambridge University Press & Assessment customers, to partner with them on their transformation to fully digital examinations. This has been supported by several other strategic contract renewals with assessors. RM's longstanding relationships with accreditors that go back decades afford us a unique position in the market as a provider of global assessment solutions. Our strategy is clear: to scale our global assessment offering and to provide solutions to customers who wish to transition from analogue to digital assessment. Our Chief Executive, Mark Cook, goes into further detail on our strategy on page 20.

The TTS and Technology Divisions performed well in spite of challenges faced in the UK and overseas schools markets, the latter winning a series of management services contracts with schools and academies, delivering more recurring revenue for FY25.

Significantly reducing our debt while maintaining focus on our core business is a key focus for us and I am grateful for the continued support of our lenders as we progress with our strategy.

Focus on customers

Serving the needs of our customers has been a preeminent focus of our newly formed management team and I am encouraged by the high number of customer renewals in Assessment, along with new wins, which is testament to their efforts and commitment to fostering strong relationships. How we perform for our customers is discussed by the Board each time it meets with in-depth sessions scheduled at least twice a year, and we held a successful Board strategy day last summer during which we explored our future proposition. The operational changes driven by our Executive team have strengthened delivery capabilities, laying the bedrock for future success. It is imperative that we continue focusing on customer success so we can support them today and as they transition.

> "Our Board contains an extensive breadth of skills and experience to support and deliver our transformation goals."

Focus on people

We have intense focus on our people, reviewed at Board level through monthly updates, presentations and the twice-yearly employee engagement surveys. I am aware that in some parts of RM it has been a challenging time as we focused on getting the right operating structure that best reflects our size and ability to serve our customers. Supported by the Board, the Executive Committee has significantly enhanced communication with our people through various forums such as quarterly town halls, led by our Chief Executive, providing a deeper and more timely understanding of our key initiatives and performance. We are committed to supporting and providing opportunities to our people as they grow and develop with us. On behalf of the Board, I would like to thank all our employees for their ongoing commitment and loyalty during this transformative year.

Governance and change

After several Board changes in FY23, this year brought stability and continuity at a Board level and within the Executive Committee. Shortly before Patrick Martell stepped down from the Board on 31 December 2023 after 10 years of service, Christopher Humphrey took over as temporary Chair of the Remuneration Committee until Carolyn Dawson was ready to take on the role from 1 June 2024 as envisaged at the outset of her Board appointment. The change has been seamless and Carolyn continues to enjoy the support of the wider Committee as her predecessor did.

I am pleased with the make-up of our Board which contains an extensive breadth of skills and experience to support and deliver our transformation goals. It was important for the Board appointments in FY23, six in total, to hit the ground running as the business embarked on a series of necessary changes. More information on the Board's activities and performance in FY24 can be found on pages 84.

All four sub-committees have been active during the period:

- The Audit and Risk Committee conducted an external audit tender process, which is described on pages 101 to 102. As a result of the tender, a resolution is being put forward at our AGM for shareholders to approve RSM's appointment as external auditor for the year ending 30 November 2025.
- The Remuneration Committee conducted a consultation with major shareholders on changes to the Remuneration Policy, approved at the 2024 AGM.
- The Nomination Committee considered succession planning for the Executive Directors' roles.
- The ESG Committee set the FY25 environmental and social KPIs, including the transition pathway to net zero by 2035.

An extensive project led by our Chief Financial Officer, Simon Goodwin, to improve our internal controls and financial processes was undertaken during the year, with regular updates having been provided to the Audit and Risk Committee. We have now moved into a period of embedding the controls as we transition them into business as usual. We appointed a new Health and Safety manager who has implemented enhancements to our processes at the Harrier Park site and other parts of the Group and our governance has been further strengthened by the recruitment of two additional internal auditors, meaning that we now have an in-house internal audit function that can deliver the majority of our assurance reviews.

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 and are unlikely to in the short-term since our focus is to continue investing in RM's growth. See pages 36 and 37 for further information on banking covenants and conditions.

Helen Stevenson
Non-Executive Chair
17 March 2025

CEO's statement

"This is the first full year of our newly formed management team and we have secured long-term revenue contracts, expanded our portfolio, and delivered cost savings."

A year of transformation

2024 in review

It has been a highly transformative year in more ways than one. Our leadership team had its first full year of working together and I am delighted with the progress that has led to significant operational and financial improvements.

Following the planned closure of the loss-making Consortium business, we have delivered adjusted operating profit of £8.6m (FY23 reported[1]: £0.3m), ahead of market consensus, and adjusted EBITDA[2] of £13.1m, nearly double last year's reported £7.0m. Statutory loss after tax has reduced by 84% to £4.7m from £29.1m, which is explained further in the CFO's statement (see page 32). We have secured two of the largest contracts in RM's history with the International Baccalaureate and Cambridge University Press & Assessment, which are at the heart of our strategic focus. We are excited to partner with them on their groundbreaking journey from analogue to digital-based assessment.

Revenue compared to that reported in FY23 was down 14.9% mostly due to the closure of Consortium at the beginning of the year. When Consortium sales are removed, revenue was marginally down (5.5%), due to a challenging UK and international schools market affecting Technology and TTS, and strategic digital platform growth in Assessment offset by the planned ending of non-core legacy contracts. However, crucially, we ended FY24 with a record Assessment contracted order book of £95.7m (FY23: £40.8m), which will convert into revenue from FY25 onwards. We now have an opportunity to expand our portfolio into formative assessment solutions and expand our professional assessment customer base.

Our lenders have continued to be highly supportive of our strategy. We agreed with them an amendment and extension of our £70m facility in H1 to July 2026 (and a further amendment to their covenants

1 Please see footnote 4 on page 3 for details of the restatement of FY23's reported figures

2 Please see footnote 1 on page 3 for details of alternative performance measures

EBITDA adj.

£13.1m

(87% up vs prior year)

Assessment Contracted Order Book

£95.7m

2.3 x prior year

> Our Portfolio Roadmap includes learner direct solutions in collaboration with our accreditation customers, for example, the RM AI proof of concept in formative assessment."

in March 2025). We remained well within the hard covenants for the remainder of FY24. Significantly reducing net debt is a key priority and we are evaluating ways to achieve this while continuing to invest in the future growth in our core business.

I would like to extend my thanks and appreciation to all our people for their hard work and commitment during this transformational period. These achievements could not have been realised without their efforts.

Strengthened foundations

Operations and delivery

Our go-to-market offering, shaped to provide transformative assessment solutions, has been aligned towards one global operating model, so we can deliver innovation, modernisation and optimisation outcomes to our customers.

We have conducted in-depth root and branch operational reviews leading to efficiencies and process enhancements across RM, while investing £6m during FY24 in the development of our new global accreditation platform. This has resulted in a shift towards nearshore software development and we now have over 400 developers to redevelop our platform onto a single cloud, capable of delivering all our assessment products and scaling our offering. At the same time, we have maintained strong IT support in RM India for our legacy systems. Our new operating model reflects a business of our size and needs with layers simplified and targeted investment in areas that will be positively felt by our customers. This includes Dr Grainne Watson taking on the enhanced role of Chief Operating Officer, with a strengthened team beneath her, and overseeing operational performance and customer delivery aspects in Assessment, enabling a clearer line of sight from customer to developer.

Our governance has been strengthened through the introduction of three new boards: growth; service and operations; and portfolio and innovation. A major deliverable from these forums is a clear customer development plan, tied to our portfolio roadmap, which shows the products, solutions and functionality being delivered from our platform.

Through these transformations, the foundations of our global accreditation platform have been established, paving the way for profitable and sustainable future growth.

Cost efficiencies

We instigated a review of third-party advisors with actions taken to either insource certain activities, such as investor relations and internal audit, or to pivot to more strategically aligned partners, e.g. corporate brokerage. These actions will bring more intellectual property into RM's management, provide cost reductions and aid future growth. Further annualised cost savings of £10.6 million have been achieved by rationalising our property requirements through the closure of the less utilised London office, consolidating two warehouses into one distribution centre at Harrier Park and streamlining floor space at our Abingdon head office. The full effect of these savings will be realised from FY25.

Divisional performance

Assessment: ready for the transformation to digitisation

As previously announced, FY24 saw us secure groundbreaking contracts with the International Baccalaureate and Cambridge University Press & Assessment. Our long-standing relationship with these foundation customers has been built over several years, with RM having facilitated the marking of several millions of exam scripts through our systems, and we are delighted to have been chosen to work with them in navigating the path towards fully on-screen exams in the coming years. This has been supplemented by key wins, such as NEBOSH, and several contract extensions, including the Scottish Qualifications Authority, Ireland State Examinations Commissions, and Trends in International Mathematics. These strategic wins and renewals provide a bedrock for our future growth.

As we continue to embark on the transitioning from analogue to digital assessment it was expected that a small number of legacy non-core contracts would end in FY24, impacting year-on-year revenue performance (£42.3m in FY23 to £39.7m in FY24), as we reshape our portfolio for the future. Importantly, digital platform revenue grew 12% year-on-year. Our strategic new wins and renewals, which have fuelled our record £95.7m contracted order book, will largely evolve into higher margin digital assessment revenues in the coming years.

TTS: Increasing UK market share in a tough market

Despite the challenging UK schools' market during FY24, TTS UK sales grew 2.8% (£52.2m to £53.7m) as we increased our market share without blanket wide discounting of prices, unlike competitors. International sales, which account for approximately one quarter of the division, were down by 20.7% (£23.7m to £18.7m) in part due to one-off events overseas such as the US elections and the Spanish floods which stalled or diverted funds to other causes. International order intake has picked up in early FY25 and we expect this trend to continue as the division focuses on the overseas growth strategy which includes the setting up of a legal entity in Dubai.

CEO's statement continued

TTS has continued to develop exciting products with 124 new products using our own IP launched during the year. This includes AI generated learning tools directly linking our 9,000 TTS products to the national curriculum that have enabled us to scale products while enhancing the accuracy of content.

Having completed the closure of the Consortium business and relocated to a single purpose-built distribution centre, TTS is now positioned to take advantage of growth opportunities.

Technology: momentum built with H2 managed services wins

Revenues in the Technology business were down by 6.4% (£57.7m to £54.0m), impacted by a challenging UK schools' market, with budgets held back by election uncertainty for much of the year. This includes the connect the classroom government initiative coming to an end partway during the year compared to a full year of revenue in FY23. However, I was pleased to see the division win several substantial managed services contracts in H2 that will have a full year impact during FY25. These wins are having a marked improvement in the quality of revenues in Technology through recurring, longer-term fees and contract awards with multi academy trusts, such as University of Chichester Academy Trust, rather than individual schools.

The division's adjusted operating profit has increased by over four times compared to FY23, from £0.8m to £3.6m, due to the changing mix of revenue and through driving cost efficiencies.

Strategy to deliver growth

The opportunity

The direction of travel is towards fully digital assessments, providing an opportunity for global growth in RM's platform user base. Last year we highlighted our purpose of enriching the lives of learners globally and that core to our future are 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 assessment. RM operates in the global EdTech market, which is forecast to grow by $170.8 billion between 2024 and 2029 with the digitalisation of assessment being a key market driver. RM's strengthened foundations, along with FY24 contract wins with global accreditors, have paved the way for delivery of our strategy and we are well positioned to build on this in FY25.

A principal aim of global assessors is to provide an enriched experience for their learners; this aligns seamlessly with RM's purpose. To provide continual improvement of RM's e-marking and e-testing solutions our strategy, under Dr. Grainne Watson's leadership, is to develop a single global accreditation platform providing a modular design which has security, resilience and capacity for growth with enhanced customer experience. We have over 400 developers working on the platform which will be capable of delivering full digitalised assessments around the world. Scaling this offering is our focus for FY25 and beyond and we recently launched RM Consulting to provide a journey plan for assessment bodies who are looking to embark on a digital transformation journey.

To date, our Assessment business delivers solutions exclusively to assessors. While they will remain our primary customer, we will continue to invest in the platform over the coming years to provide learner direct content and solutions, in collaboration with our accreditation customers, and formative assessments.

AI has potential to make a significant impact in the formative assessment space, as shown by proof-of-concept projects run by RM, exploring its role in exam marking and feedback. The results demonstrated that AI is not only as effective as human marking but also improves feedback quality – even for essays and long-form answers – while working in a fraction of the time. While integrating AI into high-stakes exam marking would require a shift in perception, its immediate potential lies in classroom-based assessments. AI can provide instant feedback on results, assess performance against the mark scheme, and highlight areas for improvement, readying students for final exams and significantly reducing teacher workloads.

We are currently working with customers on further projects to explore how AI can be tailored to their assessment and qualification processes, modernising learning and improving learner outcomes.

Our future is exciting; it is firmly predicated on being a global curriculum and assessment expert. From an investment perspective we aim to be a leading accreditation software and digital platform provider, for years to come.

Mark Cook
Chief Executive Officer
17 March 2025

Our strategy

Last year we unveiled our Strategic Plan, to capitalise on the significant future growth opportunities in the growing global EdTech market.

Underpinning this transformation are a number of key priorities for FY25 and beyond to deliver on our intent to become a company that has two to three times the value that it has today, de-leveraged, and delivering double-digit growth with EBITDA five times that of FY23.

01

Build an organisation for success

Our target operating model is a consistent focus. By flattening the internal back office corporate functions to focus on core processes we are enabling the optimum customer solution.

RM's capability, scalability, agility and cost optimisation are key enablers to our strategy.

Progress in 2023/24

- We strengthened our leadership team by appointing Dr Gráinne Watson as Chief Operating Officer (COO), and Steph Sanderson as Organisation Effectiveness Director.
- We made wholesale changes to increase our operational and delivery capabilities.
- Reduced reliance on contractors and third-party advisors by insourcing capability to retain IP and build expertise.

Priorities for 2024/25

- Continue to embed and strengthen our simplified business model.
- Continue to optimise our target operating model.
- Strive for operational excellence through the strengthening of capabilities across customer delivery teams and continuous improvement of key processes.
- Customer focus and transparency from the front-end through to development.

Link to risk

1 3 4 5 7 8

02

Create clear line of sight to three customer groups – accreditors, educators and learners

By simplifying our organisation structure and operations, and engaging with our target customer groups in a meaningful way, we have a clear view of our customers' needs and how to best serve them.

Progress in 2023/24

- With Dr Gráinne Watson in role as COO and subsequent organisation alignment, we have strengthened our operations and delivery teams.
- We are partnering with key accreditation customers to scope our assessment solutions offering to educators and learners.
- We commenced strengthening our go-to-market and delivery team capabilities and processes to better serve our customer groups.
- The launch of our new cross-division Governance Boards ensures that the customer stays at the centre of what we do.

Priorities for 2024/25

- Host flagship events for our customer groups; for example our 'Bridging AI and Assessment' event in February 2025.
- Continue to work with key accreditation customers to scope our solution offering for educations and learners.

Link to risk

1 2 3 4 5 7 8

03

Develop products, services and solutions to drive revenue

We are using our deep understanding of the curriculum, how to assess the curriculum, and how to enhance learning outcomes, to develop a market-leading product, services and solutions portfolio.

Our innovative solutions are scalable and present strong revenue growth opportunities.

Progress in 2023/24

- We now have over 400 developers to create tailored innovations for our customers.
- We successfully processed 21 million tests through our Global Accreditation Platform.
- We deployed our new AI large language model to enhance our website, linking 9000+ products to the national curriculum.
- We launched 600+ new products, including 124 own IP resources, in key strategic areas of early years, Special Education Needs and Disabilities, and Robotics.
- We delivered managed services and ICT solutions to 6000 UK schools and trusts.

Priorities for 2024/25

- Continue to develop the Global Accreditation Platform in line with the Development Roadmap.
- Deliver our Portfolio Roadmap.

Link to risk

1 2 3 4 5 7

04

Seize the global opportunity

We are capitalising on the growing global EdTech market through our new international sales strategy, the ongoing development of our Global Accreditation Platform, the strategic use of AI across our platform, and our market-leading learning resources.

With a strategic approach to expanding our global footprint, we expect to increase our global customer base significantly over the next 18 months.

Progress in 2023/24

- We renewed and won flagship contracts with international accreditors, IB and CUPA.
- We sold our learning resources into 115 countries.

Priorities for 2024/25

- Finalise the set-up of our new legal entity in Dubai.
- Develop and deliver our new International Growth Plan.

Link to risk

1 2 3 4 5 6 7 8 9

Key to Risk

1 Delivering the growth strategy
2 Liquidity risk
3 Risk of cyber attack
4 Maintaining technical and delivery expertise
5 Delivering at pace in a fast moving market
6 Supply chain dependencies
7 People retention and recruiting
8 Monitoring and compliance
9 Health and safety

Market overview

The global EdTech market is transforming rapidly, with strong structural drivers. RM is well-positioned to capture this future growth.

The EdTech market is growing!

15.9% CAGR

Expected growth rate of global EdTech market 2024–2029 including RM AI solutions for education

Key market drivers:

Digital delivery in assessment

- Accreditors are driving the shift to digital assessment solutions for examinations and throughout the learning journey.
- Emerging technologies, including AI, are challenging the nature of education and assessment.
- Technological solutions are having an increasing role to play throughout the learning journey.

How our business is responding

We are responding to the evolution within our fast-moving markets through the ongoing development of our solutions and products

Assessment

Market opportunities

- The global market's appetite for digitisation of high-stakes assessment is accelerating across all sectors, and with a growing desire for software-as-a-service (SaaS)-based solutions. Digital assessment organisations are seeking a single trusted partner to lead them through the migration from paper examinations to digital.
- 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 advance assessment practices.
- Engaging learners with modern technology and, as such, equipping them to embrace new opportunities worldwide through advanced education and assessment models.
- Providing insight and feedback as part of the learning journey offering students worldwide the best chances to succeed in end-stage assessment qualifications.

Headwinds

- Digital assessment is an emerging market and evolving quickly, which is leading to customers prolonging procurement timelines as they consider varied approaches.
- Challenging recruitment and skills landscape could impact ability to move at sufficient pace in the market.
- New competitors emerging across the globe offering bespoke and low-cost solutions within the high-stakes examination environment.

Continued focus on developing IP resources

- Opportunities for RM-owned and developed educational resources, particularly within early years and special educational needs and disability (SEND), highlighting the importance of childcare education with learning and development from birth.
- 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 aligns 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.

9%
of schools have reached digital maturity

31%
of schools have a 'low' level of digital maturity

Stats source: Department for Education

TTS

Market opportunities

- STEM learning, programming and 21st-century learning remains a key focus. 21st-century learning skills are widely used to underpin curricula to enable learners to develop and be ready with the right workforce skills of the future.
- Clear focus and funding for early years and SEND as many countries are investing in providing early childcare education and mentally healthy classrooms, particularly after the pandemic.
- Moving deeper into international marketplaces where the English curriculum is highly recognised and where we are an already-recognised provider.
- Responding to digital content needs using AI to enhance the linkage between the TTS product portfolio and the national curriculum, while producing additional content to support teachers in achieving enhanced educational outcomes.

Headwinds

- Our view is that the relatively recent change in UK Government will not improve the continued budget pressures facing our customers.
- Educators increasingly need to see how learning resources are curriculum aligned to demonstrate value for money and cross-curricular benefits.
- Reductions in the UK birth rate meaning we will need to deepen our selling channels and increase our presence in overseas markets.

Technology

Market opportunities

- Expansion through existing customer base: The most significant near-term opportunity lies in cross-selling and upselling our product lines to current customers, leveraging established relationships. Greater opportunities, in making 1-1 devices accessible for all pupils as trusts and schools are moving towards models where pupils have better access to personal devices.
- Resellers/partners: Our extensive portfolio and experience in partnerships have put us in a prime position to partner with other providers both in and outside of education. We see opportunity mainly in the following areas: Service Desk, Connectivity, Intellectual Property Software (Unify).
- Price-driven market: Financial pressure on education budgets is leading schools to prioritise cost, resulting in a notable decline in managed service pricing over the past year. RM Technology has reimagined its operating model and is now able to deliver a gold standard service with a competitive pricing advantage. This has been evidenced in recent wins in FY24.
- Cybersecurity and data privacy: With the rising use of digital tools, schools are prioritising solutions that safeguard student data and ensure secure online learning environments.

Headwinds

- Changing procurement processes and bureaucracy: Schools and Multi-Academy Trusts (MATs) are facing more complex procurement regulations, leading to longer decision-making cycles and potential delays in project approvals.
- Government policy and funding uncertainty: Fluctuations in government funding, policy shifts, or potential regulatory changes related to education technology (e.g. stricter data protection laws) could introduce unpredictability in school purchasing decisions.
- Economic pressures and cost management: Broader economic factors, including inflation and rising operational costs, are prompting schools to be more strategic in their technology investments. While budgets remain tight, there is an opportunity to support schools in maximising value by offering cost-effective solutions, flexible financing options, and demonstrating clear ROI on technology investments.

Our business model

Our shift towards a platform-based business model offers a scalable and recurring revenue stream that aligns with the ongoing digital transformation in the education sector.

Key strengths

01 Long-term, recurring customer relationships

02 Deep understanding of the curriculum and how to assess it

03 Talented and dedicated people

04 Strong partnerships with leading educational establishments

05 Proprietary portfolio

How we engage and retain customers

Consultative engagement with customers

Our consultative go-to-market approach ensures that we understand our customers' needs and work with them to implement the best solution for their digital journey

Customer-centric solutions and service

With a focus on strengthening our supply chain, project delivery and portfolio roadmap, we keep our customers are at the heart of what we do

Innovative solutions

Having centres of excellence that enable us to respond quickly to customer needs in a fast-moving market with innovative solutions

Renew long-term partnerships

Long-term partnerships have been built through decades of delivering for customers and building trust

A scalable business...

RM Assessment

We are a global leader in platform delivery of digital assessment and exam marking solutions to world-leading exam awarding bodies.

The Global Accreditation Platform is at the heart of our strategic growth plans as customer demand moves from paper to digital.

We provide formative and summative assessments, such as GCSEs and A-levels, and general and professional qualifications globally.

TTS

Delivers innovative educational tools and curriculum-aligned products that support educators in enhancing learning outcomes globally.

Direct sales of educational resources to schools, trusts, and government bodies **(HISTORICALLY REPEATABLE)**

Enriching the lives of learners globally throughout the education cycle

Early Years
<5 years

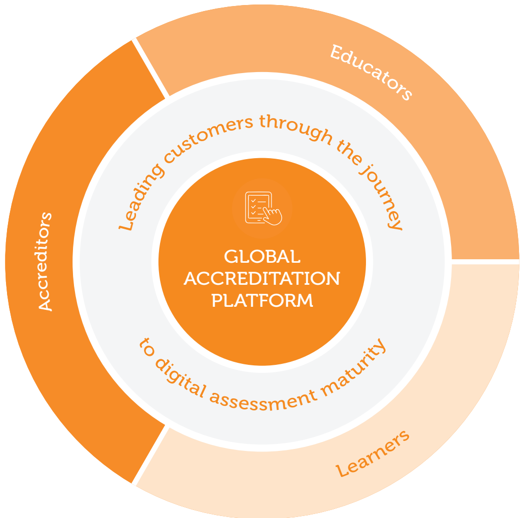
Our early years resources encourage children to use their imagination, build on key skills and explore.

Primary
5–11 years

Our Primary learning resources are curriculum aligned, and include our flagship programming journey range.

We provide IT managed services and connectivity packages.

...generating long-term relationships...



Long-term contracts and ongoing engagement leading to retention and customer advocacy **(RECURRING)**

Global Accreditation Platform

Designed to help our customers shift from paper to digital, our platform will provide a complete end-to-end accreditation solution. From exam creation and delivery to marking, grading and appeals, it expands online learning access, ensures fair testing, and enhances the experience for accreditors, educators and learners.

RM Technology

Cutting through complexity and bringing innovation and new ways of working, we help educators harness technology to improve the learning environment.

Direct sales to educators generating fees **(RECURRING)**

...and creating value

Customers

Creating value for our customers by providing innovative solutions that meet their evolving needs is central to what we do. We strive to do this by developing strong partnerships built on trust and credibility.

Colleagues

Our people are fundamental in offering our customers a wealth of knowledge, creativity and expertise to support their needs. We value our colleagues and strive to create an environment for them to flourish and benefit from opportunities to develop.

Suppliers and Partners

Our suppliers and partners provide goods, services and expertise that support our requirements, in-house capabilities and, in turn, our growth ambitions. We aim to be aligned on quality, delivery and ethics.

Community and Environment

As we enrich the lives of learners across the world, we're also dedicated to enriching our communities along with considering our impact on the wider environment. Our priorities include sustainability, energy efficiency, support for local communities and inclusive recruitment.

Investors

Our investors are interested in the stable financial performance of RM and its growth prospects as it executes its strategy along with our ESG focus. Enabling transparency through communications and being responsive is fundamental in getting our story across.

Secondary
11–16 years

In addition to our IT managed services and connectivity packages, our Assessment platforms enable successful summative assessments and accreditation.

Further/professional
>16 years

Our Assessment platforms deliver summative, general and professional assessments and accreditation for the remainder of the learning life cycle.

Key performance indicators

Key Performance Indicators (KPIs) and strategic objectives

RM has five strategic objectives 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
- Improve share of customer spend
- Operational excellence
- Attract and retain talent
- Strong financial discipline

Changes to KPIs going forward

In line with our strategy (read more in our Chief Executive's statement on pages 18 to 20) 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 2025 Annual Report.

As a result of this upcoming change, we have reported performance against our current KPIs, 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 Chief Executive's statement on pages 18 to 20.

Strong financial discipline

Revenue

Definition

- Revenue from continuing operations.

1 2023 and 2022 have been restated to exclude the revenues of RM Consortium

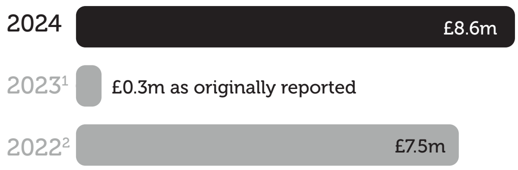
Commentary on performance

- Revenue from continuing operations was down 5.5% in the year to £166.1m (FY23: £175.9m).
- Decline in RM TTS and RM Technology revenues due to market pressures.
- In RM Assessment, growth in underlying contractual platform revenue was more than offset by declines in legacy project revenues.
- Read more in the CFO Statement on pages 32 to 36.
- Increased order book will provide revenues in future years.

Adjusted operating profit

Definition

- Adjusted operating profit, stated before adjusting items.



2 2023 is shown as originally reported and includes the results of RM Consortium, which is now presented within discontinued operations.

3 2022 is shown as originally reported and includes the results of RM Consortium, which is now presented within discontinued operations.

Commentary on performance

- Adjusted operating profit is up significantly on the £0.3m originally reported in FY23, which included Consortium losses.
- Adjusted operating profit from continuing operations is down 7.8%. This is due to more corporate costs being allocated to the remaining divisions following the closure of RM Consortium.
- Read more in the CFO Statement on pages 32 to 36.

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 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 of the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

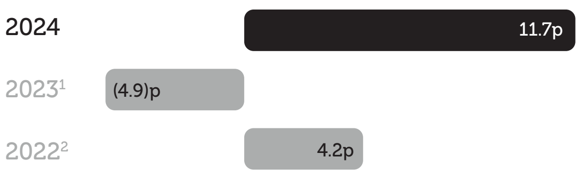
Why it is important / link to strategy

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

Adjusted diluted EPS

Definition

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



1 2023 has been restated to exclude the operating loss of RM Consortium, which is now presented within discontinued operations.
2 2022 is shown as originally reported and includes the operating loss of RM Consortium, which is now presented within discontinued operations.

Commentary on performance

- EPS benefited from a £7.4m tax credit due to recognising tax losses carried forward as an asset.
- Read more in the CFO Statement on pages 32 to 36.

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 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 of the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Adjusted net debt

Definition

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

Commentary on performance

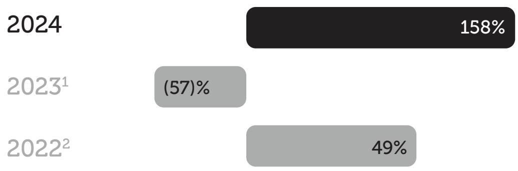
- Adjusted net debt increased £6.1m.
- £11.8m of cash generated from operations was used to invest £4.8m in the Global Accreditation Platform, make £4.3m of pension deficit payments, and pay £3.4m of lease repayments and £6.6m of interest and finance charges.
- Read more in the CFO Statement on pages 32 to 36.

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 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 of the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Cash conversion (adjusted)

Definition

- Defined as adjusted cash flow from operating activities divided by adjusted operating profit from continuing operations.



1 2023 has been restated to exclude the operating loss of RM Consortium, which is now presented within discontinued operations.
2 2022 is shown as originally reported and includes the operating loss of RM Consortium, which is now presented within discontinued operations.

Commentary on performance

- Cash conversion in FY24 benefited from much improved working capital performance and a £1.1m tax refund.
- Read more in the CFO Statement on pages 32 to 36.

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 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 of the size, nature or incidence at a segment level and their treatment is applied consistently year-on-year.

Global Accreditation Platform revenue growth

Definition

- Defined as the proportion of total RM Assessment revenue derived from delivering assessments through our accreditation platform.

Commentary on performance

- Platform revenue increases were driven by new customer wins and more assessments being processed through the platform.
- Going forward we expect the proportion of revenue on our platform delivered from fully digital exams will increase as our customers migrate from the e-marking of paper exams.

Key performance indicators continued

Improve share of customer spend

Why it is important / link to strategy
- Improve ROI from new customer acquisition
- Focus on customer expansion opportunity within each division

Definition
- Average revenue per customer

RM Assessment
Average revenue per customer

TTS
Average revenue per customer

RM Technology
Average revenue per customer

Commentary on performance
- Strategic digital platform revenue in RM Assessment grew 12% in FY24.
- UK growth in TTS of 2.8% limited by challenging UK schools market and offset by international market conditions.
- Technology revenue down due to challenging UK schools market with managed services contract wins in H2 to benefit FY25.

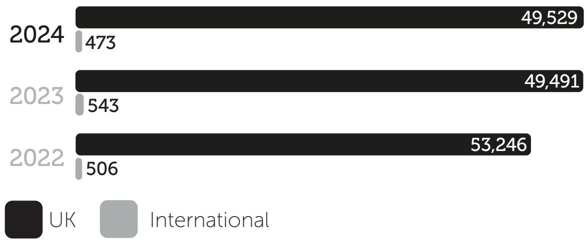
Reach more customers

Why it is important / link to strategy
- Defined target customers
- Critical to grow market share
- Build channel and scale advantage

Definition
- Number of new contracts won (RM Assessment)
- Number of trading customers (RM TTS & RM Technology)

RM Assessment
Number of new contracts won

TTS
Number of trading customers



RM Technology
Number of trading customers

Commentary on performance
- RM Assessment saw very high customer retention rates and new customer wins across different sectors.
- Large numbers of trading customers in TTS as expected given the nature of the business.
- Technology broadly flat while an increasing number of recurring managed services contracts secured.

Operational excellence

Why it is important / link to strategy

- High-touch customer requirements
- Create ability to invest

Definition

- Adjusted operating margin is calculated as adjusted operating profit as a percentage of revenue (see Note 4)

RM Assessment

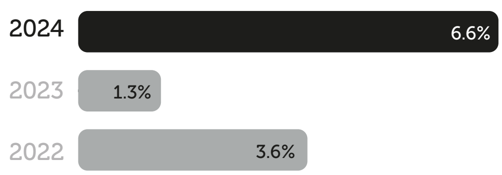
Adjusted operating margin

TTS

Adjusted operating margin

RM Technology

Adjusted operating margin



Commentary on performance

- Following the closure of Consortium, more of the corporate overhead is allocated to the remaining divisions. This has led to a fall in the adjusted operating margin shown for RM Assessment and RM TTS for FY24. The contribution of the divisions before overhead allocation was however broadly the same as last year.
- The adjusted operating margin for RM Technology improved in FY24 due to operational efficiencies and cost savings.
- Read more in the CFO Statement on pages 32 to 36.

Attract and retain talent

Why it is 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

- 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 three scores for questions linked to employee engagement, retention and loyalty

Employee participation rate

Employee engagement score

Commentary on performance

- The FY24 survey was refreshed to provide comprehensive reporting and greater insight into how our people feel working in the business.
- We changed our survey provider in 2024 and in doing so reduced the set of questions that make up the engagement score from five to three, therefore annual scores cannot be compared like for like.
- The Company continues to transform and despite this engagement has increased.
- Many scores have increased, most notably; Company pride, safety culture, inclusion, work life balance, collaboration, and alignment and involvement. All areas of focus from last year.

CFO's statement

> "FY24 was a 'Year of Transformation' for RM and it is clear to see that in the financial results."

The year started with the closure of the heavily loss-making Consortium business, then continued with significant amounts of reorganisation and cost reduction. All three remaining divisions have faced into significant headwinds in the form of high cost inflation, challenging domestic and international schools' markets and, in RM Assessment, the need to renew a significant proportion of the underlying contract base. Despite these challenges, each division has ended the year with higher profit contribution percentages than in FY23.

The closure of Consortium during the year has impacted the way our financial results are presented, as the prior year's results are restated to remove the statutory reported loss made by Consortium and show it instead in discontinued operations. In FY24 corporate overheads are now allocated over the remaining three divisions, rather than the four divisions that operated in FY23. To aid understanding of the true financial performance of the business, we therefore have added the previously reported FY23 numbers to the Financial Performance table; and added divisional contribution figures to the divisional performance table, which shows the profit contribution each division makes to RM.

Revenue from continuing operations in FY24 declined by 5.5% to £166.1m as a result of market pressures impacting both RM TTS and RM Technology, but also the expected decline in legacy project revenues in RM Assessment. These declines offset positive movement in TTS UK revenues, seeing the business gain market share, and a 12% increase in recurring platform revenues in RM Assessment.

Despite the in-year revenue decline, the business delivered an adjusted operating profit (AOP) of £8.6m (EBITDA £13.1m) compared to the £0.3m (EBITDA £7.0m) reported in FY23, which included a £9.7m loss in respect of Consortium. This 5.2% AOP margin marks a return towards more normal levels of profitability but still contains room for improvement, as many of the cost savings initiated during the year will not fully materialise until later years.

RM Assessment renewed 78% of its long-term contracted revenue in the year and won two major digital transformation contracts with International Baccalaureate (IB) and Cambridge University Press &

Assessment (CUPA). The incremental revenue and profit from these new contract wins will not materialise until later in the contract periods as RM Assessment supports these major customers on their journey from paper to digital assessments. In addition, there has been a significant increase in the value of Contract Fulfilment Asset (from £3.9m to £8.6m) on the balance sheet during the year, the revenue from which will be recognised in the future once contractual performance obligations have been met. As a result of these contract renewals and wins, the value of contracted orderbook in RM Assessment has increased 2.3x over the prior year to over £95.7m of future contracted revenue.

In this 'Year of Transformation', we continued to identify and execute on significant cost reductions. In addition to the £10m of annualised cost savings initiated in FY23, we identified and initiated a further £10.6m of cost savings in FY24. Savings initiated in FY24 were partially linked to the closure of Consortium (£3.2m), the consolidation of our warehouses into a single distribution centre in Harrier Park (£2.0m), further consolidation of excess office space (£1.2m), IT savings (£1.9m) and further reductions in third-party and headcount costs as we continued our transformation to a more streamlined target operating model. These cost savings have been partially offset by increased inflation in the UK, the annualised impact of the new Senior Management Team, increased incentive payments due to the return to material profitability, and a reinvestment into sales and marketing capabilities especially in RM Assessment. The cost of this restructuring can be seen within our adjusting items, and we expect to incur further restructuring costs related to the move towards a target operating model in FY25. While the transformation of RM is far from complete, this £20m+ of cost savings initiated so far has set the business up well for future profitable growth but further restructuring projects are expected to be required during the next few years.

The business remains highly leveraged and saw adjusted net debt increase during the year by £6.1m to £51.7m. FY24 saw a return to more normalised levels of working capital movements, but also significant previously agreed contributions to our defined benefit pension schemes (£4.3m), interest payments (£5.6m) and an increase in capital expenditure (£4.8m) primarily linked to investment in building our Global Accreditation Platform. Throughout FY24, RM operated well within its EBITDA and hard liquidity covenants and we remain extremely grateful for the very collaborative way in which our lenders HSBC and Barclays continue to support the business. An agreed deleveraging plan remains underway, and we have already started discussion with our lenders around revised agreements to replace our existing facilities which run until July 2026.

Finally, as previously identified, the financial control environment within RM has been below the required standard, as a result of a lack of focus in previous years. The RM finance team has worked extremely hard during this 'Year of Transformation' to make significant improvements to the control environment. All processes and key controls within the four major sub-functions of finance have been enhanced, documented and monitored during the year. While there is still further work to do, I am confident that as we exit FY24 we have a control environment, that is not only improved, but is now suitable for a business like RM.

Financial performance

£m	FY24	FY23 as reported [4]	Variance	FY23 restated [4]	Variance
Revenue from continuing operations	**166.1**	195.2	(14.9)%	175.9	(5.5)%
(Loss)/profit before tax from continuing operations	**(12.1)**	(41.2)	(70.6)%	12.4	n/a
Discontinued operations[1]	**(0.9)**	14.2	n/a	(31.7)	(97.3)%
Statutory loss after tax	**(4.7)**	(29.1)	(83.7)%	(29.1)	(83.7)%
Diluted EPS from continuing operations	**(4.6)p**	(51.8)p	(91.1)%	3.1p	n/a
Adjusted performance measures[2]:					
Divisional contribution excluding corporate costs[4]	**32.8**	25.5	28.8%	32.0	2.7%
Divisional contribution margin[4]	**19.8%**	13.1%	6.7%	18.2%	1.6%
Adjusted operating profit from continuing operations	**8.6**	0.3	2,663.6%	9.3	(7.8)%
Adjusted operating profit margin	**5.2%**	0.2%	5.0%	5.3%	(0.1)%
Adjusted EBITDA	**13.1**	7.0	87.2%	15.0	(12.9)%
Adjusted profit/(loss) before tax from continuing operations	**2.4**	(5.2)	n/a	3.8	(36.5)%
Adjusted diluted EPS from continuing operations	**11.7p**	(15.8)p	n/a	(4.9)p	n/a
Adjusted net debt[3]	**51.7**	45.6	13.3%	45.6	13.3%

1 Discontinued operations in FY23 as reported 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, and in FY23 restated and in FY24 also include the closure of RM Consortium, which occurred during the year ended 30 November 2024.

2 Throughout this statement, adjusted operating profit, adjusted EBITDA, adjusted profit/(loss) before tax and adjusted diluted EPS are Alternative Performance Measures, stated after adjusting items (see Note 6) which are identified by virtue of their size, nature and incidence. 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 £15.0m (2023: £16.5m) 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 25).

4 The closure of Consortium during the year has required restatement of the prior year to show the reported loss made by Consortium as discontinued operations (see Note 33). In FY24 corporate overheads are now allocated over the remaining three divisions, rather than the four that operated in FY23. To aid understanding of the true financial performance of the business, we therefore have added the previously reported FY23 numbers to the Financial Performance table, and added divisional contribution figures to the divisional performance table, which shows the profit contribution each division makes to RM (see Note 4).

CFO's statement continued

Divisional performance

Divisional contribution has been added as a new metric this year. Divisional contribution is Adjusted operating profit before the allocation of corporate overheads (see Note 4 to the Financial Statements).

£m	FY24	FY23	Variance
RM TTS:			
Total revenue	**72.4**	75.9	(4.5)%
UK revenue	**53.7**	52.2	2.8%
International revenue	**18.7**	23.7	(20.7)%
Divisional contribution	**8.9**	8.8	0.6%
Divisional contribution margin	**12.2%**	11.6%	0.6%
Adjusted operating profit	**5.4**	5.9	(10.0)%
Adjusted operating profit margin	**7.4%**	7.8%	(0.4)%
RM Assessment:			
Revenue	**39.7**	42.3	(6.2)%
Divisional contribution	**14.4**	14.9	(2.9)%
Divisional contribution margin	**36.4%**	35.1%	1.3%
Adjusted operating profit	**6.9**	10.3	(32.3)%
Adjusted operating profit margin	**17.5%**	24.2%	(6.7)%
RM Technology:			
Revenue:	**54.0**	57.7	(6.4)%
Divisional contribution	**9.5**	8.3	14.9%
Divisional contribution margin	**17.6%**	14.4%	3.2%
Adjusted operating profit	**3.6**	0.7	374.0%
Adjusted operating profit margin	**6.6%**	1.3%	5.3%

RM TTS revenues decreased by 4.5% to £72.4m (FY23: £75.9m). Continuing budgetary pressures for UK schools saw TTS's core UK education market decline by 5.5%. TTS' strong offering however allowed it to increase its market share by 1.4% to 15.0% and grow revenue by 2.8%. TTS International had a more challenging year with several of its key markets seeing similar election disruption and budgetary uncertainty as the UK. TTS International revenues declined by £5.0m in the year, although strong order intake at the end of year is giving reasonable confidence going into FY25. The closure of Consortium at the beginning of the year has freed TTS up to focus on its core offerings, while also adding selected new products from the Consortium range. New customer acquisition in TTS as a result of this has been strong with 12,214 new customers being added in the year. The closure of Consortium also enabled TTS to rationalise its cost base with the most significant change being the closure of its Sherwood Park distribution centre and consolidation into the larger Harrier Park. We are extremely pleased that, despite this significant upheaval during the year, TTS' contribution to Group profitability increased marginally to £8.9m (FY23 £8.8m). As a result of a higher allocation of corporate overheads (£3.5m in FY24, £2.9m in FY23) adjusted operating profit decreased to £5.4m (FY23: £5.9m) and adjusted operating margin decreased to 7.4% (FY23: 7.8%).

RM Assessment revenues decreased by 6.2% to £39.7m (FY23: £42.3m). This was entirely driven by the expected reduction in legacy project contracts. Revenue from these contracts declined as expected by £5.1m (42.9%) in the year. Revenue from underlying recurring contracts increased by 10.0% with revenue from RM's Digital Assessment platform increasing by 12% in year, as a result of higher volumes of digital assessments being processed. Divisional contribution reduced marginally to £14.4m (FY23: £14.9m), with increased investment in sales and marketing capability adding to the impact of lower total revenue. Adjusted operating profit reduced to £6.9m (FY23: £10.3m) and adjusted operating margin reduced to 17.5% (FY23: 24.2%) as the division now receives a significantly higher allocation of corporate overheads (£7.5m in FY24, £4.6m in FY23).

RM Technology revenues decreased by 6.4% to £54.0m (FY23: £57.7m) reflecting the annualised impact of contract losses in the Services and Connectivity business. New contract wins in the second half of the year have not materially contributed to revenue in the period. Revenue from hardware sales and digital platforms increased by 2.8% in year, reflecting the division's ability to cross sell into its contracted customer base. Divisional contribution increased to £9.5m (FY23: £8.3m) on the back of declining revenue, due to the annualised impact of operational efficiencies and cost savings initiated in the prior year, as well as additional restructuring undertaken in year. Adjusted operating profit increased to £3.6m (FY23: £0.7m) and adjusted operating margin increased to 6.6% (FY23: 1.3%), due to the higher contribution and a lower allocation of corporate overheads in year (£6.0m in FY24, £7.5m in FY23). Technology is now a stable and consistently profitable business with new customer wins, which will positively impact future revenue growth.

Group adjusted profit before tax was £2.4m versus a restated FY23 result of £3.8m, with the prior year losses of the discontinued

Consortium business removed. The £2.4m FY24 profit is a £7.6m increase on the actual FY23 reported loss of £(5.2)m; reflecting the closure of Consortium, improved contribution margin from the three remaining divisions and reduced corporate overheads, offset by higher interest costs.

Statutory loss after tax was £4.7m (FY23: loss of £29.1m), the significant improvement was driven by the underlying operational profitability of the business this year but also the adjustments in prior year including a £38.9m impairment relating to the decision to close the Consortium business, a £10.6m gain from the sale of IP addresses and a £13.5m gain on the sale of RM Integris and RM Finance, and a £8.3m tax credit.

Adjusted diluted earnings per share from continuing operations was 11.7p (FY23: 4.9p loss) and Statutory diluted loss per share from continuing operations was 4.6p (FY23: earnings of 3.1p).

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.

During the year, all operations ceased and therefore the financial loss for the year of £1.2m has been disclosed as discontinued operations. All comparative figures have also been represented as discontinued operations.

Adjusting items

To provide an understanding of business performance including the comparability of results year-on-year, we exclude the effect of adjustments that are identified by virtue of their size, nature and incidence, as set out below. These include a £9.3m impairment of TTS goodwill which has been booked in FY24. This impairment has arisen both as a result of the significant proportion of goodwill allocated to TTS following the closure of Consortium and reductions in estimated future cashflows caused by increasing uncertainty in UK and international schools budgets. These cashflow reductions have also resulted in a £3.2m impairment in RM plc's investment in RM Educational Resources Limited.

Adjusting items (total operations) £m	FY24	FY23
Amortisation of acquisition-related intangible assets	**0.4**	1.7
Impairment of RM TTS goodwill[1]	**9.3**	–
Impairment of RM Consortium assets[2]	**(0.5)**	38.9
Restructuring costs[3]	**4.6**	2.7
Cost of GMP conversion	**0.3**	–
Configuration of SaaS licences (ERP)[4]	**–**	3.1
Independent business review related costs	**–**	0.5
Total adjustments to administrative expenses	**14.1**	46.9
Sale of IP addresses[5]	**–**	(10.6)
Gain on disposal of operations	**–**	(0.2)
Total adjustments	**14.1**	36.1
Tax impact	**(0.8)**	(6.0)
Total adjustments after tax	**13.3**	30.1
Gain on disposal of discontinued operations[6]	**–**	(13.5)
Total adjustments after tax	**13.3**	16.6

1 A £9.3m impairment of TTS goodwill has been booked during FY24. This impairment has arisen both as a result of the significant proportion of goodwill allocated to TTS following the closure of Consortium and reductions in estimated future cashflows caused by increasing uncertainty in UK and international schools budgets.

2 FY23 includes £10.6m of goodwill impairment, £17.4m of impairment of other intangible assets, £5.9m of impairment of property, plant and equipment, £2.8m of inventory write-downs, £0.7m write-off of other current assets and an onerous contract provision of £1.5m in respect of IT licences. FY24 is a partial write-back of the previous inventory write-down.

3 FY24 restructuring costs relate to the implementation of the Group's new target operating model announced last year. These costs include £1.5m impairments and provisions for exited properties to the end of their leases in 2026, £1.2m redundancy costs which were all paid during the year, £1.5m of professional fee and contractor costs, and costs of £0.4m related to the consolidation of the TTS distribution centre in March 2024. Further costs in respect of the target operating model are anticipated into H1 FY25.

4 The configuration and customisation costs relating to the ERP replacement programme, 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.

5 Income generated following the completion of the sale of IP addresses.

6 During FY23 the Group completed the disposal of the Integris and Finance business which generated a gain on sale of operations of £13.5m.

CFO's statement continued

Inventory

Inventories increased by 8.8% to £15.2m (FY23: £14.0m) primarily due to timing of TTS International orders and forward buying inventory in advance of large orders anticipated early in FY25.

Corporate costs

Corporate costs in the period were £7.3m, down from £7.6m in FY23 on a restated basis, primarily as a result of increased accounting charges for share-based payments to senior management (no share-based pay awards vested or were paid out in the period) offset by corporate recharges previously recharged to Consortium being restated centrally.

Taxation

There was an £8.3m tax credit on continuing operations for the year (FY23: £9.8m tax charge). This is principally due to the recognition of an £8.5m deferred tax asset at 30 November 2024 (FY23: £0.2m).

Disposals

During FY22, the Group agreed to sell the RM Integris and RM Finance businesses from within the RM Technology Division and completed on 31 May 2023, which generated a net gain on sale of operations of £13.5m during the year ended 30 November 2023. The performance of these businesses has been classified and presented as discontinued operations within the Financial Statements. In FY23 these businesses generated £2.4m of revenue and £0.8m of adjusted operating profit.

Cash flow, net debt and lender agreement

On a statutory basis, net cash inflow from operating activities was £8.4m (FY23: outflow of £10.5m), which includes £4.3m (FY23: £4.5m) of deficit recovery payments made to the Group's defined benefit pension schemes during the year. These payments reduce to £1.2m in each of the next two years and then cease altogether.

Adjusted net debt closed the year at £51.7m (FY23: £45.6m) as the £8.4m net cash inflow from operating activities (see above) was offset by £4.8m of asset purchases (FY23: £1.1m), £5.6m of interest paid (FY23: £5.0m), £1.0m of facility arrangement fees (FY23: £1.7m) and £3.4m of lease repayments (FY23: £3.5m).

In March 2024 the Group secured an agreement with its lenders, which extended 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. Covenants were further reset in March 2025 as follows:

- A quarterly LTM EBITDA (excluding discontinued operations and Consortium) covenant test to the quarter ended 28 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 step down periods applying from 1 January to 21 March 2025, 1 August to 17 October 2025, and 1 January to 21 March 2026, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m. This liquidity limit is the minimum amount RM must have available under the facility, taking into account cash and the amount left to draw.

While the current banking facilities end in July 2026, and any period beyond this would likely be subject to negotiation and agreement of a further facility, the Directors note that this is an uncertainty but not a material one, and consider it likely that negotiation would be successful. Please see the financial viability report on page 48.

Balance sheet

The Group had net assets of £17.1m at 30 November 2024 (FY23: £17.8m). The balance sheet includes non-current assets of £90.1m (FY23: £81.5m), of which £29.2m (FY23: £38.5m) is goodwill and £20.5m (FY23: £12.8m) relates to the Group's defined benefit pension scheme which is discussed further below.

Operating property, plant and equipment, intangible and right-of-use assets total £26.1m (FY23: £27.8m). Additions to intangible assets, primarily relating to the development of the Global Accreditation Platform, have been offset by depreciation and amortisation. IP address assets utilised as part of the Connectivity business are included at £nil cost.

Net current assets of £0.2m (FY23: £8.9m) are below prior year as operating cash generated by the Group has been used to invest in intangible assets for the Global Accreditation Platform, pay debt interest, and make contributions to the defined benefit pension schemes.

Non-current liabilities of £73.2m (FY23: £72.6m) includes borrowings of £55.5m (FY23: £53.7m), and lease liabilities of £12.8m (FY23: £14.3m) which are predominately associated with the Group utilisation of properties.

Dividend

The banking facility covenants restrict dividend distribution until the Company has reduced its net debt to LTM EBITDA leverage to less than 1x for two consecutive quarters, and therefore we are not currently able to recommend the payment of a final dividend and are unlikely to in the short term since our focus is to continue investing in RM's growth.

RM plc is a non-trading investment holding Company and derives its profits from dividends paid by subsidiary companies. The Company has £nil (FY23: £nil) distributable reserves as at 30 November 2024. 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. Plans to resolve RM plc's negative distributable reserves position in advance of reinstating dividends to shareholders, which include distributions from subsidiaries, continue to be under review.

The dividend policy is influenced by a number of the principal risks identified in the table of 'Principal and Emerging Risks and Uncertainties' detailed within this Group's 2024 Annual Report, 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 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 24 to the Financial Statements, the overall pension surplus on an IAS 19 basis has improved by £8.1m to a surplus of £20.5m (30 November 2023: £12.4m) with all three schemes now in surplus. The increase in surplus is mainly due to the deficit contributions made and an improved return on scheme assets.

The 31 May 2024 triennial valuation for the RM and CARE schemes was approved in March 2025, with the previous total scheme deficit becoming a technical surplus. The deficit recovery payments set by the 31 May 2021 valuation of £4.4m per annum until the end of 2024, which then reduce to £1.2m per annum until the end of 2026, will continue but no further recovery payments will be required after that date.

Internal controls

During the year, the Group has continued to document and embed financial and governance controls. This project has been rolled out across the key business processes of purchase-to-pay, order-to-cash, forecast-to-fulfil and record-to-report. Each end-to-end workstream is documented in a dedicated portal which also facilitates the collation of evidence that the operation of these controls is appropriate.

As the operating effectiveness of controls still needs to be measured and improved, additional resource has been added to the Internal Audit & Internal Controls team in order to undertake regular walkthroughs of the processes, validate that controls are operating as designed, and check that the evidence of these controls is appropriate.

As a by-product of providing greater assurance to management over the effectiveness of financial controls, the Group also expects, in time, to transition to a controls-based audit approach.

The Audit and Risk Committee has been updated regularly on the progress of the project, and the ongoing improvements to the control environment. Where controls are currently not designed, implemented or operating as effectively as they should, management has provided the Committee with assurance that appropriate mitigating actions are in place to conclude that these Financial Statements do not contain material errors. During FY25 management will work to ensure that controls are properly embedded through a programme of self-certification and testing by the Internal Audit & Internal Controls team.

Going concern

The Financial Statements have been prepared on a going concern basis. In reaching the conclusion that the going concern basis of accounting was appropriate the Directors made significant judgements which are set out below.

The Directors have prepared cash flow forecasts for the period to the end of March 2026 which indicate that, taking into account reasonably plausible downsides and associated mitigations 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 138, the headroom to the hard liquidity covenant within the banking agreement, and compliance with the quarterly rolling last twelve months Adjusted EBITDA ("LTM EBITDA") covenant. Exceeding the hard liquidity or LTM EBITDA covenants would constitute a material breach of the agreement and consequently the facility would be repayable on demand.

At 30 November 2024, the Group had net debt of £51.7m (30 November 2023: £45.6m) and drawn facilities of £57.0m (30 November 2023: £55.0m). Average Group net debt over the year to 30 November 2024 was £53.8m (year to 30 November 2023: £55.0m) with a maximum borrowings position of £60.7m (year to 30 November 2023: £64.8m). 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. Net current assets have reduced from £8.9m at 30 November 2023 to £0.2m at 30 November 2024, as operating cash generated by the Group has been used to invest in intangible assets for the Global Accreditation Platform, pay debt interest, and make contributions to the defined benefit pension schemes.

As set out in Note 25 of the Financial Statements for the year ended 30 November 2024, the Group has a £70.0m (2023: £70.0m) committed bank facility (the facility). The facility is due to mature on 5 July 2026. The Directors have assessed the liquidity risk associated with the facility maturing within the Principal Risks and Uncertainties on page 42 and the Financial Viability report on pages 46 to 49, and have concluded that the uncertainties associated with refinancing are not material to the going concern assessment and therefore it remains appropriate to assess going concern over a period of 12 months to March 2026. This facility provides lenders a fixed and floating charge over the shares of all obligor companies (except for RM plc), and it also reset the covenants under the facility. For going concern purposes the Board has assessed the Group's forecast performance against the following covenants:

- A quarterly LTM EBITDA (excluding discontinued operations) covenant test to the quarter ended 28 February 2026. This covenant was originally to be replaced by a quarterly EBITDA leverage test and interest cover test, which were required to be below and above 4x respectively from February 2026, but an amendment was sought and granted by the lenders as a result of forecasting to breach the interest cover element only under the base budget; 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 step down periods applying from 1 January to 21 March 2025, 1 August to 17 October 2025, and 1 January to 21 March 2026, during which the minimum liquidity requirement is reduced from £7.5m to

CFO's statement continued

£5.0m. These step downs were agreed with the lenders in our ordinary course of relationship management in order to manage potential downside risk, as our base budgets do not forecast a breach. This liquidity limit is the minimum amount the Group must have available under the facility, taking into account cash and the amount left to draw.

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 2024 and assumes a broadly similar macroeconomic environment to that currently being experienced.

The Group is assuming revenue growth across all businesses in the base case, driven from the following key areas:

- Growth from existing customers and new customer wins in the RM Assessment Division;
- Increased revenues principally derived from hardware sales in the RM Technology Division; and
- Growth from UK sales and, more significantly, 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 RM TTS Division.

Operating profit margin growth in the base case includes annualised savings from restructuring programmes undertaken in the period.

Net debt is not expected to materially reduce organically within the assessment period, as the conversion of operating 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 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 RM Assessment Division:
  - Delay in the delivery of a large contract in FY25; and
  - Reduced success of the new repeatable offer.
- ·In the RM Technology Division:
  - Reductions in renewal rates below the current run rate;
  - Achieving only 80% of budgeted wins in the Connectivity and Managed Services revenue streams; and
  - No growth in hardware sales..
- ·In the RM TTS Division:
  - UK and European markets do not return to growth, and market share growth does not occur;
  - Delays in a significant new distributor arrangement; and
  - Increase in costs that cannot be passed onto customers.

The reasonable worst-case scenario has the following impact on the base case forecast for the Group:

- 2025: A revenue reduction of £24.0m, an EBITDA reduction of £9.9m, and cash reduction of £10.5m.
- 2026: A revenue reduction of £25.6m, an EBITDA reduction of £10.5m, and cash reduction of £11.5m.

While the Board believes that all reasonably plausible downsides occurring together is highly unlikely, the Group would continue to comply with covenants under the facility until the quarter ended August 2025, when the hard liquidity covenant would be breached, and November 2025, when the EBITDA covenant would be breached. The Board's assessment of the likelihood of a further downside scenario is remote. Management has undertaken reverse stress testing that demonstrates that, should sales reduce in TTS by £13.3m (38%) or Technology by £17.4m (67%) in the second quarter of the year ended 30 November 2025 in isolation, the covenants would still be complied with for that quarter if none of the other downside scenarios were to occur. The timing of this reverse stress test is aligned with the greatest seasonality for those businesses and tightest headroom.

The Board has also considered a number of mitigating actions which could be enacted, if necessary, to ensure that reasonable headroom against the facility and associated covenants is maintained in all cases. These mitigating actions include not paying discretionary bonuses, reducing other discretionary spend, selling surplus IP addresses, and management of payables and receivables. These are actions the Group has taken before and therefore the Board is confident of its ability to deliver these mitigating actions if required. Further actions could include reduction of capital expenditure and delaying recruitment, which could impact the longer-term speed at which the Group returns to its forecast financial position. Modelling indicates that the enactment of these mitigations against the reasonable worst-case downside scenario would avoid a breach of either covenant during the going concern review 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 42 to 45.

Directors' responsibility statement

The 2024 Annual Report and financial statements, which will be issued in April 2025, contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules which sets out that as at the date of approval of the Annual Report on 17 March 2025, the Directors confirm to the best of their knowledge:

- the Group and unconsolidated Company 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 Group and Company, and the undertakings included in the consolidation taken as a whole; and
- the performance review contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and the undertakings including the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Simon Goodwin
Chief Financial Officer
17 March 2025

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

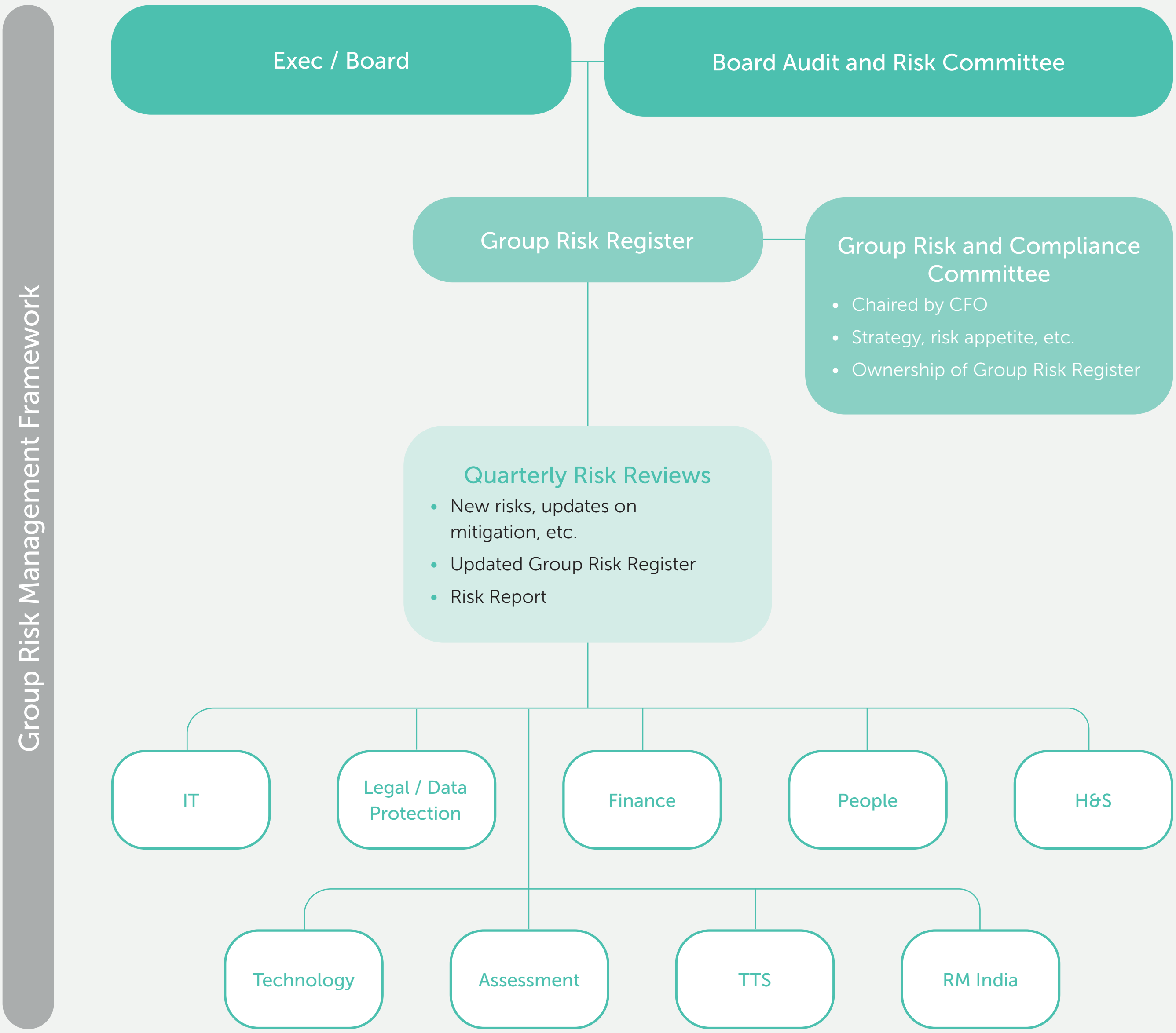
RM has a defined and documented risk management framework which is aligned to best practice and subject to continual improvement.

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. people, 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.

Risks are categorised under the following categories: financial, infrastructure and technology, legal, operational, political, reputational, security, strategic and emerging.



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 and 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 customers' expectations and supporting its people.

Risk appetite

RM has zero tolerance for risks that:

- 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.

Emerging Risks

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 2025 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 in the years to come. RM is closely monitoring market and industry trends to identify both risks and opportunities and has started developing tools with AI capabilities within Assessment, TTS and Technology. AI is also likely to have an impact on internal functions such as finance and HR.

International growth

- Data protection legislation in certain jurisdictions may, to some extent, limit ability to win assessment work throughout the world without in-country presence. This is not expected to be a significant risk to growth ambitions and can be mitigated.

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

- Growth
- Global accreditation platform development
- Customer experience excellence
- Financial discipline
- People investment

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 our growth strategy (see page 22 to 23).			Growth; Global accreditation platform development; Customer experience excellence
Inability to grow earnings could put pressure on the Group's ability to stay within its banking covenants	• Senior management team with transformation experience • Creating a simplified and more streamlined operating model • Focus on high growth opportunities and strategic Assessment Division • Securing long-term customer contracts • Agreement with lenders to support turnaround	• Continuing journey towards a more customer-centric company • Continued substantial focus and investment in Global Accreditation Platform and owned IP • Further cost saving initiatives and material reduction in net debt • Monitor carefully and enact further mitigants if required	Decreasing risk
2 The Group may be exposed to treasury risks including managing liquidity within the agreed facility arrangements and covenants.			Growth; Financial discipline
Lack of funding required to meet short and long-term obligations and aspirations	• The Company amended and extended its £70m bank facility during the year with revised covenants to better reflect the outlook and liquidity needs • Weekly cash forecasts prepared by Finance and monitoring of headroom against the banking covenants • Monthly working capital reviews by with each of the divisions • 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	• The strategic plan of the business continues to include significant deleverage over the course of the next two financial years	Unchanged from previous year

Potential Impacts	Current Mitigation	Planned Mitigation	Trend
3 If RM's security controls are inadequate it could be vulnerable to a cyber-attack on internal or customer-facing systems.			
Disruption to services; personal data breach; legal and contractual non-compliance	• Wide range of industry-standard technical defences and controls, including penetration testing, vulnerability scanning and MDR (Managed Detection and Response) service • Security monitoring and risk assessment of key systems and suppliers • Dedicated security team • Dedicated data protection function • Incident response function, supported by third-party specialist services • Online security training and phishing simulation programme for all staff • ISO 27001 and ISO 22301 certifications • Oversight by Group Security and 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	• Continued expansion of controls testing across key systems and applications	
4 If RM fails to maintain the required levels of technical and delivery expertise, then the delivery of sophisticated and complex solutions to customers, or large-scale business transformation projects, could be threatened.			
Each division could be impacted by: operation disruption; reputational damage; contractual non-compliance which could have financial implications	• Investment in people with technical expertise (see Risk 7 below) • Internal management control processes, e.g. programme steering committees, change boards, etc. • Strengthened the operational and delivery capability through our new operating model which includes our new COO overseeing operational performance and customer delivery aspect in Assessment	• Further investment in our Global Accreditation Platform including technical experts as we continue to grow our onshore delivery capabilities	

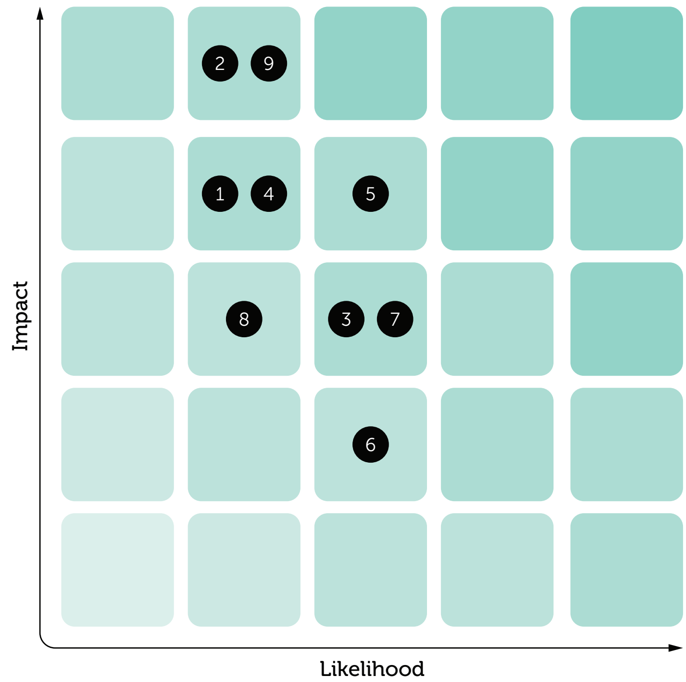
Principal risks and uncertainties continued

Potential Impacts	Current Mitigation	Planned Mitigation	Trend
5 If RM is unable to effectively deliver new and changed solutions at an optimal pace it could lose out on assessment opportunities in a fast-moving market.			
Revenue and growth opportunities could be lost impacting financial performance	• Changes are addressed by the respective product and development teams through an iterative process • Content-related customer changes are developed using centralised content teams, or project specific teams for large change • 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 • 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 • Project established to drive further quality and velocity improvements in the core delivery teams • Enhancing UK teams to allow for additional demand and also a significant increase in the velocity of delivery • Implement agreed technical investments to reduce legacy technical debt in core products, improving time to market for further change	
6 Due to the TTS Division'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 that have evolved since Brexit have been managed through the adoption of new processes to meet new requirements and regulations • The Group Head of Procurement is focusing on streamlining the supplier database in order to minimise risk and exposure	• The growth ambitions of TTS International means there will be continued focus in ensuring compliance with regulations relating to import and export of goods in new regions	
7 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 • Equality, Diversity and Inclusion network • Retention bonuses instigated • Recruitment strategy to target problem areas • Annual benchmarking of remuneration to ensure we remain market competitive • Training programmes to assist staff development • Succession planning	• Talent management and career planning processes • Learning and development strategy and plan for FY25 • Employee health, safety and wellbeing plan for FY25 • Line management development	

Potential Impacts	Current Mitigation	Planned Mitigation	Trend
8 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 evaluates and communicates legal requirements to relevant teams • Access to third-party expertise, e.g. non-UK legal requirements • Dedicated resource monitoring compliance • Internal and external audit	• Additional and updated policies and procedures continue to be rolled out	
9 Failure to manage health and safety increases the risk of injury or death to workers or others and increases the risk of prosecution and unlimited fines.			
Reputational damage along with fines and/or prosecutions	• A new H&S Manager appointed in FY24 • Updated H&S Policy launched • Group H&S Committee established • Critical employee training cohorts undertaken (e.g. engineers, operatives in warehouse) • Accident management – stress test for fatal incident, process and workflow identified • Incident reporting framework is in place • Fire risk assessments conducted	• Gap analysis of current health and safety management across the organisation • Action plan to simplify and standardise policies, processes and procedures • All-employee training initiative • Site inspections for all locations of work • Risk assessment competencies	

Principal risks at a glance

The grid to the right depicts the severity levels of each principal risk, taking into account impact and likelihood.



Financial viability report

The Directors' assessment of the Group's current financial position is set out in the CFO's statement on pages 32 to 39.

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 TTS 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 25 and comprise a £70m committed bank facility due to mature in July 2026. At 30 November 2024, the Group had net debt of £51.7m (30 November 2023: £45.6m) and drawn facilities of £57.0m (30 November 2023: £55.0m). Average Group net debt over the year to 30 November 2024 was £53.8m (year to 30 November 2023: £55.0m) with a maximum borrowings position of £60.7m (year to 30 November 2023: £64.8m). Our Group Treasury team actively manages the cash flow and funding requirements of the Group, and will continue to do so over the financial viability timeframe.

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 42 to 45.

We perform stress tests to assess the potential impact of combinations of those risks and uncertainties. The plan also considers mitigating actions that we may take to reduce the impact of such risks and uncertainties, and the likely effectiveness of those mitigating actions.

Period of assessment

The Directors have considered that a period of three years is an appropriate timeframe to consider the financial viability of the Company and the Group for a number of reasons. The Group operates in the education sector, providing a range of technological solutions and services to our customers both in the UK and internationally. While in the longer term the changing nature of technology, government policies and digitalisation will impact the market in which the Group operates, changes in the shorter three-year timespan are likely to be less severe. A three-year period is also consistent with the time period over which the Group's medium-term financial budgets are prepared.

This three-year period extends beyond the period to the end of the current banking facilities which mature in July 2026. Any period beyond this date would likely be subject to negotiation and agreement of a further facility which is not within the Group's direct control. The Directors consider that the previous successful renegotiations of the facility, ongoing support from the lenders, and the medium-term forecasts indicating an organic reduction of net debt and a normalisation of adjusted leverage ratios, should all act as positive indicators towards a successful future outcome.

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

Viability assessment

The Group has considered the following scenarios for financial viability.

Principal risk	Scenario considered
Failure to deliver strategic programmes, and failure to maintain required levels of technical and delivery expertise	In RM TTS and RM Assessment, scenarios were considered where significant new and pipeline deals were delayed, not delivered, or cancellation rates increased or were accelerated. Macroeconomic risks were also considered for RM TTS, with scenarios removing UK market share growth, and where market growth overall does not return to the UK and Europe.
Cyber attack	Scenarios considering disruption to the various platforms used by the Group were considered. It was concluded that the latest available tools used by the IT security team to test systems and prevent against attack, use of external experts to test and improve security posture, cloud-based platforms allowing instant restart and an independent ISAE3402 report in respect of the Group's primary accounting software provide adequate mitigation to the risk.
Failure to deliver new and changed solutions	The impacts of a material reduction in the medium-term growth rates were modelled as follows: • RM Technology – reduced Connectivity and Managed Service wins and renewals • RM Assessment – risks related to the failure of the new product offering, equating to a 50% reduction in new contract revenue growth, and a 20% reduction in individual deal values
Treasury risks	The Directors assessed the risk associated with not securing lending facilities beyond the maturity date of the current banking arrangements, which are described in more detail on page 48. In addition scenarios involving interest rate risk in respect of refinancing, equating to an additional 1.25% on the forecast net debt at the end of FY26, and 2.5% on the forecast net debt at the end of FY27, were considered.
Dependency on extensive supply chain	In RM TTS, scenarios were considered where unforeseen increases in product cost were absorbed, and in RM Technology a delay to the rollout of a replacement government initiative.
Failure to recruit, retain and protect highly skilled employees	In RM Technology, a scenario was considered where additional third-party resource would be required to fulfil service delivery contracts.
Non-compliance with legal or regulatory obligations	Scenarios involving a potential GDPR breach, and non-compliance with foreign taxation regimes through import and export activity in RM TTS were considered.

The impact of the above scenarios was considered individually and in combination. Where the timing is unknown, the scenario was assumed to have occurred in FY25 when the Group sensitivity is greatest.

While the Board believes that all reasonably plausible 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 EBITDA covenant for the quarter ended 30 November 2025; and
- the liquidity covenant from the quarter ended 31 August 2025.

Although covenants of a future debt facility are at this stage unknown, if the same EBITDA and liquidity covenants of £11.8m and £7.5m respectively as at the end of the existing facility were rolled forward, no breach would be forecast under the unmitigated downside scenario noted above.

The Board has also considered a number of mitigating actions that could be enacted, if necessary, to ensure that reasonable headroom against the facility is maintained in all cases and the Group complies with all covenants. Implementation of certain of these mitigations would potentially impact the timing of the Group's return to its originally forecast financial position. These mitigating actions include:

- Cost mitigations (such as reduced uncommitted spend)
- Non-payment of discretionary bonuses, and reduced commissions (in line with reduced revenues)
- Selling surplus IP addresses
- Delay of certain capital expenditures
- Management of payments and receivables

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. Such scenarios occurring could however adversely impact the Group's ability to refinance, or increase the costs associated with future borrowings.

Financial viability report continued

Refinancing Risk

Whilst all of the risks above could have an impact on the Group's performance, in their conclusions in relation to the viability of the Group the Directors have specifically focussed on the risk associated with refinancing, which represents a significant judgement.

The Group's existing debt facility is due to expire on 5 July 2026 and it is highly likely that RM will need to agree an extension of the current facility with existing banking partners, or be able to refinance with alternative partners. The Group's debt facility includes an underlying assumption that the Group would be able to materially deleverage during the term of the facility. However, net debt at the date of this report 30 November 2024 is £51.7m, and the Group is not forecasting to materially deleverage during FY25 through organic means as a result of its continuing investment in its strategy and, in particular, the Global Accreditation Platform. The Group's medium-range financial forecasts indicate that, should its strategy and business plan continue to be successful, it would be able to materially deleverage via organic means during the latter part of FY26, and through FY27. The Directors are also, in parallel, evaluating the disposal of non-core assets which do not align to the Group's future strategic plans, which could provide significant deleveraging within the period to refinancing.

The Directors are confident that the Group will be able to successfully refinance or extend its debt facility with that significant judgement being based on the following:

- Extremely strong relationships with existing lenders who are demonstrably supportive of RM, its current management team and the strategic direction of the company, as evidenced by the high levels of cooperation and support received by RM's lenders during the periods of highest leverage and uncertainty.
- Significant progress made to stabilise and strengthen the business, resulting in delivered reductions in leverage multiples from 6.5x to 4.0x; the recent material reduction in leverage, and the projected further reduction in leverage to more normal levels positions RM as a less risky proposition for lenders to continue to partner with.
- The increasing level of liquid assets (e.g. inventory, trade receivables and property, plant and equipment) provides increasing levels of security to cover against the debt.
- Significant structural cash outflows are now either in the past, reducing, or under direct management control (such as defined benefit pension contributions and restructuring costs). These changes to significant cash outflows mean that the level of RM's future free cashflow generation are more certain. In addition, a far greater proportion of future free cashflow is available to be used to reduce debt.
- An achievable business plan demonstrating further organic deleverage over the next 3 year period; combined with an executable strategy that allows for further over-achievement – which existing Lenders are actively engaged with. Supporting the achievability includes significant contract renewals and wins in the Assessment business, with a 2.3x increase of the contracted order book over the prior year, with a transition from paper to digital examinations delivering higher revenues and margins.
- The Group has multiple, credible 'inorganic' initiatives available, which would significantly deleverage the business to aid a refinancing, including disposal of non-core assets, which have been implemented in the past (such as the sale of IP licences and disposal of the RM Integris and RM Finance business units).

Based on the factors above the Directors have concluded that the requirement to refinance in July 2026 is not a material risk to the viability of the Group, as the Directors believe a successful outcome to be likely, and therefore does not need to be reflected when assessing the going concern position of the Group, which as set out on page 100 therefore represents a 12-month period from the date of signature of the Annual Report and Financial Statements.

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 and Risk Committee supports the Board in performing this review. Details of the Audit and Risk Committee's activity in relation to the Viability Statement are set out in the Audit and Risk Committee Report on page 37.

Assessment of viability

The Board has assessed the viability of the Company and, 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 November 2027. While the current banking facilities end in July 2026, and any period beyond this would likely be subject to negotiation and agreement of a further facility, the Directors note that this is an uncertainty but not a material one, and consider it likely that negotiation would be successful.

Sustainability Report

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

RM is proud of its significant progress in reducing its environmental impact. During FY24, through a combination of the transfer to a Renewable Energy Guarantee of Origin (REGO) electricity contract for all RM UK leased properties, and the consolidation of warehousing operations to Harrier Park following the closure of Consortium, we have achieved a year-on-year reduction in our scope 1 and 2 emissions of 72% and our combined scopes 1, 2 & 3 of 11% removing a total of 5,868.4 tonnes of CO_2e from our operations. Please see page 65 for details on how RM has achieved this reduction.

Table 1: RM Sustainable Business Priorities

In this we set out:

- The governance of sustainability (page 51)
- Our sustainability strategy and Environmental Improvement Programme (page 53)
- Task Force on Climate-related Financial Disclosures (TCFD) reporting, including environment metrics (see pages 55 to 60)
- Climate-related financial disclosures (CFD) (pages 64 to 65)
- Social impact (page 67)

Governance of sustainability and climate-related matters

Governance is an important aspect of making sure RM is focusing on material risks and opportunities and is delivering against a sustainability and climate-related matters action plan. It also ensures that our sustainability and climate priorities align with RM's strategy and reflect the needs of all our stakeholders. RM set eight environmentally focused, far reaching, impactful targets in 2021. Since 2021 significant progress has been made against these (see section Environmental Improvement Program on page 53. Since 2022 RM has expanded its focus from exclusively environmental to incorporate the wider social and governance matters (ESG), the actions in these areas are outlined in our Social Value section on pages 67 to 69 and our approach of Governance is outlined in on page 51.

During FY25 RM will develop and implement its 2026–2030 sustainability strategy which will set out RM's approach to ensure we deliver best-in-class Environmental, Social and Governance risk and opportunity management for RM, our customers, colleagues and the wider community in which we operate.

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

- Bi-annual meetings of 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.
- ESG Committee has reviewed FY24 progress and approved priorities for FY25.
- Jamie Murray Wells (ESG committee Chair), meets with RM's Head of Sustainability, Head of Communications, Chief People Officer and Company Secretary monthly to discuss ESG matters and progress against targets.
- Our divisional Sustainability Working Party and a Sustainability Governance Panel provide structure to guide and execute on sustainability plans.
- The Head of Sustainability is responsible for RM's approach and delivery of the governance of sustainability and climate-related matters, which includes delivery of the ESG agenda across RM. The role is also responsible for ensuring compliance with all environmental, climate change and applicable ESG legislation.
- During FY24 all principal and emerging risks have been assessed for their materiality to RM. Following this review the financial materiality is now set at £400,000.
- The RM Risk Committee meets quarterly to consider the governance model for RM where they review the principal and emerging risks from climate change and wider ESG matters.

Table 2: Approach to Governance of Sustainability and Climate

Governance

Head of sustainability

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 twice a year for strategic oversight of ESG topics, including Task Force on Climate-related Financial Disclosures, 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. Throughout FY24 the Executive Committee was provided with management information on the current carbon emissions per quarter split by each division. The CEO 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 the Chief People Officer, the Executive Sponsor for Sustainability. Responsible for co-ordination of Group-wide activities, reviewing progress and identified issues, risks, and blockers. The panel is presented 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 RM's carbon reduction commitment. Risk review is incorporated into the Group-wide risk management approach and reported to the Executive Committee and Board ESG Committee.

Management

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 Development Governance Panel.

Sustainability report continued

The Head of Sustainability is responsible for the day-to-day management of ISO14001 and for monitoring and escalating climate-related risks and disclosures via the Sustainable Development Governance Panel, Executive Sponsor, and the Board ESG Committee. All risks relating to climate change and sustainability are captured in the divisional risk registers and where risks meet the tolerance threshold, they are escalated to the Group Risk Register.

Principal and emerging risks including climate change risks are reviewed quarterly by the CEO and CFO and biannually by the Audit and Risk Committee as part of the Company's risk management process and any material financial implications of climate risk and potential impact on RM's accounts are shared with the Audit and Risk Committee. RM considers climate as an emerging risk and the level remains unchanged from the FY23 Annual Report.

The Executive Committee is updated at least quarterly by the Head of Sustainability on all ESG matters. 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 and climate goals and is aligned to and supports the business strategy.

72%

Reduction of in scope 1 and 2 carbon emissions compared to FY23

Climate risks and opportunities are principally identified via the divisional working group, and the Head of Sustainability. The risks and opportunities presented by climate to each division, operations, customers and supply chain vary considerably. Therefore, 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 ISO14001 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, and risk score then determines the response at each level. Every risk, including accepted risks, have a risk action plan with a target completion date.

Risks that affect the overall Group, such as those relating to real estate, are principally identified and mitigated at a Group level. All risks identified at the divisional level are recorded in the ISO14001 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.

Throughout FY24, RM has undertaken significant works to capture our direct business emissions monthly, which enables RM to track and, if required, take corrective actions to ensure we are meeting our long-term goals of net zero. RM now provides its key customers with detailed information on our carbon emissions, including carbon emissions arising from our products and services.

Sustainability and climate improvement

Improving RM's sustainability and climate performance is now well embedded throughout RM. From our divisional employee-led ISO14001 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.

FY24 has seen continued efforts to reduce RM's environmental impact, leading to a further year-on-year reduction of 72% of scopes 1 and 2 carbon emissions compared to FY23. We have focussed on increasing awareness of the inherent social value RM creates, as well as the delivery of the specific Social Value projects listed below.

- Calculated and published carbon impact of our products and services to key customers
- Developed net zero scope 1 and 2 transition pathway
- The Board and Executive Committee reconfirmed RM commitment to net zero targets
- Developed electric car salary-sacrifice scheme enabling all UK employees to access a range of electric cars and competitive prices. This will support our UK colleagues to decarbonise their personal and work travel, due for launch Q2 FY25
- Undertaking significant efforts to increase recycling rates across our Harrier Park site, including detailed cataloguing and monitoring of all waste arising
- Mapped our Purchased Products and Services (Category 1) emissions for the top 80% of our value chain

Environmental Improvement Programme

We used the UN Sustainable Development Goals (see Figure 1) as part of our 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.

As part of the development of our RM 2026–2030 sustainability strategy, a full review of our frameworks will be undertaken.

Figure 1: UN Sustainable Development Goals for Environment

• Remove hazardous content in products • Prevent leakage and spillage of substances	• Energy efficiency • Renewable energy • Renewable energy purchasing	• Reduce material consumption • Re-use, re-manufacture or recover products and materials	• Achieve net zero carbon • Plan for climate resilience	• Eradicate single-use plastic • Buy ocean-bound plastics and bio- and recycled plastics	• Sustainable products and materials • Support reforestation and biodiversity

RM has continued to deliver on our commitment to reduce the environmental impact of our products and services. The new strategy will be driven by a double materiality assessment, alongside our chosen framework to shape RM's future direction.

RM's FY24 Commitments

- **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 RM's business activities. Following the publication of the RM net zero Transition Pathway in FY24, RM is seeking to achieve net zero without the use of carbon offsets. Currently RM is assessing the most effective, measurable and socially impactful methods of removing carbon from the atmosphere, RM is considering the use of both sequestration and offsetting.
- **Waste Reduction and Circular Economy** – Reduction of upstream and downstream 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.

Progress against the improvement areas is the primary the responsibility of the Divisional Working Group and Head of Sustainability. Updates throughout the year are provided to the Sustainable Development Governance Panel via an environmental management system. The ESG Committee is updated bi-annually as per their Terms of Reference.

Sustainability report continued

- **Blue** Completed
- **Green** Ongoing execution with no significant risks
- **Amber** Progress with significant work remaining
- **Grey** Delayed or substantial risks to progress/completion identified

Table 3 – Review of Progress Against Environmental Commitments

Item	Objective	Progress	BRAG
01	Net zero scope 1 and 2 by 2035	FY24 has again seen significant progress towards this target, key areas include development of the transition pathway and implementing of REGO-backed electricity contract for all UK operations.	Green
02	Measure and set targets for scope 3 and provide customers with scope 3 data	RM has measured its scope 3 category 1 emissions for 80% of its supply chain. This includes adding this to our baseline. RM is engaging with our suppliers that are our highest emitters of carbon to develop joint strategies to reduce emissions. RM has calculated the impact of our products and services for our top customers. We are now seeking to develop strategies to reduce the impact of our products and services.	Green
03	Support renewable energy	**Complete** - All electricity supplies under RM control now supplied by 100% renewable electricity.	Blue
04	Zero to landfill by 2030	Harrier Park and Milton Park have no landfill, all waste that cannot be recycled is sent to energy waste facilities. However, RM is committed to increasing recycling and the circular economy of the waste arising from our operations. A significant project is underway in Harrier Park to identify all waste streams arising and reduce our use of energy to waste solutions.	Green
05	Eliminate non-recycled plastic packaging in new TTS IP products by Nov 2024	**Complete** - All new TTS IP products from 2023 onwards have no single-use plastics used for packaging.	Blue
06	Reduce waste from packaging	RM has appointed a specialist third party to support us in the identification of all our packaging and to provide mitigations to these currently used solutions. This project was mobilised in September 2024 and is expected to report its findings in Q2 FY25.	Green
07	Develop new labelling for TTS-branded eco-products	RM is still reviewing the use of the Eco label and how this applies to our products. This will be finalised during FY25.	Amber
08	Run workshops in 2024 with key customers and suppliers	During FY24, RM has held workshops with key customers and suppliers, which included Cambridge Press and Assessment and Westcoast, to outline our ESG objectives and the progress against these. The workshops also offered the attendees opportunities to provide an overview of their ESG objectives. RM is seeking to deliver further workshops during FY25.	Green

Task Force on Climate-related Financial Disclosures

Statement of compliance with TCFD

RM plc 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 to meeting LR 6.6.6(8)R and believes that we are fully compliant with nine of the eleven disclosures except for the following matters:

- Strategy b) RM believes that it is partially compliant. RM has refined financial impacts of climate-related risks through its financial impact assessment. Further refinement is required following further scope 3 disclosures in FY25 and FY26.
- Metrics and Targets b) RM has full disclosure of its scope 1 and 2 carbon emissions. At present RM is not compliant with the required disclosures of its scope three emissions. RM is committed to increasing its scope three disclosures, with category 2 and 11 disclosed by FY27.

The climate-related financial disclosures made by RM plc 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 we considered sector guidance, publications and reports by leading climate risk research and organisations including United Nations Framework Conference on Climate Change, the United Nations Environment Programme (UNEP), Intergovernmental Panel on Climate Change (IPCC) and the UK Committee on Climate Change and Climate Central mapping tools.

In addition to scope 1 and 2 emissions, RM has committed to increasing the categories of scope 3 that it discloses. Category 1 was identified in 2021 as material and as such was the focus for calculation in FY24. RM has now calculated the category 1 emissions for 80% of its supply chain by spend. The summary and methodology is outlined on pages 64 to 65. RM was able to calculate its category 1 FY15 (baseline year) emissions which have been added into the reporting.

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

Governance

Describe the Board's oversight of climate-related risks and opportunities	51
Describe management's role in assessing and managing climate-related risks and opportunities	51

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	58
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	58
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	56

Risk Management

Describe the organisation's processes for identifying and assessing climate-related risks	56
Describe the organisation's processes for managing climate-related risks	56
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	56

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	64
Disclose Scope 1, 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks	64
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	64

Task Force on Climate-related Financial Disclosures continued

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. Climate and environmental risks remain integrated into the Group risk management process and governance of climate risks is outlined on page 51.

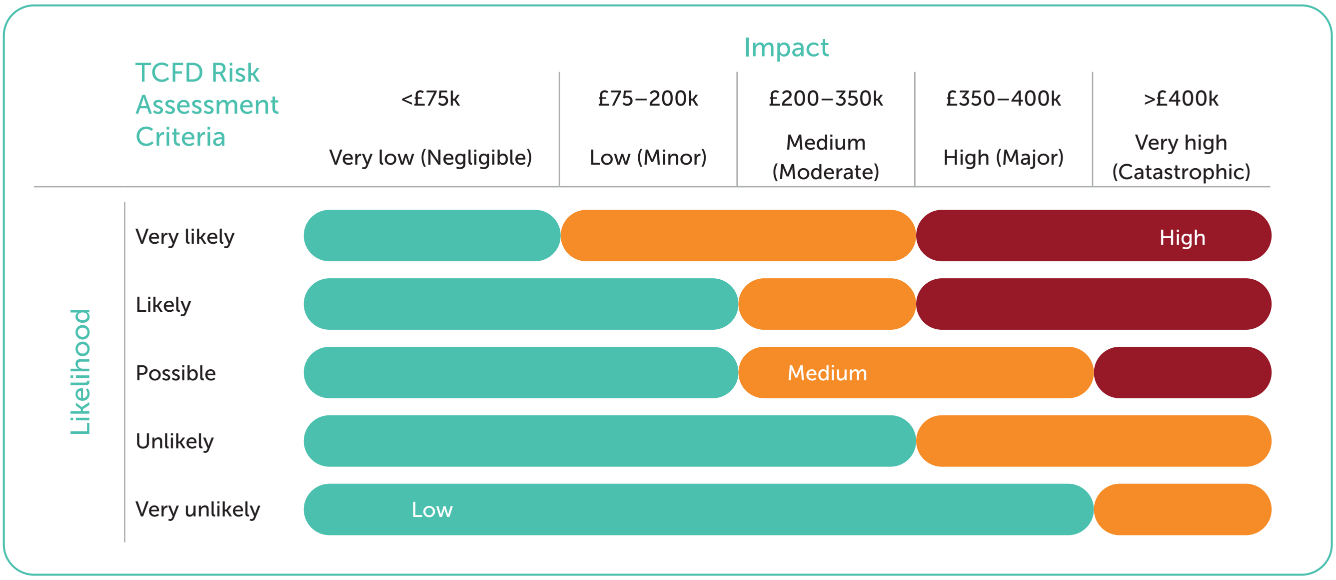
We have global customer and supply chain bases and climate change will affect them all, from relocation to adapting their operating model to accommodate the impact of migration or weather interruptions. RM continues to use its in-house-developed climate change risk model to assess its own and key stakeholders' locations against the effects of climate change.

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

The TCFD risk assessment criteria was developed during FY24 to ensure alignment with the RM Group risk assessment process. The likelihood and impact have been updated from numbers to words and the risk scoring replaced with the level of financial materiality up to the Group materiality threshold of £400,000. The likelihood scoring reflects the impact the risk or opportunity could have on RM up to 2050, when factors including the ability of RM (and its customers and suppliers) to respond; impact of climate change; and extreme weather events, are expected to have a significant impact upon RM. RM defines a significant event as one requiring immediate and sustainable response from RM Executive and Board. When considering the impact, this refers to the impact on profit from that risk within a single financial year and the climate scenario in which the financial impact is likely to be most material.

TCFD risk assessment criteria

Table 4



RM has based its assessment on three climate warming scenarios, that are based on the Intergovernmental Panel on Climate Change (IPCC) range of shared economic pathway models (SSP).

1.6°C by 2050 (SSP1–1.9)

This scenario uses the IPCC model where global mean temperature rise is limited to 1.6°C by 2050. To enable this scenario, transitional risks are significant and physical risks are limited.

2.7°C by 2050 (SSP2–4.5)

This scenario uses the IPCC model where global mean temperature rise is limited to 2.7°C by 2050. In this scenario, the global response to climate change is limited in the short term, thus limiting the transitional risk until the medium term, where this scenario increases the frequency of physical risks in the short, medium and long-term timescales.

4.4°C by 2100 (SSP5–8.5)

Adaptation of global policy shifts away from prevention towards adapting to a new climate, leading to a global temperature rise of 4.4°C by 2100. In this scenario RM will see physical risks increase in the long term and the shifts in climate become embedded leading to the transitional risk reducing over the short to medium period and being negligible in the long term.

The climate scenarios above have been chosen as they represent the most likely warming scenarios by 2050, with the addition of 4.4°C by 2100 scenario.

Following the review in FY24, RM now considers a 2.7°C rise by 2050 the most likely scenario, based on current global temperature trends and scientific consensus.

While RM now believes the most likely scenario is a 2.7°C rise in global temperatures, RM still believes that in the short term we are a low-risk operation in terms of climate risk. This conclusion is based on, but not limited to, the following factors:

- Our TCFD assessment shows there are minimal 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 solution.
- Limited concentration of revenue with any single customer or geography likely to be materially impacted by climate change in the short term.
- Development and approval of net zero transition plan to deliver net zero scopes 1 and 2 by 2035.
- RM supply chain is diverse and through the use of third-party manufacturers, RM is able to respond to events by changing suppliers. RM is in regular communication with our key suppliers to discuss their climate mitigation plans to ensure our supply chain understands, and can respond to, the risks presented by climate change.
- RM has significantly reduced its carbon emissions since 2021 and in FY24 had its net zero transition plan approved by the Executive and Board.

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 business plan planning cycle – 2025 to 2026;
  - No physical risks are expected to be material in the short term under either scenario, the transitional risk of policy changes could be material in the short term.
- Medium term is aligned to RM's net zero commitment on scope 1 and 2 – 2026 to 2035;
  - All the transitional risks identified have potential to become material in the medium term and will be monitored accordingly. In the 2.7°C scenario, both physical risks have the potential to be material.
- Long term – is aligned to UK government net zero 2036–2050.
  - 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 on-going process, and remains under constant development. Currently real estate and supply chain mitigation have undergone the most review and an overview of the mitigation in these areas is 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.

We have set the materiality threshold at £400,000 or more per annum, which management believes 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 Group across Physical Risks (both acute and chronic) and Transition Risks relating to climate change. Each impact has now been linked to the identified timescale measurement criteria of Short (S), Medium (M) or Long (L).

Task Force on Climate-related Financial Disclosures continued

Table 5 TCFD Risk and Opportunity Review – Impact and Timeframe

	Risk type	Summary statement	Risk/Opportunity description	Scenario	Impact	Timeframe
1	Transition	Carbon tax/new GHG emissions taxation	RM faces increases in external material, production and transportation costs due to national or international government legislation designed to reduce emissions. Taxation designed to reduce carbon, plastic packaging, and drive the circular economy will increase internal costs at RM.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
2	Transition	Enhanced emissions reporting obligations	RM is required to report against national and international sustainability reporting legislation that requires high-quality data, and analysis will require further specialist resources. Failure to comply with legislation such as EU deforestation regulation could see the withdrawal of products from sale in certain markets.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
3	Transition	Mandates on, and regulation of, existing products and services	Own-IP products account for a significant proportion of RM TTS revenue. As legislation is implemented to drive sustainable material and packaging, this will require product or packaging redesign, leading to increased costs. and potential product launch delays, or products withdrawn from sale.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
4	Transition	Energy demand stress on local and national electrical generation and distribution networks	RM faces increases in external material, production and transportation costs due to national or international government legislation designed to reduce emissions. Taxation designed to reduce carbon, plastic packaging, and drive the circular economy will increase internal costs at RM.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
5	Transition	Increased production and shipping costs	Reduce availability of products and raw materials,leading to increased costs and delays due to long-term shifts in climate and extreme weather events, where products and materials are sourced from.	1.6°C by 2050		
				2.7°C by 2050		
6		Product orders delayed or terminated		4.4°C by 2100		
7	Physical (Acute)	Increased severity of extreme weather events	Reduced revenue from decreased production, absenteeism, reduction/closure of customer operations, or short-term loss of RM sites/ infrastructure, due to disruptions to RM and customer operations as a result of extreme weather events.	1.6°C by 2050		
				2.7°C by 2050		
8	Physical	Rising sea levels		4.4°C by 2100		
9	Physical (Chronic)	Rising sea levels mean temperature rise and changes in water security	RM has a global operational footprint that it is seeking to expand. Extreme weather and effects of climate change could place RM operational and customer locations at risk from the effects of these changes leading to these locations becoming unviable.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
10	Opportunity – resource efficiency	Highly efficient low-carbon operations	Reduced operating costs, reduced exposure to fossil fuel price increases, reduction in emissions.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
11	Opportunity – products and services	Shift to digital	The move to digital first education opens significant opportunity for RM as a leader in EdTech. Shift to digital offers significant cost and carbon savings. Low-carbon products become differentiators in tendering evolution.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		
12	Opportunity – Markets	Cost of capital	RM's market leading sustainability performance opens green financing opportunities, providing access to lower interest rates.	1.6°C by 2050		
				2.7°C by 2050		
				4.4°C by 2100		

Impact

Low Medium High

Timeframe

Short Medium Long

Table 6 TCFD Risk and Opportunity Review – Mitigation

<table>
<tr><th colspan="4">Risk Mitigations</th></tr>
<tr><th></th><th>1.6°C by 2050</th><th>2.7°C by 2050</th><th>4.4°C by 2100</th></tr>
<tr><td>1</td><td>The transition through the new product development (NPD) process enables RM to assess sustainable materials at design stage, reducing risk of taxation impact. RM has a net zero target by 2035 reducing any GHG tax liability significantly. The timeframe of this risk enables RM to react without significant balance sheet impact.</td><td>RM has a strong focus on sustainability and low-carbon products and services, but must remain competitive. In this scenario the transition will remain, however significant shifts in material choices may occur in the longer term.</td><td>RM has a strong focus on sustainability and low-carbon products and services, but must remain competitive. In this scenario the transition will remain, however significant shifts in material choices may occur in the longer term.</td></tr>
<tr><td>2</td><td>RM has a mature and well-developed approach to compliance reporting and ensures that it exceeds minimum data reporting levels. We are monitoring proposed national and international legislation changes. While changes in this scenario are foreseen, the speed of implementation and scope of legislation is manageable within current reporting structures.</td><td>This scenario shows that significant requirements will be in force in the medium to long term and will require in-depth reporting and response to legislation. RM has a mature process, but this scenario may require more resource during peak reporting periods in the medium to long term.</td><td>This scenario shows that significant requirements will be in force in the medium to long term and will require in-depth reporting and response to legislation. RM has a mature process, but this scenario may require more resource during peak reporting periods in the medium to long term.</td></tr>
<tr><td>3</td><td>RM has implemented horizon scanning for legislation that is now part of the regular SLT meetings. Any changes are assessed and early mitigations developed.</td><td>RM has implemented horizon scanning for legislation that is now part of the regular SLT meetings. Any changes are assessed and early mitigations developed.</td><td>RM has implemented horizon scanning for legislation that is now part of the regular SLT meetings. Any changes are assessed and early mitigations developed.</td></tr>
<tr><td>4</td><td colspan="3">RM only uses data centre providers with strong ESG programmes that invest in local and regional programmes to ensure that all data centres are net zero and have no negative impact on local electrical systems.</td></tr>
<tr><td>5</td><td colspan="3" rowspan="2">RM has a network of global suppliers that can be engaged should current suppliers or distribution networks become unviable. Onshore manufacturing of key IP has been reviewed as part of business continuity planning.</td></tr>
<tr><td>6</td></tr>
<tr><td>7</td><td colspan="2" rowspan="2">RM's business continuity plan enables full global remote working, and full transfer of customer service delivery to remote solutions. Should certain global locations become difficult to travel to or operate from as a result of extreme weather events, RM can transfer operations to other parts of the affected country, or a different country. RM considers short and long-term climate impacts when selecting operational locations.</td><td rowspan="3">This scenario could lead to significant issues for our southern hemisphere operations and customers. RM will monitor global temperature from 2035 and develop plans should this scenario become more likely.</td></tr>
<tr><td>8</td></tr>
<tr><td>9</td><td colspan="2">Combined with the risk mitigation of the acute risks, RM will consider all renewals of property with climate risk in mind. RM operational sites have been assessed against climate risk factors including sea level rise, river flooding, extreme heat/cold, high winds and wild fires. This assessment is carried out on an annual basis and every time a new office location is proposed.</td></tr>
<tr><td>10</td><td colspan="2">RM's focus on low-carbon sustainable products and services, and drive for highly efficient operations enables it to have a significantly lower cost of production/service delivery.</td><td rowspan="3">This scenario predicts a slow update in sustainability practices, however owing to the digitalisation and cost reduction offered by RM products and services, RM does not foresee at this stage this scenario impacting our opportunities.</td></tr>
<tr><td>11</td><td colspan="2">Core business alignment to greater digitalisation for Technology and Assessment Divisions. Increasing customer requirements to reduce paper for examinations, driving the shift to digital. RM's low-carbon products and services provide a significant competitive advantage.</td></tr>
<tr><td>12</td><td colspan="2">RM's low-carbon operations, and strong ESG programme, enable it to attract a larger range of investors and better access to capital.</td></tr>
</table>

Task Force on Climate-related Financial Disclosures continued

Table 7 TCFD Risk and Opportunity Review – Balance sheet Materiality

<table>
<tr><th colspan="4">Balance sheet materiality</th></tr>
<tr><th></th><th>1.6°C by 2050</th><th>2.7°C by 2050</th><th>4.4°C by 2100</th></tr>
<tr><td>1</td><td>GHG tax after 2035 > £20–£200k</td><td>GHG tax after 2035 > £20–£200k</td><td>GHG tax after 2035 > £20–£200k</td></tr>
<tr><td>2</td><td>£20k</td><td>£40k</td><td>£40k</td></tr>
<tr><td>3</td><td>10% of cost of sales</td><td>25% of cost of sales</td><td>25% of cost of sales</td></tr>
<tr><td>4</td><td>10% increase in data centre cost above inflation</td><td>6% increase in data centre cost above inflation</td><td>3% increase in data centre cost above inflation</td></tr>
<tr><td>5</td><td rowspan="2">£150k</td><td rowspan="2">£350k</td><td rowspan="2">£500k</td></tr>
<tr><td>6</td></tr>
<tr><td>7</td><td rowspan="2">1% profit per year immediately</td><td rowspan="2">5% profit per year immediately</td><td rowspan="2">20% profit per year from 2040</td></tr>
<tr><td>8</td></tr>
<tr><td>9</td><td>Buildings cost 10% per annum above inflation, driven by additional cooling requirements</td><td>Buildings cost 25% per annum above inflation, driven by additional cooling requirements</td><td>Buildings cost 40% per annum above inflation, driven by additional cooling requirements</td></tr>
<tr><td>10</td><td colspan="2">The greater increase in digital service delivery reduces the needs for our engineering teams to travel to customer sites. RM continues to use virtual meetings instead of flying to customers. This trend is set to continue as we seek to achieve net zero. As a result, building and travel costs 20% below market average</td><td>The shift to digital remains, however customers do not consider environmental factors as strongly so face-to-face customer meetings/site visits do not reduce significantly. The net result is travel and buildings costs are 5% below market average</td></tr>
<tr><td>11</td><td colspan="2">Increase tender win rate by 20% above predictions</td><td>Environmental performance of products and services are not as highly sought after by customers. Tender wins 10% above predictions</td></tr>
<tr><td>12</td><td colspan="2">Cost of capital is reduced by 5%</td><td>Cost of capital is reduced by 5%</td></tr>
</table>

Environmental metrics

The identified risks on the previous pages are all material in the long term, and 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.

For FY25 we have introduced an ESG target within the transformation objectives component which makes up one-third of the Executive Directors' annual bonus. Details of this target will be disclosed in the 2025 Directors' Remuneration Report.

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

RM at present has not set an internal carbon price, but with the introduction of the new UK carbon border mechanism being introduced by the UK Government, RM is now developing our response to the new legislation and how it will impact RM, specifically our TTS Division. During FY25 RM will seek to develop an internal carbon price.

RM's key environmental commitments are;

- Net zero carbon on scopes 1 and 2 by 2035
- Net zero carbon on all scopes by 2050
- Zero to landfill target by 2030
- Reduce packaging volumes from own brand products

During FY24 RM has created its Net Zero Scopes 1 and 2 Transition Pathway, which has been reviewed and approved by RM's Executive and Board. RM has also now mapped its scope 3 category 1 emissions, and by 2026 RM will aim to have mapped its category 11 emissions; these categories have been identified as material, through the use of the CDP technical note Relevance of Scope 3 categories by sector.

RM is provided with monthly data from our waste management providers on volumes arising from the disposal methods for our waste streams. RM regularly meets with our waste management suppliers to review our waste strategy and how this can be improved to both reduce overall waste volumes and increase the recycling rates.

In order to meet the requirements of legislation such as the Extended Producer Responsibility and Plastic Tax, RM has, over the past three years, established a significant database of the products that are sold, which includes the packaging type and weight as well as details of the products. A project to investigate the highest impact packaging, which was deemed to be non-recyclable plastic, has begun and RM will, over the next years in partnership with our suppliers, seek to reduce the overall volume of plastic packaging while also ensuring, where packaging is required, it is made from recycled materials, and can be recycled.

RM annually reviews all the data it reports in the annual environmental disclosures, and all changes implemented since FY23 reporting along with commentary on changes from our FY23 to FY24 environmental or carbon data are outlined below.

01

Alignment with Financial Year Reporting

RM has previously reported its environmental data from 1st October to the 30th September annually. This report period is not aligned to our financial reporting period. To ensure consistency throughout all our non-financial disclosures, RM has aligned our environmental reporting period from 1st October to the 30th September to our financial reporting period of 1st December to 30th November. The disclosures for FY23 and our baseline year of FY15 have been aligned to the new reporting period, and as such the data does not match the disclosures in previous years.

02

India Vehicle Emissions

Since FY15, RM has reported its vehicle-based emissions from our India operations as Scope 1 Company Cars. Following internal review in FY24 it was identified that a third party is used to supply transport services, and these emissions should have been reported as Scope 3 Business Travel. During this review it was found that the data relating to the number of kilometres reported, and the associated carbon emissions, was higher than had previously been stated. The data in the environmental data table and the carbon emissions tables has been revised to reflect this change. The impact is a 2.6% increase in the total FY15 RM baseline, and the carbon emissions related to India travel emissions have risen from 18.8 tonnes to 99 tonnes.

03

Omitted Data in FY21 Annual Report

In FY21 RM omitted 375,833 (8.9%) kWh of gas and its associated 68.74 (9.9%) tonnes of CO_2e from its scope 1 baseline reporting, for a building it was responsible for. This was corrected in the FY22 Annual Report and a note made to this effect, but this note was not removed in the FY23 Annual Report. This error has subsequently been corrected.

04

Closure of Consortium

In late 2023 RM ceased trading of Consortium, which primarily traded from the Sherwood Park distribution centre. This site was closed in April 2024. This site accounted for a significant proportion of RM's gas consumption and as such has resulted in the reduction in gas consumption and associated carbon emissions. While RM now trades from a single high-efficiency distribution centre at Harrier Park, and while overall electricity consumption has gone down by 13%, the increase in activity at Harrier Park since the Sherwood Park operations were consolidated into it have offset some of the expected reduction from the closure of Sherwood Park. All data related to the operation of Consortium has been removed from the baseline data.

05

Renewable Energy Guarantee of Origin Certificate (REGO)

In September 2023 RM signed a REGO-backed electricity contract for its Harrier Park distribution centre and Bellshill office. RM does not supply electricity to its Milton Park or George Yard office (the latter was closed during FY24), so the emissions from these sites are included in the reporting using data supplied by our landlords. The decision was made to report the impact from this contract from 1 December 2023, not from 30 September 2023. The use of this type of electricity supply contract means RM is able to claim zero carbon emissions for all its UK electricity supplies.

06

Reduction in Scope 1 Company Car Emissions

RM is undertaking a programme of reducing its company car fleet and transferring its employees to car allowances. The effect of this can be seen in the reduction of scope 1 fleet emissions. All data relating to travel via personal cars is captured in the RM expenses system and this data is used to report all business-related travel emissions in RM scope 3 reporting.

07

Products and Services

In the FY23 Annual Report, RM stated it would undertake to measure and report more categories of its scope 3 emissions. RM identified that there were three potential material areas to report – these are Purchased goods and services (category 1), Capital goods (category 2) and Use of sold products (category 11). During FY24, RM undertook a significant project to calculate and report its category 1 emissions for FY23 and its baseline year of FY15. The results of this are now reported in our carbon disclosures and will be updated annually. The data covers the top 80% of RM supply chain by spend, and is a combination of average factor calculation and the use of actual data as published by our suppliers. RM expects to see an increase in the impact of this category on RM overall emissions total, as supply chain increases is own environmental disclosures. The impact of the increase in supplier disclosures can be seen in FY23 from the inclusion by one supplier of Category 11, which has doubled RM's scope 3 category 1 disclosures. RM continues to expect significant rises in its carbon emissions relating to scope 3 disclosures over the next three years.

08

Transition Planning

RM continues to make significant progress against all its environmental commitments. During FY24 RM developed and obtained Board and Executive approval for its Net Zero Transition Plan, which lays out the pathway to delivering its commitments to net zero on scopes 1 and 2 by 2035. RM uses its in-house developed climate risk tool when assessing new properties and monitoring the risk to its current real estate.

Environmental metrics continued

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 scope 3 data from RM global operations. The data is provided via RM's finance system or third-party suppliers.

During the reporting period, RM has continued to seek to improve the energy efficiency of its operations actions, and actions have included improved management of RM's building energy management systems, through the alignment of operation of all building internal heating, cooling, lighting and other environmental systems to the operational hours of the building to ensure that energy waste is minimised.

All utilities data is reported in kWh, and business travel, by cars – both personal (scope 3) and company (scope 1) – trains, and air travel, is reported in miles.

The data for scope 1, 2 and 3 can be compared to 2022/23 consumption and baseline year FY15. This now includes scope 3 category 1 Products and Services.

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

The annual quantity of business travel undertaken by company vehicles is outlined below. The data is collected in miles and covers all business mileage undertaken in company vehicles. The data is supplied from RM's expenses system, all data is converted and reported in kWh apart from air travel.

RM Group environmental data

Table 8

Scope	Source	Country	Units	2023/24	2022/23	% change	Baseline[1]	% change
	Business travel (company cars)	UK	kWh	**17,447**	65,980	(74%)	934,540	(98%)
Scope 1[2]	Business travel (company cars)	Australia	kWh	**–**	–	–	18,568	–
	Gas	UK	kWh	**476,233**	759,617	(37%)	2,674,793	(82%)
	Electricity	UK	kWh	**1,536,867**	1,763,296	(13%)	4,429,205	(65%)
Scope 2[3]	Electricity	India	kWh	**311,251**	373,041	(17%)	884,714	(65%)
	Electricity	Australia	kWh	**–**	–	–		
	Purchased Goods and Services	Group	Number of Suppliers	**136**	146	(7%)	239	(43%)
	Business travel (via personal car)	UK	kWh	**540,322**	661,564	(18%)	–	–
	Employee travel (via third party)	India	kWh	**370,557**	579,872	(36%)	392,835	(6%)
Scope 3[4]	Air travel	Group	Miles	**386,559**	439,427	(12%)	3,062,885	(87%)
	Hotels	UK	Nights	**886**	1,070	(17%)	3,313	(73%)
	Train travel	UK	Miles	**142,028**	167,719	(15%)	187,626	(24%)
	Waste – Energy to waste	UK	tonnes	**39**	78	(50%)	–	–
	Waste – Recycling	UK	tonnes	**257**	262	(2%)	–	–
Total UK Energy Consumption				**2,570,869**	**3,250,458**	**(21%)**	**8,038,537**	**(68%)**
Total Overseas (kWh)				**681,808**	**952,914**	**(28%)**	**1,296,116**	**(47%)**
Total (kWh)				**3,252,678**	**4,203,371**	**(23%)**	**9,334,654**	**(65%)**

1 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. All data related to the operation of the Consortium Division has been removed from the baseline data.

2 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.

3 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.

4 Scope 3 covers emissions from business activities but not under RM's direct control. RM reports on categories 5 and 6. Category 1 has now been calculated for FY23 and FY24 and its baseline year of 2015, and will be reported for each year going forward. Currently RM reports on three categories of scope 3 emissions, from 2026 RM will seek to report its Capital goods category 2 and Use of sold products category 11 emissions.

In the year ending 30 November 2024 scope 1 and 2 as a % of total energy consumption for UK is 79% and the rest of the world 21%.

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 scope 3 emissions for the year to 30 November 2024. The methodology in the GHG Protocol Corporate Accounting and Reporting Standard (revised edition)[1] has been applied. The figures include emissions arising from all financially controlled assets.

The calculation applies to all Group companies. For utilities emissions captured under scope 1 and 2, the calculation is based on the kWh data collected for all facilities. For the emissions from business travel under scopes 1 & 3, the mileage of company vehicles is the base data source.

RM's scope 3 emissions for waste, and train travel are from RM's UK-based operations only. The reported waste data covers RM's two distribution centres and its Abingdon office. Business emissions from travel is broken out by country, with the UK reporting emissions from the use of personal cars for business use, and India reporting the use of third-party travel services for business transport.

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 emissions were created.

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

Table 9 Scope 1, 2 and 3 Emissions Report

Full Year 2023/24 Carbon Emissions			2023/24		2022/23	Baseline 2015[1]	
Scope	Source	Country	Tonnes CO_2(e)	% Change year on year	Tonnes CO_2(e)	Tonnes CO_2(e)	% Change from baseline
Scope 1[2]	Business travel (company car)	UK	8	(56%)	17	225	(97%)
	Business travel (company car)	Australia	–	-	-	1	-
	Gas	UK	87	(79%)	406	570	(85%)
Total scope 1 tonnes CO_2e			**95**	**(78%)**	**423**	**796**	**(88%)**
Scope 2[3]	Electricity	UK	51	(88%)	417	1,892	(97%)
	Electricity	India	222	(51%)	454	791	(72%)
	Electricity	Australia	–	-	-		
Total scope 2 tonnes CO_2e			**273**	**(69%)**	**871**	**2,683**	**(90%)**
Scope 3[4]	Purchased Goods and Services	Group	57,127	(9%)	62,988	20,361	181%
	Business travel (personal car)	UK	174	35%	129	-	-
	Employee travel via (third party)	India	91	(34%)	138	99	(8%)
	Transmission and distribution	UK	28	(13%)	**32**	**94**	**(70%)**
	Air travel	Group	86	3%	83	1,017	(92%)
	Hotels	UK	9	(17%)	11	46	(80%)
	Train travel	UK	8	(15%)	10	7	15%
	Waste Incineration	UK	0.3	(50%)	1	-	-
	Waste – Recycling	UK	2	0%	2	-	-
Total Scope 3 tonnes CO_2e			**57,525**	**(9%)**	**63,393**	**21,624**	**166%**
Total UK (tCO_2e)			**57,802**	**(10%)**	**64,550**	**24,213**	**139%**
Total Overseas (tCO_2e)			**313**	**(47%)**	**592**	**891**	**(65%)**
Total (tCO_2e)			**58,115**	**(11%)**	**65,142**	**25,103**	**132%**

1 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. All data related to the operation of the Consortium Division has been removed from the baseline data.

2 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.

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

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

Analysis

- RM has achieved a year-on-year reduction of 72% scope 1 and 2 emissions, primarily driven by the closure of the Sherwood Park distribution centre. See environmental metric 4 above for further analysis
- Scope three category 1 has materially increased RM's overall carbon footprint. See environmental metric 7 above for further analysis
- Electricity consumption has decreased, in line with the closure of the Sherwood Park distribution centre
- India travel emissions have increased, and have moved to scope 3, see environmental metric 2 above for further analysis
- UK electricity is reported as zero carbon from FY24, see environmental metric 5 above for further analysis
- RM India carbon emissions from electricity has reduced in line with reductions in employee numbers and real estate rationalisation
- Group air travel accounted for in UK total emissions

Environmental metrics continued

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. The information reported for FY23 and the base year FY15 has been restated to align to the financial reporting year. The rise in tonnes of CO_2 per million of revenue is a reflection of the adding of the category 1 scope 3 emissions data.

Table 10

Tonnes CO_2e/£m per revenue	Year ending 30th Nov 2024	Year ending 30th Nov 2023	Year ending 30th Nov 2015
Scope 1	1	2	5
Scope 2	2	4	15
Scope 3	346	296	121
Total	**349**	**302**	**141**

Emissions per £m of revenue

Following the increase in RM's scope 3 data, the emissions intensity has now been updated to include scope 3 intensity.

Social value

Through our products and services we deliver improved educational outcomes for millions of children around the world. We take pride in the positive impact our solutions have on learners globally, and we are dedicated to building on this success to drive even greater change.

To ensure that we are delivering positive social impact to all our stakeholders, RM has a strong social impact programme. This includes an internal focus on gender pay gap (RM's current gender pay gap is in favour of women), strong Equity, Diversity, and Inclusion (EDI) programmes and regular monitoring of how our employees feel.

We are committed to providing equal opportunities to all employees and job applicants. Grounded in our Equity, Diversity, and Inclusion ethos, we have embedded practices to embrace differences, such as age, sex, disability, gender identity, medical conditions, race, religion and sexual orientation, to ensure no one receives less favourable treatment on the grounds of those characteristics. This includes making reasonable adjustments to support our employees' physical and mental wellbeing needs, which is reinforced by the work undertaken by our disability network. Employees who become disabled during their employment will remain with us wherever possible, and will be assisted with occupational rehabilitation. Wherever practicable, RM will modify procedures or equipment to maximise an individual's full capabilities and career development. In 2024 we achieved our Disability Confident accredited employer, level 2, and we are actively working towards achieving level 3 of this accreditation in 2025.

In the latest engagement survey, Inclusion was the second highest scoring area (after workplace safety) thanks to our continued efforts around EDI awareness and training.

During FY24, we developed and ran a volunteering programme for Robotics in local primary schools, utilising our own Loti-Bot. Eighteen RM volunteers from across the business each nominated a local school and delivered bespoke training on the capability of the bots and the benefits they bring to students across the curriculum. Following training, the nominated schools were all gifted four Loti-Bots and our award-winning Therapeutic Mental Wellbeing kit that they can use for their in-classroom activities.

Externally, we have partnered with the 2econd Chance charity to reduce our environmental impact and responsibly recycle hardware. The charity also supports work-based training for individuals facing barriers to employment, creating both social and environmental benefits. We also enable our people to give back to local communities through annual Christmas gift donations to Barnardo's.

"To ensure that we are delivering positive social impact to all our stakeholders, RM has a strong social impact programme."

Our people

People engagement

Survey overview

FY24 saw multiple improvements and new initiatives implemented to drive forward our communications and engagement efforts.

A new employee intranet has increased accessibility to documentation and news from around the business for everyone in RM. This was supported by the formalisation and improved structure of other communications channels such as emails, newsletters, all-company town halls, divisional business updates, and improved communication cascading through the RM SLT (Senior Leadership Team) and line managers through briefings and open-house sessions. An opportunity for teams to also connect directly with RM plc Chief Executive, Mark Cook, was introduced through CEO Chats. This forum gives small groups of individuals from the business the opportunity to discuss, ask questions of, and build a stronger connection with Mark.

Employee engagement survey

This year we introduced a new engagement survey tool to support managers with understanding sentiment in their teams and support them in creating actionable plans to address any areas of improvement and build on strengths.

There was a significant increase in how many of our people took part in the employee engagement survey, showing a larger cohort of our people engaged in the survey process.

	November 23	May 24	November 24
Participation	80%	84%	**93%**
Favourable engagement	57%	63%	**65%**

When looking at the engagement score in further detail, we can identify how many people in the business feel favourably, neutral or unfavourably about life at RM. The below table shows a 65% positive favourability, 24% neutral, and 11% of people in the business having an unfavourable perception towards engagement. This translates to 89% of people in RM rating neutral or higher when asked questions linked to engagement.

65% Favourable

24% Neutral

11% Unfavourable

Looking a level deeper into what drives the engagement score, we ask three questions around pride, referral, and commitment. Since May, there is an increased sense of pride within the business, scores around recommending RM as a place to work held strong at 62%, and our score linked to commitment saw a five-point decrease.

Question	May 24	November 24
I am proud to work for RM plc	70	**76**
On a scale of 1–5, how likely are you to recommend RM plc as a place to work?	63	**62**
I still see myself working at RM plc in two years' time	61	**56**

76%

I am proud to work for RM plc

89%

neutral or higher when asked questions linked to Engagement

Following the significant transformation undertaken in FY24, including changes to our organisational structure and office footprint, the increase in key areas of the survey – particularly Alignment, Involvement and Company Confidence – reflects the resilience, belief and commitment of our people throughout this period of change.

Improved areas

- Safety culture
- Inclusion
- Managers
- Work-life balance
- Collaboration
- Alignment and involvement
- Divisional leadership
- Communications
- Company confidence

Areas of opportunity

- Commercial consciousness
- Enablement
- Feedback and recognition
- Learning and development

Our key focus areas from the feedback received are Learning and Development, including reviewing opportunities to embed career framework and progression mapping, supporting enhancements within Learning and Development, while also encouraging teams to visualise a longer career at RM. We will also continue to focus on giving our people access to the right tools, systems, and enabling processes that support them in their roles, alongside the continued improvements we have set ourselves around Manager Capability, Communications, and Recognition.

Case study

Meet Adam Palmer, Reporting Accountant in our Group Finance function. Adam has been with RM just over a year.

How has the function evolved since you joined, Adam?

We have been conducting a detailed review of our systems, processes, reports, ways of working and team structures with a focus on challenging what we've always done. Our Chief Financial Officer, Simon Goodwin, is determined to ensure our activities add value, that they are necessary, and that we have identified and implemented any improvements we can make.

So, what will change in the future?

We will take our continuous improvement approach into FY25 and carry on streamlining as much as we can. As well as improving efficiency, accuracy and decision making, it makes our lives easier as we become more effective.

What do you enjoy about working in the Finance function at RM?

There is a huge opportunity to learn, and to make a difference. We have great people at RM, and our approach to hiring is something that I really appreciate. We hire the best people for the job. It doesn't matter where you live or what your background is, it's all about capabilities. I'm also excited to be part of a company that has such a supportive culture. We work hard, and we enjoy a flexible, people-first approach from our senior leadership team. What's more, what our business does every day makes a real difference – positively impacting millions of learners worldwide. And that's something to be proud of.

Workforce

Health, safety, and wellbeing

Through our commitment to promoting positive health and wellbeing, in 2024 RM saw a continued effort to make improvements in this space.

In February, RM appointed a dedicated Group Health and Safety Manager to lead our health and safety efforts alongside key stakeholders in the business.

In June, a new Health and Safety Policy was launched, alongside the introduction of a Health and Safety Committee chaired by Chief People Officer Sarah Fawsitt, to give all divisions a voice to raise, tackle and continue to improve RM's approach to health and safety.

Throughout the year, there were multiple training opportunities for our people, including first aid training across our sites, high-risk roles training with engineers, warehouse operatives, and IT teams and the RM Executive Committee partaking in dedicated health and safety training. Warehouse operatives and the RM Executive Committee reached 100% compliance across the training while on-site engineers reached 95%.

To enable further efficiencies and support people who require occupational health reviews, we also appointed a market leading occupational health provider during FY24.

Equity, Diversity, and Inclusion (EDI)

With EDI being brought to the forefront of the organisation throughout FY23, FY24 was the year we embedded it within our culture. Last year we set out to create an organisation that was reflective of our customers and the communities in which we operate, and a series of initiatives supported this and made 'inclusion' the most improved factor of our recent engagement survey.

What was formerly a combination of regional and local EDI networks has now become six globally aligned networks, with the RM Mental Health First Aiders transitioning into the Mental Health and Wellbeing Network.

During FY24, we launched mandatory EDI training for everyone at RM, and also launched an optional EDI data collection activity to help us better understand our people. A new monthly engagement initiative titled Inclusion Monthly also gave our teams the opportunity to learn about different cultures, walks of life, and lived experiences of sometimes our own people, and often external speakers. These talks included one that shed light on experiences of the LGBTQI+ community in India, hosted by Dr VS Priya, others focussed on living with a disability, the importance of neurodiversity in the school setting, and a panel discussion hosted by the Women at Work network focused on imposter syndrome.

We are committed to providing equal opportunities to all employees and job applicants. Grounded in our Equity, Diversity, and Inclusion ethos, we have embedded practices to embrace differences, such as age, sex, disability, gender identity, medical conditions, race, religion and sexual orientation, to ensure no one receives less favourable treatment on the grounds of those characteristics. This includes making reasonable adjustments to support our employees' physical and mental wellbeing needs, which is reinforced by the work undertaken by our disability network. Employees who become disabled during their employment will remain with us wherever possible, and will be assisted with occupational rehabilitation. Wherever practicable, RM will modify procedures or equipment to maximise an individual's full capabilities and career development. In 2024 we achieved our Disability Confident accredited employer, level 2, and we are actively working towards achieving level 3 of this accreditation in 2025.

These initiatives led to our people scoring Inclusion our second highest area in our engagement survey with a score of 83% favourable (14% neutral, and 3% unfavourable).

Stakeholder engagement

Employees

In FY24, we implemented multiple initiatives to enhance employee communication and introduce a more inclusive culture at RM.

Communications from our leadership teams have been reinforced through existing and new channels. All Company Town Halls take place every quarter, where CEO Mark Cook shares updates on the strategic vision for the business alongside the Executive team. The introduction of written (and often video) updates from our Executive team on a weekly basis has supported our people in their alignment to the RM strategy, confirmed through the improvements to Executive communications in our engagement survey. When asked to rate 'The Executive team keep people informed,' 73% answered positively, 21% neutrally and only 6% unfavourably.

Towards the end of FY23 we introduced the RM Workforce Engagement Group, sponsored by Board member Jamie Murray Wells. The forum is a conduit for us to share information with delegates from the business, and also receive feedback from our teams relating to ongoing activities, enhancing two-way communication. To advance this further, we also introduced monthly CEO Chats, which introduces Mark Cook to a small cohort from around the business for an informal and open Q&A session providing insight to our teams as well as Mark.

FY24 also saw the successful implementation of our new global induction programme, formally introducing new starters to the business and providing insight into our strategy, vision, and mission. Since the launch, we've received positive feedback on understanding of the business and strategic direction, further enhanced by the implementation of local and divisional induction programmes.

We ran our internal engagement survey in May and November. Feedback presents positive improvements in some areas, and some opportunities for improvement in others.

Engagement overall has shown a slight increase, alongside a notable improvement in the sense of pride employees feel in working for RM. Over half of the areas we survey also saw positive increases, with favourability towards Communications moving from 69% to 73% (+4) and Inclusion from 72% favourable to 83% (+11).

> Engagement overall has shown a slight increase, alongside a notable improvement in the sense of pride employees feel in working for RM.'

Governance

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

RM is committed to conducting its business with integrity and its approach to risk and compliance helps encourage the right behaviours across the business. We have a range of policies and codes that support our commitment to conducting business responsibly for all our stakeholders and apply consistent governance standards across RM. For the purposes of the Non-Financial Reporting Regulations, these include, but are not limited to:

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.

We regularly communicate to all employees regarding policies within our Code of Conduct and 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

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. This year we also launched a new Gifts and Hospitality Policy to further embed a culture of anti-bribery and corruption. Both policies include practical examples to make it clearer and easier for employees to understand their application and they can now easily report and make us aware of any gifts using digital registers.

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 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 Law Compliance 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.

Conflicts of interest

This policy was launched during the year and gives clarity around what might constitute a conflict of interest and requires all members of the senior leadership team to either disclose any potential conflicts or certify they do not have any. Potential conflicts of interest disclosed are reviewed by the Chief People Officer, with mitigating measures put in place if required.

Data protection

As RM collects and processes large volumes of customer and employee personal data, 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 Operating 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 42 to 45.

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. RM 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.

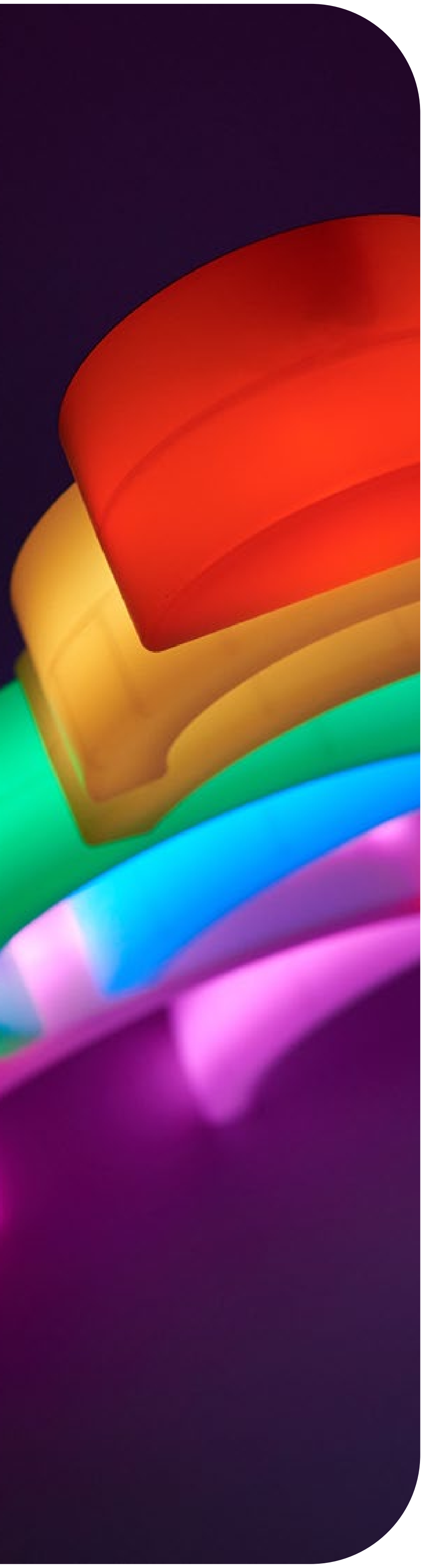
The RM Acceptable Usage Policy provides guidance for all RM Group employees regarding how they may and may not use Company systems and data, and their responsibility for information security. The policy is reviewed annually prior to formal approval by the GSBCC, which oversees information security policy and implementation. The Acceptable Usage Policy is further supported by other specific policies including Data Classification and 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 with touchpoints for new starters and regular reminders of effective security awareness protocols.

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 68 to 69.

Human rights and modern slavery

RM is committed to minimising the opportunity for modern slavery to take place within RM and its supply chain. The Group 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 TTS Division, which manages a significant proportion of the suppliers of the Group, issues a Supplier Code of Conduct.

The Modern Slavery statement is available on the RM plc 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 plc's website (https://www.rmplc.com).

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 senior 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 Whistleblowing 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 50 to 54) Climate-related Financial Disclosures (pages 55 to 66)	RM risks relating to the environment are detailed in the aforementioned sections of climate-related risks across the whole business.
Employees	Equal Opportunities Policy (page 70) Health and Safety Policy (page 74)	RM reflects diversity and health and safety risks in the People risk section on pages 44 to 45
Social and Community	Safeguarding Policy (page 74 and 79)	RM reflects safeguarding risk in the Operational execution risk on page 43
Respect for Human Rights	Annual Modern Slavery Statement (page 74) Data Protection Policy (page 73) Supplier Code of Conduct (page 74)	RM considers these risks with its suppliers on page 44 and Data and Business continuity on page 43
Anti-Corruption and Anti-Bribery	Anti-Bribery Policy (pages 72) Anti-Money Laundering Policy (pages 72 to 73) Share Dealing Code (page 74)	RM reflects anti-bribery and corruption risks in its Operational execution risk on page 43

See page 26 to 27 for the description of the business model and pages 28 to 31 for KPIs and non-financial targets.

Environmental Policy and Reporting

The Environmental Policy and Reporting section in the Sustainability Report on pages 50 to 54 is incorporated into this report.

Workforce

The section on workforce in the Social Value Report on page 67 is incorporated into this report.

Section 172 statement

When providing direction to the Company on strategic affairs, our Directors must perform their duties under the Companies Act. This includes considering the impact on our key stakeholders. Our ability to engage and work constructively with these stakeholders underpins the long-term success and sustainability of RM. A key purpose of this statement is to demonstrate the manner in which the Directors have had regard to the range of factors and stakeholders identified in section 172 of the Companies Act in the context of the duty to promote the long-term success of the Company for the benefit of its members as a whole.

We have set out an overview of how our Directors consider stakeholders in their decision-making and the importance we place on them: our customers, our people, our shareholders, our suppliers and our communities and environment. We detail why each stakeholder group matters, what their priorities are, how we engaged and the impact that such engagement has had on the Board's decisions in FY24. Consideration of these stakeholders and other relevant matters are embedded into all Board decision-making, strategy development and risk assessment throughout the year.

1 Our customers

Why do they matter?

For RM to prosper and have a long-term sustainable future, it is essential that we provide products, services and solutions that meet the needs of our customers and the market.

What are their key priorities?

Our customers seek a holistic services offering, supported by deep technical knowledge delivered at competitive rates, developing long-term partnerships, building their brand and performance credibility and trust, and sustainable and ethical business practices (including anti-bribery and corruption, environmental responsibility, human rights, and modern slavery matters).

How do we engage?

- During the year two 'deep dive' sessions, one for IB and one for CUPA, were held by the Board to consider the customers' needs, how we support them and what we plan to do.
- The Chief Executive met with key customer contacts, listening to feedback and what was expected from RM, and reported back to the Board.
- Customer satisfaction surveys have been conducted to understand how we are doing and how we can improve. Key themes have been reported to the Board.
- During the Board strategy day, gap analysis was conducted to identify what more RM can do for its customers, e.g. additional services for exam bodies and schools, and delivering greater efficiencies.
- At each Board meeting there is a section in the Chief Executive's presentation that covers customer matters, by division, in terms of: how we are doing in servicing customers; and detailing any issues that need addressing.
- The Board has approved a number of customer contract wins and renewals during the year in line with our delegated authorities. In each instance, a summary deck has been provided for review and/or discussion.

What were the key impacts?

The high volume of customer contract wins and renewals during FY24 is an indication that we engage effectively with our customers with Board members and the Executive Committee playing a key role. Where the Chief Executive and Executive Committee members have met with key customer stakeholders, actions have been implemented to enhance performance and our service offering.

To increase the effectiveness of customer delivery, the Board approved a reorganisation that includes Dr Gráinne Watson taking on the role of Chief Operating Officer and overseeing customer delivery aspects as well as operational performance.

Section 172 statement continued

2 Our people

Why do they matter?

Our people are fundamental in offering our customers a wealth of knowledge, creativity and expertise to support their needs. We value our people and recognise our success is generated by the talent and experts we have in our teams.

What are their key priorities?

Key priorities for our people are: personal wellbeing, including health and safety; recognition and reward, including pay equity; and opportunities for growth, including learning and development.

How do we engage?

FY24 saw multiple initiatives implemented to enhance employee engagement and introduce a more inclusive culture at RM. All Company Town Halls take place every quarter, where Chief Executive, Mark Cook, shares updates on the strategic vision for the business. Engagement surveys have been run half-yearly and cover a series of questions about employee experiences and include an employee Net Promoter Score. The results of the survey are presented to the Board by the Chief People Officer and has included a deep dive into the key themes affecting our people, what people are asking for and how the business can do better for them.

The RM Workforce Engagement Group, sponsored by Jamie Murray Wells, the designated Non-Executive Director for workforce engagement, is a conduit for us to share information with delegates from the business and also receive feedback from our teams relating to ongoing activities, enhancing two-way communication. Jamie listened to views from employees such as engagement survey results and shared insights relating to RM's strategy.

What were the key impacts?

During the year, the Board has:

- Approved our updated Whistleblowing Policy and the process which involves the use of a third party.
- Approved the Modern Slavery Statement and, in order to uphold RM's responsibility in respect to human rights, we published a Group-wide standalone Modern Slavery Policy, with associated training for our employees, supporting our zero-tolerance policy towards any form of modern slavery or child labour.
- Approved the Global Health, Safety and Environment Policy Statement, which received sign off by the Chief Executive and was published.
- Received a presentation from the Health and Safety Manager covering incidents, areas for improvement and agreed actions.
- Reviewed and approved gender pay gap reports in each part of the Group, noting that the gaps in the UK were now in favour of women.
- Considered the findings of the six-monthly employee engagement surveys and approved the actions to address areas for improvement

3 Our shareholders

Why do they matter?

Our shareholders are investors in, and owners of, our business, providing capital we need to invest in and grow.

What are their key priorities?

Our shareholders are interested in the stable financial performance of RM and its growth prospects as it executes its strategy. They value transparency in any communication with them and understanding how ESG matters are operated.

How do we engage?

Principal engagement mechanisms include:

- Meetings and calls with Board members (including Helen Stevenson, Chair of the Board and Nomination Committee, and Carolyn Dawson (formerly Christopher Humphrey), Chair of the Remuneration Committee).
- Investor presentations by the Chief Executive and Chief Financial Officer.
- The AGM, which the members of the Board attend to facilitate engagement with a broad range of shareholders.
- Annual Report, which includes Chair, Chief Executive and Chief Financial Officer statements and reports from the Chairs of Committees of the Board.
- London Stock Exchange announcements via RNS.
- Timely responses to shareholder letters with input or review by the Chair of the Board depending on the nature of the enquiry.

At Board meetings, investor relations updates are provided to allow a clear, common understanding of the views of our shareholders. Our Board also monitors movements in the share register to maintain an understanding of our investors' profiles.

What were the key impacts?

During the year:

- The Chair of the Board and Chief Executive (sometimes with the Chief Financial Officer) both held calls and meetings with major shareholders.
- The Chair of the Remuneration Committee conducted a shareholder consultation with one-to-one calls on proposed changes to RM's Remuneration Policy to consider shareholder views. The resolutions were duly passed at the 2024 AGM.
- The Chief Executive and Chief Financial Officer gave live presentations to shareholders following the announcement of the FY23 year-end results and FY24 interim results.
- The Board simplified the operational structure of the business which was aligned with feedback from major shareholders
- Responded in a timely manner to letters from shareholders about ESG matters and offered further dialogue.

4 Our suppliers

Why do they matter?

Our suppliers provide goods, services and expertise to RM that support our infrastructure, requirements, in-house capabilities and, in turn, our growth ambitions.

What are their key priorities?

We have a broad range of suppliers who consider a variety of factors when entering into a business relationship with RM, including: the viability of our business, our ambitions, developing long-term business relationships, credibility and trust, ethics (including anti-bribery and corruption, human rights and modern slavery), our responsible sourcing requirements, payment terms, and other terms and conditions.

How do we engage?

We are committed to developing sound business relationships with our suppliers, ensuring that together we are aligned on quality, delivery, ethics, engagement, risk and compliance. We engage with our suppliers through various means to achieve this, including: maintaining ongoing dialogue, scheduling regular check-ins, performing retrospective reviews and undertaking supplier audits linked to risk assessment.

What were the key impacts?

- The Board approved the 2024 Modern Slavery Statement and in doing so considered the onboarding process, how we engage with suppliers, supplier audits including scope and coverage, and how we feed back our recommendations.
- The Board approved an updated Anti-Bribery and Corruption Policy.
- The Board delegated to the Audit and Risk Committee a review of the supplier payments and practices statutory reporting for FY23.

5 Our communities and environment

Why do they matter?

As we enrich the lives of learners across the world, we are also dedicated to enriching our communities. The local communities of our office and home-working locations are the ecosystems within which our people and their families, and many of our customers, suppliers, and shareholders live and work. This includes schools, nurseries, and other educational organisations where RM is a trusted partner. Enriching our communities also includes paying close attention to our impact on the wider environment. This includes having mindful consideration for the products we source, the platforms we build, to the energy we use to get there. We recognise our responsibility towards sustainability and considering energy efficiency in decision-making.

What are their key priorities?

Our community and environmental priorities include sustainability, energy efficiency, support for local communities and inclusive recruitment.

How do we engage?

- Our Head of Sustainability provides updates quarterly to the Executive Committee and twice yearly to the Board's ESG Committee on topics including: environmental and social KPIs, RM's carbon emissions, the net zero pathway and outcomes from the employee engagement survey relating to social considerations.
- The Head of Sustainability has one-to-one meetings monthly with Non-Executive Director, Jamie Murray Wells to discuss ESG matters and trends.
- With the Board's backing, RM undertakes significant engagement with the communities in which we operate. This is led by our Head of Sustainability; however, all employees are welcome to bring ideas and opportunities for consideration.

What were the key impacts?

- The ESG Committee, on behalf of the Board, considered the outcome of the FY24 environmental and social KPIs and approved the FY25 objectives.
- EDI training has now been delivered to 90% of staff, including the RM Executive.
- Health and Safety was our highest score and Inclusion was the second highest in our 2024 engagement survey.
- The Loti-Bot project was launched which encompassed 18 schools receiving training on our Loti-Bots and being gifted four bots and a Therapeutic Wellbeing Toolkit per school.

03.

Governance Report

In this section

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RM in focus

Digitalisation has the potential to transform the delivery of assessment and qualifications.

Improved learning outcomes can be gained by providing a more authentic assessment, which is better aligned to the skills and experiences that young people will need in practice.

There is a growing disconnect between the assessment system and the need to prepare students for the reality of the world of work in the 2020s, 2030s and beyond. The skills and knowledge required and used in the workplace, and in higher education systems, have changed at a faster pace than the approach to examination.

For example, it is only recently in computer science exams – where in real-world settings individuals would be working on a screen – assessors have begun moving away from paper-based examinations. A paper-based option in this example will not be the most effective way of assessing skills and setting learners up for success.

This is also happening at pace in other settings, where real-life skills are assessed as a core part of the assessment process. For example, in professional qualifications with accountancy exams, real spreadsheet capabilities are used in controlled conditions to replicate real-life skills.

We are only in the early stages of seeing school settings fully benefit from these technologies, where pupils could be tested in a wider variety of contexts and from different angles.

Transitioning towards digital assessments must be approached carefully, ensuring paper exams are not just replicated on screens. For digital assessment to be effectively adopted, it must be integrated throughout the entire learning journey rather than confined to high-stakes, high-pressure examination settings. This approach will ensure students develop confidence in using the technology and are provided with ample opportunities to become familiar with it well in advance of formal assessments. RM is well-placed to support accreditors and educators with this transition.

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. Helen is also the Chair of the Nomination Committee.

Relevant skills and experience

Helen's career has spanned over 30 years, covering senior supply and demand side roles across large consumer goods, retail financial services and digital media organisations. She has considerable expertise in strategic brand and customer marketing, and 12 years' experience as a 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, Helen 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. Helen 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.

Mark Cook

Appointed to the Board

16 January 2023 as Chief Executive

Career

Mark Cook joined the Board as Chief Executive on 16 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 Chief Financial Officer

Career

Simon Goodwin joined the Board as Chief Financial Officer on 29 August 2023.

Relevant skills and experience

Simon is a Chartered Management Accountant with 16 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.

Key to committees

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

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 until 21st May 2024. On 1 January 2024 Christopher was appointed Senior Independent Director.

Relevant skills and experience

Christopher is a Chartered Management Accountant and 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

Christopher is Non-Executive Chairman of Heywood Pension Technologies – a pension solutions provider owned by BlackRock long term private equity and, until recently (20 January 2025), Chair of AIM-listed Eckoh plc, a customer engagement and contact solutions provider, a position he held since 2017. 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

Richard is currently the Chief Financial Officer at Greene King Limited, a role he has held since 2017, and has 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.

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 and was appointed as Chair of the Remuneration Committee on 1 June 2024. Carolyn is currently CEO of the Founders Forum Group, the business services group for entrepreneurs. 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

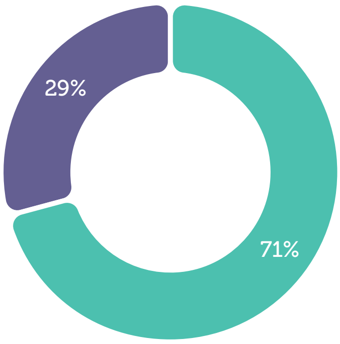
Carolyn brings significant and current experience in the technology and education sectors.

Other roles

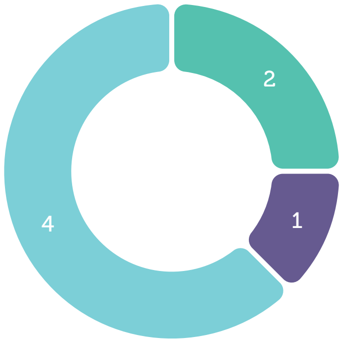
Carolyn is a Trustee for Centre for Entrepreneurs. Carolyn has co-founded Miroma Founders Network, which provides growing businesses with media opportunities. Carolyn also serves on the board of 01 Founders, a free-to-access coding school; Founders Makers, a creative partner to scale-ups and major brands,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

Governance at a glance

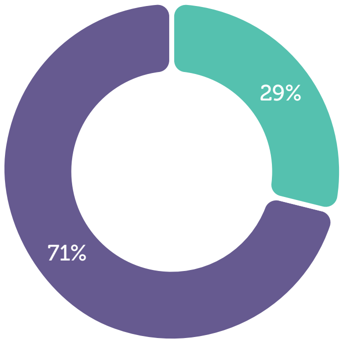
Tenure



Composition



Gender



Highlights of stakeholder engagement

- The Chief Executive met with key customer contacts and reported back to the Board.
- Investor presentations by the Chief Executive and Chief Financial Officer to articulate the strategy.
- Consultation with major shareholders on proposed changes to the Remuneration Policy.
- Members of the Board engaged directly with the workforce on people matters including engagement survey results.
- The Board received updates from the Head of Sustainability on environmental matters and community initiatives.

Actions in 2024

Key topics discussed	Outcomes
Customer contract wins and extensions.	Approved customer contracts including International Baccalaureate and Cambridge University Press and Assessment.
Strategic initiatives including the development of the Global Accreditation Platform.	Approved £6m investment for FY24 in the development of the Global Accreditation Platform. Successful closure of the loss-making Consortium business.
The Company's financial position and banking facility.	Signed an amendment and extension to the Group's banking facility agreement.
Target operating model.	Launch of a new operating model.

Board priorities for 2025

- Reducing the Company's net debt
- Continuing to invest in the development of the Global Accreditation Platform
- Growth in our Assessment division

Corporate Governance Report

> “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.”

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 2024, 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 2024, save for provision 32 which stipulates that the chair of the remuneration committee should have served on a remuneration committee for at least 12 months prior to becoming chair. Carolyn Dawson was appointed as Chair of the Remuneration Committee on 1 June 2024, after seven months of serving on a remuneration committee rather than twelve. The intention, at the outset of Carolyn's appointment to the Board on 1 November 2023, was for her to take over the role of Chair of the Remuneration Committee from Christopher Humphrey at the appropriate time. Christopher was Chair while key FY24 remuneration matters were being addressed, such as the approval of the Remuneration Policy and shareholder consultations (see page 112 for details). Carolyn received a full handover from Christopher and has had the support of other committee members who have previously held remuneration committee chair roles.

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

Composition

Following six appointments to the Board in the prior year, no further appointments took place this year. For details on the composition of the Board 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 closure of the loss-making 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 77 to 79.

Helen Stevenson
Non-Executive Chair
17 March 2025

Corporate Governance Report continued

1. Board leadership and Company purpose	Section and page
A: Leadership, long-term success, value generation and societal contribution	Purpose, Values and Culture – pages 12 to 13 Throughout the Sustainability Report on pages 50 to 54, Corporate Governance Report on pages 85 to 93 and Remuneration Committee Report on pages 104 to 113, 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 12 to 13 Major Activities of the Nomination Committee – page 94
C: Resources and controls	Resources – pages 26 and 27 KPIs – pages 93 Managing our Risks – page 40 Internal Controls – page 92 Review of Risk Management – pages 102 to 103
D: Stakeholder engagement	Stakeholder Engagement – pages 77 to 79 Section 172 Statement – page 77 to 79
E: Workforce policies and practices	Remuneration Policy and Stakeholder Engagement – pages 113 and 77 to 79 Whistleblowing – page 74 Employee Stakeholder Engagement – page 71

2. Division of responsibilities	Section and page
F: The Chair	Board of Directors – pages 82 to 83 Roles – pages 82 to 83 Board Evaluation – page 90
G: Board composition and division of responsibilities	Board of Directors, Board Committees – pages 82 to 83 Roles – pages 88 to 89 Directors' Conflicts of Interest and Independence – page 90
H: Role and time commitment of Non-Executive Directors	Board of Directors – pages 82 to 83 Board Attendance – page 89 Committee Attendance – pages 94, 98, 104, 112, and 114 Roles – pages 88 to 89 Directors' Conflicts of Interest and Independence – page 90
I: Board function and the Company Secretary	Board of Directors – pages 82 to 83

3. Composition, succession and evaluation	Section and page
J: Board appointments and succession planning	Nomination Committee Report – pages 94 to 97 Board Diversity and Inclusion Policy – page 96 to 97
K: Board and Committee skills, experience and knowledge	Board Tenure – page 89 Board Composition – pages 97
L: Board evaluation	Board Evaluation – page 90

4. Audit, risk and internal control	Section and page
M: Internal and external audit independence and effectiveness	Internal Controls – pages 92 Audit and Risk Committee Report – pages 98 to 103
N: Fair, balanced and understandable assessment of position and prospects	Statement of Directors' Responsibilities – pages 120
O: Risk management, internal control framework and principal risks	Managing our Risks – page 40 Principal Risks and Uncertainties – pages 42 to 45 Internal Controls – pages 37 and 92

5. Remuneration	Section and page
P: Remuneration policies and practices	Remuneration Committee Report – pages 104 to 113
Q: Executive remuneration	Remuneration Committee Report – pages 104 to 113 Remuneration Policy, Stakeholder Engagement – pages 113 and 77 to 79
R: Independent judgement and discretion in remuneration outcomes	Discretion – page 105

Corporate Governance Report continued

Board of Directors

The Board consists of the Chief Executive, Chief Financial Officer and five Non-Executive Directors (NEDs) 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 that could materially interfere with the exercise of their independent judgement (see further discussion in the Directors' Conflict of Interests and Independence section on page 90. 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 budget for the financial year, significant Stock Exchange announcements, significant contracts and capital investment, and certain policies. 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 at the end of each Board meeting and in circumstances where it is considered appropriate to do so.

A forward planner 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 Chief Executive, Chief Financial Officer 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 the IB and CUPA customer accounts, results of employee engagement surveys, shareholder feedback, potential transactions and progress on actions relating to the closure of the Consortium business. Further information on other reports it received are in the Stakeholder Engagement report on page 77 to 79. 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). 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 www.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 Chief Executive
- Ensures effective communications with shareholders

Senior Independent Director

- Deputises for the Chair and acts as intermediary for other Directors, if required
- 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

- Share full responsibility for the execution of 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 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 and aligns with 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

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 Committee
- 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 11 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 2024 on specific matters that arose. Board meetings were mostly held face-to-face. The Board also approved a number of matters during the year by written resolution.

	No. of meetings held in the period/ Eligible to attend
Helen Stevenson	11/11
Mark Cook	11/11
Simon Goodwin	11/11
Christopher Humphrey	10/11
Richard Smothers	10/11
Carolyn Dawson	10/11
Jamie Murray Wells	11/11
Patrick Martell (resigned 31 December 2023)	2/2

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 2024.

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	71%
2-5 years	29%
5+ years	0%

Corporate Governance Report continued

Induction

All Directors receive an induction on joining the Board which involves meeting with all Board Directors, members of the Executive and other relevant employees. Newly appointed Directors also received resources on Board activities and Company documents such as Committee Terms of Reference, Delegation of Authority and Group structure and plc related training as required.

Board evaluation

The performance of the Board, each Board Committee and each Director is reviewed on an annual basis. This year, the review was facilitated by the Chief People Officer. 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;
- engagement, meetings and debate;
- regulatory oversight;
- strategy and decision-making; and
- effectiveness of each of the four Committees.

One-to-one meetings were held by the Chief People Officer with each Director and the Company Secretary to discuss their questionnaires and further input. The feedback was shared and reviewed at the Board meeting in January 2025. 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 was assessed by the Chair, in consultation with the other Non-Executive Directors; and
- Chief Financial Officer was assessed by the Chief Executive, 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 working together to meet objectives.

The four 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 and other stakeholders had continued to improve and the right Board structure had been developed following six appointments in the prior year.

Suggestions for improvement were made with regard to:

- The Board's knowledge and engagement with product strategy and relationships with customers
- Increasing simplicity of external communications signed off by the Board
- More informal Board gatherings to help stimulate discussions and foster relationships
- Build further on the Board's exposure to top customers, which increased during the year

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

- The introduction of more relevant performance metrics, including KPIs, for the Board to assess performance within the markets RM operates
- More external market benchmarking provided to support the Remuneration Committee with decision-making
- A greater focus on longer-term sustainable success by the Board following the need to focus on shorter-term priorities in 2023
- Ensuring that gaps in the prior year succession planning were completed during the year

An externally facilitated Board evaluation was considered but it was felt that an internally led review by the Chief People Officer would be as effective given her skillset and since this was the first full year for six out of seven Board members. This will be reviewed again next year.

Executive Committee

The Executive Committee is chaired by the Chief Executive. The Executive Committee comprises the Chief Executive, Chief Financial Officer and other senior managers within the Group. The Executive Committee normally meets monthly 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 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. This includes potential conflicts of interest being an agenda item for each Board meeting. These procedures have operated effectively during the year.

There were no 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 ESG Committee Report on pages 114 to 115 and the various sections covering environmental, social and governance matters in the Company's Sustainability Report on pages 50 to 54.

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. See page 95 of the Nomination Committee Report for further details.

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, Jamie Murray Wells, the designated Non-Executive Director for workplace engagement, attended, sponsored, and supported the launch of the RM Workforce Engagement Group (formerly known as the RM Advocates), meeting with employees to discuss their views and feedback on engagement survey results.
- The Audit and Risk Committee receives reports from internal audits of procedure and practices across the Company, which provides 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. See pages 77 to 79 of the Strategic Report for details of how the Board engaged with its key stakeholders during the year.

Corporate Governance Report continued

Internal control

The Company maintains a system of internal control which provides reasonable, but 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 pages 42 to 45.)

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 variance analysis against prior periods and forecasts, carried out at the divisional and Group level. The financial planning process has 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 of revenue recognition for the Assessment division. We closely monitor these calculations, including inputs and outputs. The calculations of provisions and adjusting items requiring management judgements and estimates are closely monitored by the Chief Financial Officer and the Audit and Risk Committee. The Group has established controls and procedures over the security of data held on the systems, including business continuity arrangements.
Employee engagement	Staff are aware of the delegated authority limits set by the Board and confirm their understanding of our internal policies, which are contained on our Group intranet and in our Code of Conduct. Staff have 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 74).
Treasury and tax procedures	Treasury is controlled by the Chief Financial Officer and Group Treasurer. All transactions are checked and monitored. All complex or large transactions are discussed in advance with the Board and Executive Directors. The Group Head of Tax maintains the UK and foreign jurisdiction tax compliance (except Indian shared services operations) and the tax risk register.
Internal audit	The strengthened internal audit function, following the recruitment of two new auditors in the year, performs various assurance reviews as part of the annual Internal Audit Plan which is prepared by the Group Head of Internal Audit & Internal Control and shared with the Group Financial Controller and Chief Financial Officer, where appropriate, 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. During the year, enhancements were made to the internal financial controls covering key processes within the purchase-to-pay, order-to-cash, forecast-to-fulfil and record-to-report processes. Each workstream is documented in a dedicated portal which also facilitates the collation of evidence of operation of these controls is appropriate.

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

Further details are provided in the Audit and Risk Committee Report on pages 98 to 103.

FY24 key focuses of the Board

During the year the Board covered a range of activities as follows:

	Governance	Strategy	People and responsible business	Finance
Link to strategic priorities				
Key activities and discussions in FY24	• Approved customer contract wins and extensions in line with RM's delegated authorities • Considered reports and presentations on governance such as internal controls updates, data protection and cyber-security • Conducted an assessment of the principal and emerging risks facing the Group, and the effectiveness of the internal controls and risk management systems • Attended to regulatory matters, which included the review and approval, according to the Audit and Risk Committee's recommendations, of the 2023 Annual Report and Accounts, and 2024 interim results announcements • Approved policies and statements	• Received reports from the Chief Executive Officer on performance against the strategic priorities • Considered updates on the divisions, along with key customer and operational developments • Received presentations on the market environment • Discussed and monitored strategic business initiatives, including the closure of the loss-making Consortium business • Held a Board Strategy Day to focus on areas of strategic importance, including scaling the Assessment division, global expansion initiatives, and key trends in the EdTech market	• Received presentations on people matters including the results of employee engagement surveys, employee initiatives and updates on whistleblowing • Considered attrition rates across RM • Received a presentation from the Group Health and Safety Manager • Received updates from the Chair of the ESG Committee on progress of environmental and social KPIs • Considered employee incentive proposals such as expanding share scheme awards	• Discussed and monitored performance versus budget and forecast, trends and KPI performance throughout the year • Considered the Company's financial position, liquidity headroom, banking covenants and realistic downside scenarios and mitigations • Received updates on the legacy RM defined benefit pension schemes and its technical and accounting valuations • Considered adherence to and effectiveness of the Group's banking facility agreement
Key outcomes	• Approved new customer contracts with International Baccalaureate and Cambridge University Press and Assessment along with other wins and renewals • Documenting and embedding of financial and governance controls across key business processes • Approved Modern Slavery Statement 2024 and Anti-Bribery and Corruption Policy 2024	• Successful closure of loss-making Consortium business • Invested c.£6m in FY24 on development of Global Accreditation Platform • Launched RM Consulting • Launch of a new operating model • Consolidated warehousing to one location • Approved the set-up of a legal entity in Dubai	• Approved FY25 environmental and social KPIs • Approved FY23 gender pay-gap reporting (which showed a gap in favour of women) • Shareholders approved amendments to the Performance Share Plan to enable meaningful share awards to more people • Executive Committee completed mandatory health and safety training	• Approved the FY24 budget • Signed an amendment and extension to the Group's banking facility agreement • Appointed Vidett as sole trustee for the defined benefit pension schemes • Approved the closure of the London office and reduced space in Abingdon generating substantial savings

Nomination Committee Report

No. of meetings attended in the period/Eligible to attend

Helen Stevenson	2/2
Christopher Humphrey	2/2
Richard Smothers	2/2
Jamie Murray Wells	2/2
Carolyn Dawson	2/2

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 30 November 2024.

The Nomination Committee

The Nomination Committee (the 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 2024 was comprised of Non-Executive Directors and the Chair of the Board as detailed below:

- Helen Stevenson (Chair)
- Richard Smothers
- Christopher Humphrey
- Jamie Murray Wells
- Carolyn Dawson

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

The Nomination Committee held two scheduled meetings during the period and other ad hoc meetings. Attendance is set out in the table to the left.

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.

Focuses of the Nomination Committee in 2024

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
- Considered succession planning proposals for Executive Directors and other senior management roles
- Reviewed the outcome of the Board effectiveness review
- Recommended to the Board the appointment of Christopher Humphrey as Senior Independent Director (replacing Patrick Martell who resigned on 31 December 2023)
- Recommended to the Board the appointment of Carolyn Dawson as Chair of the Remuneration Committee
- Recommended to the Board the appointment of Jamie Murray Wells as Chair of the ESG Committee and Workforce Engagement Group

Succession planning

The Code stipulates that the Board should establish a Nomination Committee to 'ensure plans are in place for orderly succession to both the Board and senior management positions'. The Nomination Committee seeks to ensure that the Board's composition, and that of its committees, is appropriate to discharge its duties effectively and successfully direct RM to achieve its strategic objectives. During the year, the Nomination Committee considered the Board's composition, including the tenure of Directors, diversity and the collective attributes of the Board, such as experience, knowledge and skills. The Board has a broad range of knowledge stretching across technology transformative experience, current technology roles within education and financial expertise.

Following the detailed review of the Board's composition and the many appointments made in the prior year, succession planning this year focused on the Chief Executive's role and the remainder of the Executive Committee where a potential successor had not been identified previously. In respect of the Chief Executive's role, the Chief Executive worked with the Chief People Officer to provide recommendations to the Nomination Committee about potential successors. The Nomination Committee considered two potential successors and agreed actions to assist with development areas identified. Their progress and development will continue to be monitored.

Below Executive Committee level, leadership training programmes with a third party were introduced for employees identified as future leaders.

Diversity

The Board is committed to ensuring there is strong diversity throughout the Group which is reflected in our Equity, Diversity and Inclusion Policy. As a global Company with employees based around the world including the UK, India, Spain, Australia and Singapore, it is important to us that we go beyond what legislation says we need to do, but deliver what we know to be right, and build a diverse and inclusive environment, which celebrates our peoples' differences.

Nomination Committee Report continued

At Board level, our aim, supported by the Nomination Committee, is to have a well-balanced Board with the appropriate skills, knowledge, experience and diversity to meet the needs of our business and to drive our strategic plans. Last year, we highlighted that there were six new appointments to the Board, which required specific expertise to lead the Group's recovery and transformation journey. While diversity was a key consideration with search agencies, who were requested to provide a diverse pool of candidates in terms of both gender and ethnicity, the Board needed to balance this alongside the specific experience requirements such as technology transformative experience and relevant technology roles within education. This means that RM is yet to meet two out of three of the diversity Listing Rule targets (see table below) and, given the short tenures currently served by members of the Board, achieving them in the short term is challenging. However, the Board remains fully committed to achieving all three Listing Rule targets in the medium term and by 2027.

The Board recognises the following objectives:

Objectives	Current position
Aim to achieve:	
i. female members representing 40% of the total Board membership;	Currently, at the date this report was signed, female Board members comprise 29% of the Board, which is the same as last year.
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 is a key consideration for Board appointments and will continue to be with search agencies requested to include a diverse pool of candidates in terms of both gender and ethnicity.
To consider composition and diversity as part of its review of effectiveness in the Board evaluation.	These matters were considered in the 2024 Board evaluation (see page 90 for details and Board composition on pages 82 to 83}.
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 6 Annex 1 is shown below. Gender diversity at Executive Committee level is 44% at the date this report was signed, an increase from 38% as at 30 November 2024.

Data on diversity

Each member of the Board and member of the Executive Committee, as at 30 November 2024, self-reported their gender identity and ethnic background through a fixed choice questionnaire with possible responses aligned to the specific categories in Listing Rule 6 Annex 1.

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%
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	7	87%
Mixed/Multiple Ethnic Groups				1	13%
Asian/Asian British					
Black/African/ Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/ prefer not to say	1	14%	1		

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 90.

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 pages 82 to 83 (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	Christopher Humphrey	Richard Smothers	Carolyn Dawson	Jamie Murray Wells
Independence	●			●	●	●	●
Governance, Risk and Regulatory	●	●	●	●	●		
Technology		●	●	●		●	●
Digital product management	●					●	●
Finance		●	●	●	●		
CEO and Leadership Experience	●	●	●	●	●	●	●
Education sector	●		●			●	
M&A/Restructuring	●	●	●	●	●		
International	●	●	●	●	●	●	●
Stakeholder/IR/IP	●	●	●	●	●		

The Board had one Non-Executive Director, Patrick Martell, who was nearing the 10th 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 10 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
17 March 2025

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 2024."

No. of meetings attended in the period/Eligible to attend

Richard Smothers	6 / 6
Christopher Humphrey	6 / 6
Jamie Murray Wells	5 / 6
Carolyn Dawson	4 / 6
Patrick Martell	1 / 1

The Audit and Risk Committee

The Audit and Risk Committee (the 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 2024 comprised:

- Richard Smothers (Chair of the Committee)
- Christopher Humphrey
- Jamie Murray Wells
- Carolyn Dawson
- Patrick Martell (resigned 31 December 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 Chair (Helen Stevenson), Chief Executive (Mark Cook), Chief Financial Officer (Simon Goodwin), Company Secretary (Daniel Fattal), Group Financial Controller (Richard Welfare), Group Head of Internal Audit & Internal Control (Cam Pearson), and other management are invited to attend the Committee meetings as appropriate.

The Committee met six times during the period. Attendance is set out in the table to the left. Three of these meetings were part of the regular schedule of meetings set out in the Committee's Terms of Reference, with the additional three meetings being required to finalise the FY23 and H1 FY24 Financial Statements. These meetings are planned around the Company's financial calendar.

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.

Internal controls and risk management systems

To review and assess the adequacy of the systems of internal control and risk management, ensuring that a robust assessment of the principal risks facing the Group has been undertaken, and monitor the risk profile of the business.

Compliance, whistleblowing and fraud

To review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, review the Group's procedures for detecting fraud, and review the Group's systems and controls for ethical behaviour, the prevention of bribery and modern slavery.

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.

Evaluation and reporting

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 disclosures made in the Financial Statements were 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: 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.

Audit and Risk Committee Report continued

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.

Additionally, during the financial year, the Assessment division has secured key strategic contracts and modifications as follows:

- The AOS contract with International Baccalaureate (IB) requires significant judgements including identification of the distinct performance obligations;
- Digital assessment contracts which encompass variable consideration for digital examinations and content creation services; and
- Extensions to existing contracts create a significant judgement in the prediction of the number of future examination script volumes.

The financial statement items exposed to these judgements include the accounting policies for revenue, key sources of estimation uncertainty, critical accounting judgements, and the revenue figures themselves.

Committee action:

The Committee received papers that included bi-annual updates on the key judgements and estimates arising from the more complex and significant contracts in respect of IFRS 15, 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, management's initial assessment of the revenue recognition profile for the IB AOS contract was challenged by the auditors. As a result, the Committee recommended that an independent professional services firm (Grant Thornton) was engaged to provide a second opinion, who agreed with the findings of Deloitte. Grant Thornton was also engaged to review technical accounting papers produced by management in respect of the revenue recognition for the digital assessment contracts and significant contract extensions, for which they agreed the proposed treatment.

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 and accrued income at the balance sheet date.

Matter considered: going concern review process

The Committee reviews and considers the appropriateness of the preparation of the accounts on a going concern basis. The March 2024 amendment and extension of the Group's financing facility includes two primary covenants, liquidity and last 12 months' (LTM) EBITDA, effective from February 2024. The facility matures in July 2026. Subsequent to year end, amendments were sought and granted by the lenders. These amendments replaced the quarterly EBITDA leverage test and interest cover test, originally to apply for the quarters ended 28 February 2026 and 31 May 2026, with an LTM EBITDA covenant, and introduces a step down in the minimum liquidity requirement from 1 August 2025 to 17 October 2025, and 1 January 2026 to 21 March 2026, from £7.5m to £5.0m.

The financial statement items exposed to this judgement are the going concern assertion in the significant accounting policies and the critical accounting judgements.

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 the 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 Committee also noted the maturity date of the banking facility and the uncertainties associated with refinancing, reviewing management's refinancing paper, and concluding that these were not material to the going concern assessment and that the period of consideration remains appropriate at 12 months.

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 in TTS

At the beginning of the financial year, the Group carried a significant asset balance of £31.6m in respect of goodwill attributable to the TTS brand. 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 based on those presented and approved in the Group budget process and included in the going concern assessment.

The financial statement items exposed to this judgement are the goodwill section of the significant accounting policies, key sources of estimation uncertainty, and the goodwill balance.

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 that is recognised in these statements has been appropriately calculated and disclosed.

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

Matter considered: carrying value of the investment in RM Educational Resources Limited

At the beginning of the financial year, the carrying value of the investment by the Company in RM Educational Resources Limited, one of its subsidiary undertakings, was £3.2m. During the prior year, an impairment charge of £68.2m against this investment was recognised, driven by poor performance and the closure of the Consortium business.

The financial statement items exposed to this judgement are the key sources of estimation uncertainty, the investment value on the balance sheet and the distributable reserves.

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.

The Committee has also considered the implications of impairment on distributable reserves.

Outcome:

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

For investments in subsidiaries 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 of their size, nature and incidence at a segment level.

The financial statement items exposed to this judgement are the Alternative Performance Measures section of the significant accounting policies, critical accounting judgements, the consolidated income statement, and the Alternative Performance Measures note.

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 close offices in the property portfolio, the impairment of TTS goodwill, and restructuring costs in respect of target operating model changes.

Outcome:

The Committee is satisfied that the presentation of adjusting items has 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. 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 Financial Statements 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 9 May 2024, the reappointment of Deloitte LLP as Group external auditor. This was Deloitte's fourth year as the Group's auditors.

During the year, the Group conducted a formal competitive and comprehensive audit tender process led by the Committee. Four firms were shortlisted from the UK top 20, using a mix of qualitative and quantitative factors such as independence, capacity for new public interest entity audits and having a sufficient level of accredited audit partners. The incumbent auditor was invited to participate but declined.

The tender process was managed by the Group Financial Controller and Group Head of Procurement, and each of the four firms received a formal invitation to tender. Each firm was allowed to spend time with the Chair of the Committee, the Chief Financial Officer, the Chief Executive Officer, the Chair, and other members of senior management. Written proposals were submitted from all four firms, which were orally presented to a panel comprised of the Chief Financial Officer, Group Financial Controller and Group Head of Procurement. All members of the Committee were invited to attend these presentations.

Following a rigorous review and scoring process considering independence, challenge and technical competence, two firms were taken forward to present to the Board. Following this, the Committee recommended the appointment of RSM UK Audit LLP as the Company's new external auditor. Deloitte LLP remained as the external auditor for the financial year ended 30 November 2024 and will assist in an orderly handover. There are no contractual obligations restricting the Group's choice of external auditor.

Audit and Risk Committee Report continued

The Committee is comfortable that the current audit partner from Deloitte and the proposed audit partner from RSM are independent from the Group. This assessment is based on internal review of relationships and confirmation by the audit firms themselves.

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.

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 Chief Financial Officer 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. 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 1% (£10k) of the annual audit fee, which related to the banking facility covenant compliance review. The banking facility covenant requires an external assurance on the covenant compliance, and it is common for this to be performed by the auditor as there is significant leverage from the work performed from the audit. No interim review was performed during the financial year.

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, with all of the recommendations made in the Financial Position and Prospects Procedures Report now having been materially addressed. The remediation project, named Process Guardian, has focused upon key financial control identification and implementation across the workstreams of Purchase to Pay, Order to Cash, Forecast to Fulfil (for inventory) and Record to Report.

The Committee has been updated regularly with respect to progress related to remediation activities as well as reviewing ongoing control improvements identified. Because the new controls have not operated for the full year in the majority of cases, the auditors have elected not to seek to test and place reliance on them, and have continued to undertake a substantive audit approach for the year ended 30 November 2024.

Management has 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.

During FY25 management will work to ensure that controls are properly embedded through a programme of self-certification and testing by the Internal Audit & Internal Controls team.

The most significant risks the Group is exposed to are set out in the Principal Risks and Uncertainties section of the Strategic Report on pages 42 to 45.

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, and 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, documented and refreshed during the year through the provision of a Policy Committee. 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 has continued to develop its enterprise risk framework model, which is overseen by the Board and 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 Managing the Group's Risks on pages 40 and 41.

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 in order 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 by an in-house team managed by a qualified accountant who has regularised reporting to the Chair of the Committee. A third-party firm of accountants is utilised to undertake internal audits where insufficient resource or specialist knowledge is available in-house.

Internal audit

The Head of Internal Audit & Internal Controls recommends an annual internal audit plan, focused on operational and financial controls and risk areas, which is then reviewed and approved by the Committee. 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 for FY24 were undertaken through the engagement of Grant Thornton, our third-party internal audit partner firm. During the year, the decision to in-source internal audit was made with the approval of the Committee, with the expectation in future years that the in-house team will undertake most reviews, but that Grant Thornton will be retained to carry out audits that require specific subject-matter expertise.

The in-house team have also spent time during FY24 helping to design and implement the improvements to the financial control environment referenced above, including introducing periodic self-certification by control owners and undertaking independent testing and walkthroughs to determine whether controls remain effective.

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:

- Processes and controls around on and offsite safeguarding in RM Education Limited
- The use of third-party advisors
- Fraud prevention and detection, and anti-bribery and corruption processes
- Business continuity plans within the Assessment division of RM Education Limited

From FY25 onwards it is expected that the most significant risk outputs from the enterprise risk management 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 Governance Report on page 74.

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 Governance Report on pages 72 to 73.

Richard Smothers
Chair, Audit and Risk Committee
17 March 2025

Remuneration Committee Report

Part A – Remuneration Committee Chair's Statement

"As the continuing Chair of the Remuneration Committee I remain available to discuss remuneration with shareholders and will be available to answer questions at the forthcoming AGM."

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 30 November 2024.

This report is divided into the following 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 2024; and

Part B Implementation Report: which sets out the payments and awards made to Directors for the year ending 30 November 2024 and how the Directors' Remuneration Policy will operate for the year ending 30 November 2025.

Roles and responsibilities

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

The Committee's responsibilities include:

Reviewing the appropriateness of the Directors' Remuneration Policy

Determining with the Board the policy for remuneration of the Executive Directors, 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.

Stakeholder engagement

As this is the first Remuneration Committee Report since I have taken on the role of Chair of the Committee, I would like to begin this report by thanking my colleague Non-Executive Director Christopher Humphrey for his work as the previous Remuneration Committee Chair and I am grateful that Christopher continues to serve on the Committee.

I would also like to thank our shareholders for their continued support on remuneration matters. We concluded at our 2024 AGM each of the resolutions to approve a new three-year Directors' Remuneration Policy, approval of the Directors' Remuneration Report for 2023 and approval of amendments to our share plans' dilution limits. Each received very strong support from those shareholders voting.

Ahead of our 2024 AGM, Christopher, as Committee Chair, engaged appropriately with major shareholders regarding the proposals reflected in those AGM resolutions.

As the continuing Chair of the Remuneration Committee I remain available to discuss remuneration with shareholders and will be available to answer questions at the forthcoming AGM.

Performance during the year ended 30 November 2024

The financial performance for the year was strong with adjusted operating profit of £8.6m exceeding market consensus of £8m and significant progress having been made on most of the strategic initiatives set in a transformative year for the Company.

Bonus award for 2024

The Committee assessed the performance of each of the three targets making up the Executive Directors' FY24 bonus: adjusted operating profit, free cash flow, and the transformation objectives. Each target had an equal weighting of one third.

The adjusted operating profit for FY24 of £8.6m resulted in this metric being 84.5% achieved. The cash target was 50% met since, while the cash outflow target of £8m (the increase in adjusted net debt) was achieved in full (outcome: £6.1m), a material reduction of net debt was not achieved during the year.

The transformation objectives included 10 key objectives central to getting the business back on track and progressing the strategy (see page 107 for details). After a thorough assessment by the Committee, it was determined that the objectives had been 89% achieved.

In total, the targets were 74.5% achieved meaning a bonus payable of 81.9% of salary (out of a maximum of 110%) for the Executive Directors.

Long-term incentive plan (LTIP) in 2024

Each of our Directors received further LTIP awards in FY24. 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. Neither of our Executive Directors participated in an LTIP award that was measured by reference to performance for the year ended 30 November 2024.

Discretion

The Board did not exercise discretion (positive or negative) regarding Directors' remuneration outcomes during the year. The Committee considers that the overall pay outcome for the year ended 30 November 2024 is justified given the overall performance of the business and the performance of the Executive Directors.

Remuneration in 2025

Our intention is to continue to apply our Directors' Remuneration Policy in 2025 in a way which is closely aligned with how we applied our policy in 2024. We will operate our annual bonus plan again in 2025; we will again apply a mix of adjusted operating profit, cash and transformation objectives metrics for Executive Directors' bonuses. We also intend to make further LTIP awards in 2025 using the same mix of metrics and weightings as applied for 2024 LTIP awards (relative TSR (60%) and absolute TSR (40%)). Further details are set out on page 107. We are also taking two actions in relation to our Chief Executive's pay for 2025 which we consider appropriate for the business and which also reflect feedback from our shareholders.

- Our Chief Executive's salary increase in 2025 will be 4%, moving FY25 annual salary to £391,040 (FY24 £376,000). This is part of a longer-term transition towards an appropriate "market-level" salary for our Chief Executive following his recruitment in FY24. This level of salary increase is above the wider average increase of 2.6% within the UK. The Committee considered personal and business performance since the Chief Executive's appointment in making this increase. All future Chief Executive's salary reviews will also consider these factors.
- Our Chief Executive's 2025 LTIP will be awarded over shares worth 200% of base salary (FY24 170% base salary). The FY25 award is in line with the annual award limit in the Directors' Remuneration Policy. The Committee considers this FY25 LTIP award level to be an appropriate recognition of the progress made by the Chief Executive in leading our business' recovery since his appointment. It also reflects feedback from some of our major investors that they wish to see our Chief Executive further incentivised with share awards.

Looking forward

At our 2025 AGM, shareholders will be asked to approve the Directors' Remuneration Report for 2024, which will be the normal annual advisory vote on such matters.

I hope that our shareholders will remain supportive of our approach to Executive pay at RM and vote in favour of this resolution at our 2025 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.

Carolyn Dawson
Chair, Remuneration Committee
17 March 2025

Remuneration Committee Report continued

Part B – 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 2024 and, in respect of those Directors, the equivalent figures for the year ended 30 November 2023. The table has been audited.

	Salary/ fees £000		Taxable benefits £000		Annual bonus £000		LTIPs (vested) £000		Retirement Benefits[1] £000		Other[4] £000		Total £000		Total Fixed Remuneration		Total Variable Remuneration £000[3]	
Name	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Executive																		
Mark Cook	372	320	10	9	308	120	–	–	14	9	–	100	704	558	396	338	308	220
Simon Goodwin	280	71	10	2	232	27	–	–	16	1	–	–	538	101	306	74	232	27
Non-Executive																		
Helen Stevenson	149	139	–	–	–	–	–	–	–	–	–	–	149	139	149	139	–	–
Patrick Martell[2]	4	54	–	–	–	–	–	–	–	–	–	–	4	54	4	54	–	–
Richard Smothers	52	44	–	–	–	–	–	–	–	–	–	–	52	44	52	44	–	–
Christopher Humphrey	53	18	–	–	–	–	–	–	–	–	–	–	53	18	53	18	–	–
Carolyn Dawson	48	3	–	–	–	–	–	–	–	–	–	–	48	3	48	3	–	–
Jamie Murray Wells	48	3	–	–	–	–	–	–	–	–	–	–	48	3	48	3	–	–
Total	**1,006**	**652**	**20**	**11**	**540**	**147**	**–**	**–**	**30**	**10**	**–**	**100**	**1,596**	**920**	**1,056**	**673**	**540**	**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 2024 or 2023, 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 in 2023 (see 4) included under 'Other'.

4 Mark Cook received a bonus on joining of £100,000 in 2023, 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..

- Individuals who were no longer Directors in the year ending 30 November 2024 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.

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

Annual salary:	The annual salaries of the Executive Directors were increased in April FY24, and changed to Chief Executive £376,000 (£365,000 from appointment on 16 January 2023) and Chief Financial Officer £283,000 (£275,000 from appointment on 29 August 2023).
Taxable benefits:	These comprise taxable benefits including private healthcare and car allowance. 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 2024 are as shown in the table above and relate to the attainment of financial and 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 2024.
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).
Non-Executive pay review:	Details of Non-Executive Director fees for 2025 and 2024 are summarised in paragraph 8 (Statement of Implementation), on page 110.

FY24 Annual bonus metrics

Metric	Overall weighting (% of max bonus)	Target range: Threshold (20% vesting)	Target range: On-target (50% vesting)	Target range: Stretch (100% vesting)	Performance outcome	Vesting attained (% of this part)
Adjusted Operating Profit [(1)]	33.3%	£7.5m	£8m	£8.9m	£8.6m	28.1%
Free Cash Flow (adjusted net debt)	33.3%			£(8)m	£(6.1)m	16.7%
Transformation Objectives	33.3%	Remuneration Committee assessment – see below				29.7%
					Total vesting (% of maximum bonus)	74.5%

1. The Committee updated the adjusted operating profit targets to reflect an updated accounting treatment for the recognition of revenue from a long-term contract (the original targets reflected an earlier treatment).

The maximum annual bonus for each Executive Director was 110% of base salary, and accordingly the total vesting level shown above (74.5%) produced FY24 annual bonus outcomes of 81.9% of salary for the Chief Executive (£308,000) and Chief Financial Officer (£232,000) respectively.

As shown in the table above, one-third of the maximum opportunity for the FY24 annual bonus related to adjusted operating profit performance. The adjusted operating profit for FY24 was £8.6m, meaning that the target was 84.5% achieved.

The cash target, also one-third of the maximum opportunity, was 50% met, as while the cash outflow target of £(8)m (the increase in adjusted net debt) was achieved in full, at £(6.1)m, a material reduction of net debt was not achieved during the year.

The remaining third of the maximum opportunity related to the attainment of transformation strategic objectives. These objectives included the following matters:

- Management actions to deliver Company restructure and related debt reduction.
- Delivery of targeted cost efficiencies within the operating model.
- Improved financial internal controls through completion of defined actions from independent audits.
- Improved stakeholder management with lenders, external investors and analysts.
- Delivery of major customer contracts and delivery of digital initiatives.

Each transformation objective was reviewed in detail by the Committee with evidence provided to support each outcome. The Committee agreed that 89% had been achieved (equal to 29.7% after applying the one-third weighting).

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

During the year ended 30 November 2024, the following long-term incentive awards were made.

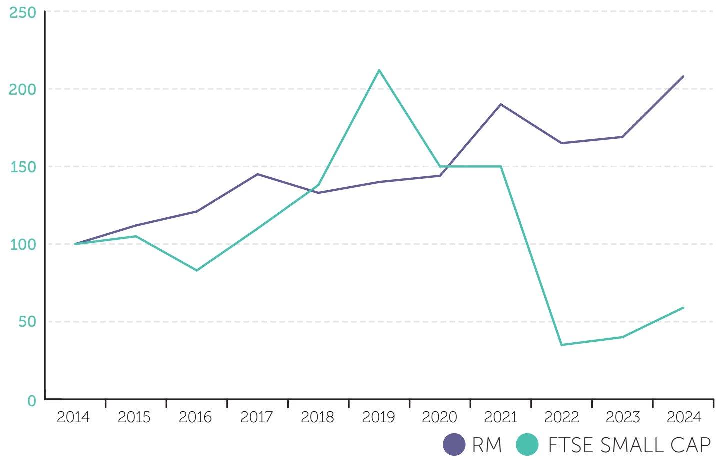
Name	Type of share award	Grant date	No. of Shares under award	Face value of award at grant £000	% of annual base salary	Percentage that would vest at threshold performance	The end of the period over which the performance conditions must be fulfilled	A summary of performance targets and measures[3]
Mark Cook	Nil cost Option	2 April 2024	398,907	219.0	60%	25%	30 November 2026	• 40% – relative TSR • 60% – absolute TSR • Underpin: Committee to consider overall performance of the Company and the contribution of the individual before vesting
Mark Cook	Nil cost Option	13 May 2024	520,182	413.5	110%	25%	30 November 2026	
Simon Goodwin	Nil cost Option	2 April 2024	300,546	165.0	60%	25%	30 November 2026	
Simon Goodwin	Nil cost Option	13 May 2024	213,774	170.0	60%	25%	30 November 2026	

- Awards granted under the LTIP Scheme (RM Performance Share Plan 2019).
- 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 preceding trading day on the date of grant of the award. The face values of award were 54.9p and 79.5p in April and May, respectively. The exercise price per share is £0.00.
- Forty percent (40%) of the award is based on the Company's relative TSR performance for the period from 1 December 2023 to 30 November 2026. The Company's relative TSR performance shall be measured against the TSR performance of the companies within the FTSE Small Cap (excluding Investment Trusts) 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.

Remuneration Committee Report continued

3. Performance graph – Total Shareholder Return

The following graph illustrates the Company's Total Shareholder Return for the 10 years ended 30 November 2024, 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 10 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
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%
2024	Mark Cook	704	81.9%	0%

1 David Brooks from 1 December 2020 to 28 February 2021. Neil Martin from 1 March 2021 to 30 November 2021.

2 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 2024 and the immediately preceding financial year, the total remuneration paid to all employees as compared to other significant distributions and payments.

	2024 (£m)	2023 (£m)
Total remuneration to employees[1]	59..0	63.9
Dividends paid	–	–
Corporation tax (refunded)/paid[2]	(1.1)	0.4
Defined benefit pension cash contribution[2]	4.3	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 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 2024	30 November 2023[1]	30 November 2022	30 November 2021	30 November 2020
Mark Cook [2]	Base Pay/Fees	16.3%	n/a	n/a	n/a	n/a
	Taxable Benefits	18.9%	n/a	n/a	n/a	n/a
	Annual Bonus	155.9%	n/a	n/a	n/a	n/a
Simon Goodwin [3]	Base Pay/Fees	294.3%	n/a	n/a	n/a	n/a
	Taxable Benefits	293.4%	n/a	n/a	n/a	n/a
	Annual Bonus	759.3%	n/a	n/a	n/a	n/a
Total UK Employees	Base Pay/Fees	6.8%	(7.0%)	5.5%	1.4%	0.6%
	Taxable Benefits	18.9%	4.1%	(10.9%)	12.9%	2.0%
	Annual Bonus	163.0%	(70.0%)	(3.0%)	–	(34.0%)

1 FY23 percentage was updated to reflect commission payments made in that year.

2 The percentage change is due to full year worked in 2024 versus partial year worked in 2023, and a 3% increase to annual salary.

3 Taxable benefits include car allowance and any additional cash allowances paid.

- 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.
- Individuals who were no longer Directors in the year ending 30 November 2024 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.

		% Change in Year Ending				
Executive Director	Remuneration Elements	30 November 2024	30 November 2023	30 November 2022	30 November 2021	30 November 2020
Helen Stevenson [2]	Base Pay/Fees	7.9%	31.0%	0.0%	n/a	n/a
(appointed as Chair 16 February 2022)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a
Patrick Martell [1]	Base Pay/Fees	(92.4%)	3.9%	5.9%	0.0%	0.0%
(Resigned 31 December 2023)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a
Richard Smothers [2 3]	Base Pay/Fees	18.3%	0.0%	n/a	n/a	n/a
(appointed 3 January 2023)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a
Christopher Humphrey [2 3]	Base Pay/Fees	185.4%	0.0%	n/a	n/a	n/a
(appointed 7 July 2023)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a
Carolyn Dawson [2 3]	Base Pay/Fees	1,218.8%	0.0%	n/a	n/a	n/a
(appointed 1 November 2023)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a
Jamie Murray Wells [2 3]	Base Pay/Fees	1,218.8%	0.0%	n/a	n/a	n/a
(appointed 1 November 2023)	Taxable Benefits	n/a	n/a	n/a	n/a	n/a
	Annual Bonus	n/a	n/a	n/a	n/a	n/a

1 Only a portion of the fee was payable due to Director resignation and service agreement ending on 31 December 2023.

2 Increase due to a fee increase during FY24.

3 Increase is due to a full year's fee in FY24 versus a portion in FY23 and increases to basic fee for additional Committee Chair responsibilities.

Individuals who were no longer Directors in the year ending 30 November 2024 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.

Remuneration Committee Report continued

7. Chief Executive pay ratio

The following table sets out the Chief Executive pay ratios for the year ended 30 November 2024. This compares the Chief Executive's total remuneration 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 14.8:1, which is based on a Chief Executive Single Figure of £704,000.

Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2024	A	23:1	14.8:1	11.5:1
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
2024	Salary	£25,500	£41,822	£50,307
2024	Total Pay	£30,661	£47,591	£61,253

- Method A was chosen as the statistically most accurate calculation. The total remuneration on a full-time equivalent basis as of 30 November 2024 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 2024.
- Pension values are not calculated on the same basis as the Chief Executive's figure but rather based on the employer contribution as a percentage of salary as of 30 November 2024. This approach allows meaningful data for a large group of individuals to be obtained in a more efficient way.
- 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 2024.

Remuneration in 2025

Salary and fees: As explained in the Remuneration Committee Chair's statement introducing this report, the Chief Executive will receive an annual pay rise equivalent to 4% in FY25. The Chief Financial Officer will receive an annual pay rise in line with increases for the general workforce of 2.6%. The salaries of the Chief Executive and Chief Financial Officer will therefore increase to £391,040 and £290,871 respectively. An increase of 2.6% is also applied to the Chair and NEDs' base fees.

	FY25 £000 per annum (FY24)
Executive	
Mark Cook	391 (376)
Simon Goodwin	291 (283)
Non-Executive	
Chair (Including the Chair of Nomination Committee)	155 (151)
Non-Executive Director base fee	47 (46)
Senior Independent Director (additional fee)	5 (5)
Chair of Remuneration Committee/Designated NED for HR (additional fee)	7 (7)
Chair of ESG Committee/designated NED for workforce engagement (additional fee)	7 (7)
Chair of Audit and Risk Committee (additional fee)	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 FY25 will operate as in the past year and in line with the policy with one-third of the bonus attributable to each of: adjusted operating profit, free cash flow, and transformation objectives. The Committee will determine appropriate targets 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 2025, an award will be made to each of the Executive Directors under the RM plc Performance Share Plan 2019 of up to 200% of salary for the Chief Executive and 100% of salary for the Chief Financial Officer. 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 SmallCap Index (excluding investment trusts) companies over a period of three years commencing on 1 December 2024 and ending on 30 November 2027.
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 2023 Directors' Remuneration Report and the binding vote on the Directors' Remuneration Policy at the 2024 AGM:

	% of votes in favour	% of votes against	Number of votes withheld
2024 AGM – Resolution to approve the Directors' Remuneration Report	99.95%	0.05%	9,157
2024 AGM – Resolution to approve the Directors' Remuneration Policy	97.74%	2.26%	8,027

10. Directors' shareholdings (AUDITED)

The beneficial interests of the Directors including connected persons in the ordinary shares of RM plc as of 30 November 2024 were:

Year	Holding as of 30 November 2024	Vested but unexercised scheme interests	Current holding as % of base salary[1]	Shareholding policy met[2]	Holding as of 30 November 2023
Mark Cook	29,072	–	5.7%		14,000
Simon Goodwin	4,901	–	1.3%		–
Helen Stevenson	180,367	–	n/a	n/a	150,000
Richard Smothers	26,236	–	n/a	n/a	26,236
Christopher Humphrey	200,000	–	n/a	n/a	100,000[3]
Carolyn Dawson	–	–	n/a	n/a	–
Jamie Murray Wells	–	–	n/a	n/a	–

1 Calculated based on the average share price for the period 1 December 2023 to 30 November 2024 of 73.2 pence and base salaries as of 30 November 2024.

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 This is a restatement of the figure of nil erroneously disclosed in the FY23 Annual Report.

- There have been no changes in any of the above shareholdings since 30 November 2024 at the date of this report.

Remuneration Committee Report continued

11. Directors' interests in share plans (AUDITED)

As of 30 November 2024, the Executive Directors had the following interests in the Company's share plans

			Long Term Incentive Plan (LTIP)[1]	
	Date of grant	No. of shares/ options	Performance conditions	Share price at grant
Mark Cook	16 January 2023	873,763		62.7 pence
	2 April 2024	398,907	See paragraph 2 of this Part B	54.9 pence
	13 May 2024	520,182		79.5 pence
Simon Goodwin	29 August 2023	300,000		62.2 pence
	2 April 2024	300,546		54.9 pence
	13 May 2024	213,774		79.5 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. Share plans dilution

Overall dilution from share plans for our share plans dilution limit is 6.92% as at 11 March 2024. These figures consider all share plan awards made in the last 10 years, excluding awards which have lapsed and awards which have been or are proposed to be satisfied by shares purchased on the market by RM's employees' share trust.

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 2024, comprised Christopher Humphrey (Chair until 31 May 2024), Carolyn Dawson (Chair from 1 June 2024), Helen Stevenson, Jamie Murray Wells and Richard Smothers.

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

The Remuneration Committee met four times during the period, attendance is set out below.

	No. of meetings attended in the period/Eligible to attend
Christopher Humphrey	3/4
Helen Stevenson	4/4
Carolyn Dawson	4/4
Jamie Murray Wells	4/4
Richard Smothers	4/4

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

Major activities of the Remuneration Committee

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

- review of the outcome of the 2023 bonus targets;
- consultation with major shareholders on the architecture of the Remuneration Policy and share plan dilution limit;
- approval of the 2023 Directors' Remuneration Report at the 2024 AGM;
- approval of the Directors' Remuneration Policy at the 2024 AGM;
- review and approval of 2024 annual bonus and LTIP awards, including proposed 2025 targets;
- monitoring employees pay review and gender pay gap reporting; and
- reviewing benchmarking for the Chief Executive and Chief Financial Officer.

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 Workforce Engagement Group on Executive Remuneration and Policy was considered in reviewing the remuneration for the Executive Directors and workforce at the Remuneration Committee.

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 adheres to its code of conduct. Fees totalling £43,439 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 has been provided to the Remuneration and Nomination Committees by the Company Secretary and Chief People Officer, 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 and 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 is 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	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. Directors' Remuneration Policy

The Directors' Remuneration Policy for Executive and Non-Executive Directors' for the three-year period expiring at the Company's 2027 AGM, and which was approved by shareholders at the Company's AGM on 9 May 2024, can be found within the Company's Annual Report and Accounts for 2023, which is available on the Company's website at www.rmplc.com/reports.

16. 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 B 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.

By Order of the Board

Carolyn Dawson
Chair, Remuneration Committee
17 March 2025

ESG Committee Report

“I am pleased to say that this year we have been recognised externally by the market leading sustainability rating agency, Eco-Vardi, with a bronze certification which puts RM in the top 35% of rated companies globally”

No. of meetings attended in the period/Eligible to attend

Christopher Humphrey	2 / 2
Carolyn Dawson	1 / 2
Helen Stevenson	2 / 2
Jamie Murray Wells	2 / 2
Richard Smothers	2 / 2

On behalf of the Board, I am pleased to present the Environmental, Social, and Governance (ESG) Committee Report for the year ended 30 November 2024.

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

The Committee's purpose is to oversee RM's approach to managing all ESG risks and opportunities, ensuring they are integrated into the RM business strategy and risk management frameworks.

During FY24 we had significant achievements in all aspects of ESG and have provided a summary of the key achievements in each area below.

Environmental

Environmental includes monitoring of the operation of the Group's sustainability and climate change governance and strategic initiatives and scrutinises the development and implementation of changes in process and practice. This year, we have:

- Reconfirmed our RM 2035 net zero commitment on scopes 1 and 2, with a plan to achieve net zero by 2035; our 'transition pathway' as per our 2021 commitment.
- Reduced our scope 1 and 2 year-on-year carbon emissions by 72% (89% from our 2015 baseline), through the implementation of Renewable Energy Guarantee of Origin (REGO) backed electricity contracts.
- In common with many businesses that are increasing their total emissions footprint, RM measured and reported our scope 3 category 1 emissions for the first time this year, which has created a baseline figure for the business of 57,624 tons of scope 3 category 1 carbon.
- Assessed the legislative landscape and confirmed compliance to requirements of the Taskforce for Climate Disclosure (TCFD), Streamlined Energy and Carbon Reporting (SECR), and Energy Savings Opportunities Scheme (ESOS).

Social

The Committee drives an ambition to deliver an inclusive environment for all of our customers, suppliers, employees and other stakeholders through the way we go about our business and deliver our products and services. This year we have:

- Started to place more emphasis on the intrinsic social value of our products and services by implementing a pilot scheme that saw our teams visit local schools to deliver training on how to effectively use the RM own IP device Loti-Bot to support learning. After the training, we gifted each of the registered 18 schools with four Loti-Bots and a Therapeutic Wellbeing kit.
- Next year we will continue to showcase the fundamental social value that RM brings, through the innovation of our business.
- Renewed Executive support of the Equity, Diversity, and Inclusion Networks by expanding the responsibilities and formalising the now compensated role of the Network Leaders. Each leader represents people around RM with protected characteristics. Their brief includes leading and supporting their networks, strengthening RM's inclusive culture, and acting as subject matter experts.
- RM's UK combined pay gap is significantly better than market average, an almost negligible gap of -1.7, and in favour of women. In our compulsory reportable metrics where we split RM Education from RM Educational Resources data, the median pay gap metric, the one most quoted, are gaps in favour of women (-15.3 and -2.7 respectively).
- RM's representation of women in its leadership, roles where 44% of the Executive Committee and 55% of SLT are women, is outperforming the data in the McKinsey Women in the Workplace 2024 Report (29% Executive and 38% SLT).
- A higher than average participation rate in our global employee survey where 93% of our people told us how they feel about life at RM.
- The engagement index from our annual employee survey saw a strong score of 65% covering questions around pride in RM, recommending RM as a place to work, and seeing oneself at RM in 2 years' time. 58% scored favourably over those same questions and also in questions relating to rarely thinking about looking for a job at a different company and, RM motivating to go beyond what we might do in a similar role elsewhere. Included in those scores was a significant increase in company pride. Sentiment remained mostly the same when asked whether our people would refer RM as a place to work, and decreased slightly (-5%) when asked about future commitment to RM. We consider these to be positive results when considering the significant transformation RM has been delivering over the last 12 months.
- To support the development of our people we've introduced a range of learning opportunities through in-house and external training. These include the launch of a new Prevention of Sexual Harassment Policy and training programme, granting access to a variety of online learning tools such as Microsoft's Enterprise Skills Initiative, and partnering with Knowledge Brief to deliver leadership and management apprenticeships across England to over 40 RM leaders.

Governance

The Committee's responsibility in Governance is to ensure compliance with legislative and regulatory standards in the business. We are again pleased to confirm that RM is compliant with the applicable legislation and regulatory standards. To further strengthen our corporate governance RM has implemented additional polices, and Committees, and delivered successful audits. Here are some highlights:

- Revised RM's Modern Slavery Policy
- Revised Health and Safety Policy and created a global Health and Safety Committee
- Developed and communicated a Gifts and Hospitality register and policy
- Developed and communicated a Conflicts of Interest register and policy
- Retained our ISO 14001 Environmental Certificate

Finally, I am pleased to say that this year we have been recognised externally by the market leading sustainability rating agency, Eco-Vardis, with a bronze certification which puts RM in the top 35% of rated companies globally.

The ESG Committee met twice during 2024 in line with its published meeting cadence in May and October 2024.

By Order of the Board

Jamie Murray Wells
Chair of ESG Committee
17 March 2025

Directors' Report

The Directors submit their report together with the audited consolidated and Company Financial Statements for the year ended 30 November 2024.

This report is divided into the following sections:

The Strategic Report on pages 9 to 41 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 85 to 93 is incorporated into this report by reference.

Annual General Meeting

The forthcoming Annual General Meeting will be held on 7 May 2025 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 appoint RSM UK Audit LLP (as per the report of the Audit and Risk Committee) 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
- Mark Cook
- Simon Goodwin
- Christopher Humphrey
- Carolyn Dawson
- Jamie Murray Wells
- Patrick Martell (until 31 December 2023)

Biographical details of the current Directors are given in the Board of Directors section of the Annual Report on pages 82 to 83.

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 104.

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 120 is incorporated by reference into this report.

Dividends

No dividend has been paid this year and, in accordance with the Company's banking facilities, a restriction on dividend distribution has been imposed until the Company reduces net debt leverage to LTM EBITDA (post IFRS 16, see note 25) 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 £3.1m of research and development in the year, which was expensed in the Income Statement (2023: £4.0m). 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 2024, 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.

Directors' Report continued

Shares: Allotment and purchase

At the Annual General Meeting held on 9 May 2024, 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 20 March 2024. The minimum price that may be paid for each share is the nominal value. The maximum price that may be paid for a share is an amount equal to the higher of (i) 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 (ii) 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 7 May 2025.

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 in Note 25 to the Financial Statements.

Substantial shareholdings

On 30 November 2024, 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 2024	Date of TR1
Harwood Capital plc	11,100,000	0	13.23%	4 January 2024
Harwood Capital plc	11,875,000	0	14.16%	19 February 2024
Schroders plc	0	10,707,581	12.77%	2 April 2024
Harwood Capital plc	12,725,000	0	15.17%	2 May 2024
Aberforth Partners LLP	0	13,718,519	16.36%	15 May 2024
The Wellcome Trust	7,167,161	0	8.55%	15 May 2024

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

Treasury and foreign exchange

The Group has in place appropriate treasury policies and procedures, which are approved by the Board. The treasury function, which reports into the Chief Financial Officer, 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 6.6.1R:

Shareholder	Page
Allotment for cash of equity securities	n/a
Contracts of significance	184
Directors' waived emoluments	n/a
Dividend waiver	n/a
Employee engagement, interests and effect	68, 77 to 79
Employee information, consultation, share schemes and achieving awareness on financial and economic factors	107, 68 to 70
Employees with disabilities	70
Financial instruments	186
Fostering business relationships with suppliers, customers and others and effect	77 to 79
Greenhouse gas emissions, energy consumption and energy efficiency action	64 to 66
Interest capitalised and tax relief	n/a
Long-term incentive schemes	107
Political donations	74
Viability statement	46 to 49

Approved by the Board and signed on its behalf by

Daniel Fattal
Company Secretary, RM plc
17 March 2025

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
17 March 2025

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 16 to 17, 2024 was a transformative 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 that illustrate how the Directors do this, with the support of the wider business, the following sections in particular are relevant:

- Stakeholder engagement (page 77 to 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 50 to 54) 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
  - 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 has fulfilled its section 172(1) duties can be found throughout the Strategic and Governance Reports and the following sections are incorporated into this report.

04.

Financial Statements

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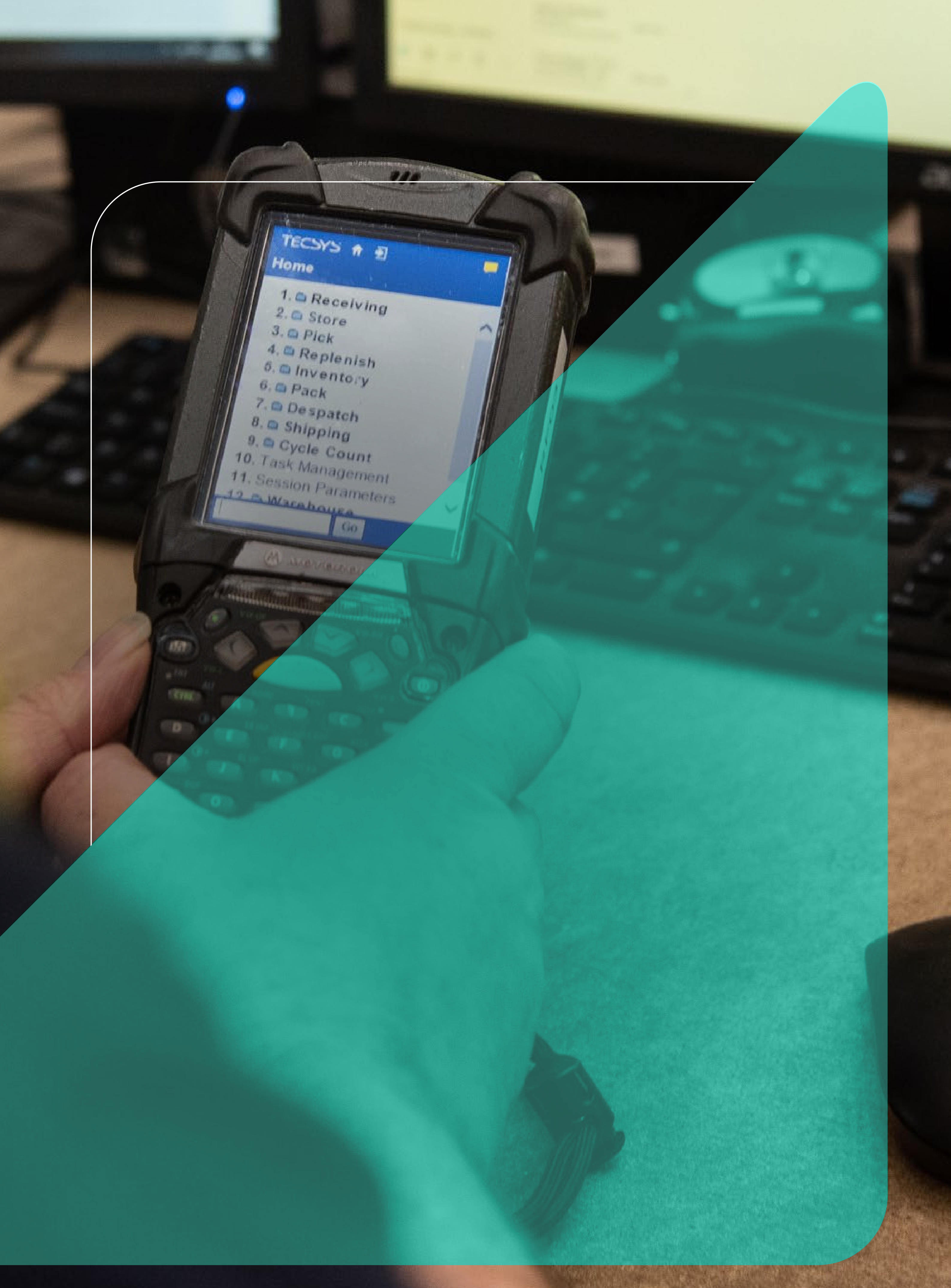
TECSYS
Home
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Independent Auditor's Report to the members of RM plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of RM plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2024 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. The non-audit services provided to the group and parent company for the year are disclosed in note 5 to the financial statements and in the Audit and Risk Committee Report on page 102. 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;
- Impairment risk associated with the valuation of goodwill in the TTS CGU.
- Application of IFRS 15 Revenue from contracts with customers ("IFRS 15") to new, renewed or modified contracts

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 which was determined on the basis of 3.0% of adjusted EBITDA. Due to the significant volatility in the group's profitability, in FY23 revenue served as the primary benchmark. As management seek to turn around the business performance, we believe adjusted EBITDA is the focus of key users of the financial statements, including shareholders and lenders, whose primary focus is understanding how the company will be able to service its debt costs.
Scoping	We focussed our group audit scope on the audit work of three components representing the principal business units, where full scope audits were performed. Our audit work accounts for 100% of revenue (2023: 99%), and 97% of the group's total assets (2023: 98%).
Significant changes in our approach	Our audit approach has been designed to respond to the group's strategic focus to grow the RM Assessment business and mindful that other parts of the group continue to face difficult market conditions. During the year management entered into a number of new long-term contracts within the RM Assessment business, as well as renewing contracts with long term strategic partners. Accounting for these contracts in accordance with IFRS 15 is complex and requires management to make several key judgments. We have identified the application of IFRS 15 to new, renewed or modified contracts as a key audit matter. Given a decline in revenue and adjusted operating profits for TTS in FY24 we maintained the key audit matter in relation to the impairment review of goodwill related to the TTS CGU. In the prior year we considered the impairment of the company only investment in RM Educational Resources ("RMER") to be a key audit matter. In the current year this investment has been fully impaired and has limited sensitivity and therefore we have not included this as a key audit matter. As the Consortium business was closed at the start of FY24 there is no year end balance sheet and, as a result, we have not identified a key audit matter in relation to the allocation and valuation of Consortium assets in FY24.

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 company 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.

Independent Auditor's Report to the members of RM plc continued

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

The group's and parent company's ability to continue as a going concern is sensitive to its liquidity position and its ability to comply with financial covenants. This is particularly relevant given the increase in net debt to £51.7 million at the year-end (2023: £45.6 million) and decrease in adjusted operating profit from continuing operations compared to prior year, coupled with projected limited headroom against covenants throughout the forecast period.

The group relies significantly on its £70 million Revolving Credit Facility (RCF), which matures on 5 July 2026 and includes two key financial covenants:

- Hard Liquidity Covenant of £7.5m, stepping down from £7.5 million to £5 million at specific dates.
- LTM EBITDA Covenant

As set out in note 25 the LTM EBITDA covenant was intended to be replaced by an interest cover and EBITDA leverage test from February 2026. As debt levels remain high the banking syndicate provided an amendment on 7 March 2025 to extend the LTM EBITDA covenant over this period rather than introduce the new tests.

A three-year income statement and cash flow forecast was produced by management and approved by the Board in December 2024. This has been used as the basis for the going concern assessment, which management have considered as a period of 12 months to the end of March 2026. This base case forecast assumes continued growth, particularly driven by:

- Growth in the Assessment division, from the contracts secured in FY24 as well as new revenue streams generated by targeting small and medium-sized enterprises with the Global Accreditation Platform
- Growth projected in hardware sales for the Technology division.
- Growth anticipated in the TTS division from both UK and international markets

The Directors' base case forecast indicates that the banking covenants will be met throughout the going concern period.

The Directors have prepared cash flow forecasts for the period to the end of March 2026 which indicate that, taking into account reasonably plausible downsides and available mitigations, 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. Under the reasonable worst case scenario, the Directors have assumed that overall group revenues remain broadly flat with the TTS and Technology divisions declining in revenue, whereas revenues in the Assessment division grow as a result of the full year effect and volume growth in existing long-term contracts. They assume that growth in the new revenues stream is delayed and at lower levels than expected, and that not all cost increases in TTS can be passed on to customers.

Under the reasonable worst case scenario, the Directors forecast to breach the LTM EBITDA covenant from the quarter ending 30 November 2025 onwards with the hard liquidity covenant breached in August 2025.

Management has identified mitigating actions to address the potential covenant breaches and maintain sufficient liquidity under this downside scenario. This position provides an indication of the level of risk associated with the accuracy of the short-term cash flow and performance forecasts.

As the group's RCF facility matures in July 2026 the Directors assessed the significance of this event and formed a judgement that the liquidity risk is not material to the going concern assessment. Further detail in relation to this assessment is included in the group's viability assessment on page 49.

As set out on page 145, 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 100 and the group's critical accounting judgment is set out on pages 144 to 145.

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; • We performed mechanical accuracy testing of the model used to prepare the group's cash flow forecast; • We evaluated the consistency of the Directors' forecasts with other areas of the audit, including the goodwill and investment impairment reviews; • We 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; • We obtained an understanding of the financing facilities available to the group, including repayment terms, covenants and amendments agreed with the lenders; • We assessed the level of reverse stress 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; • We performed a detailed evaluation of significant events beyond the going concern period including the maturity of the facility in July 2026. Our evaluation included, assessing the group's organic and inorganic plans to reduce the current leverage levels and direct enquiries of the group's lenders. We understood the status and potential impact of inorganic initiatives, such as those referred to on page 48; • We made direct enquiries of the banking syndicate to confirm management's assertions regarding their continued support of the business; • We consulted with Deloitte's internal Corporate Turnaround and Debt Advisory teams to seek independent perspectives on management's going concern assessment, likelihood of refinancing and to perform an overall stand back on management's reasonable worst case scenario; • We assessed and challenged the mitigating actions available to the Directors, should these be required to offset the impact of the forecast performance not being achieved; and • We challenged the sufficiency of the group's disclosures over the going concern basis with reference to our knowledge and understanding of the assumptions taken by the Directors and recent FRC guidance.
Key observations	We are satisfied that the adoption of the going concern basis of accounting and the disclosure in respect of the group's ability to continue as a going concern are appropriate.

Independent Auditor's Report to the members of RM plc continued

5.2. Impairment risk associated with the valuation of goodwill in the TTS CGU

Key audit matter description	On 30 November 2024, the group had goodwill in the TTS CGU with a carrying value of £31.6m, before any current year impairment considerations. The TTS CGU represents the assets and liability of RMER Ltd including an allocation of corporate assets and costs pertaining to the operation of that business. TTS' revenues and profitability in FY24 were lower than the prior year and lower than forecast for FY24, this reflected a challenging year for the TTS International business where revenue declined by 20.7%. In FY24, a goodwill impairment charge of £9.3m has been recognised within adjusted items. We identified a key audit matter relating to the carrying value of the goodwill in TTS which is underpinned by the recoverable amount from the TTS CGU. There is inherent management judgement in determining the key assumptions in the annual goodwill impairment assessment. This risk is increased given the recent trading experience, global macroeconomic conditions and pressures on education budgets in the UK. We have focussed the key audit matter on the FY25 and FY26 cash flow forecasts including revenue growth, margin assumptions and the allocation of corporate costs to TTS, as the impairment review is most sensitive to these assumptions as this generates the baseline performance required to calculate the terminal value of the CGU. The discount rate and long-term growth rate assumptions also include inherent management judgement. We have also identified this as an area for potential management bias, owing to the degree of judgement in forecasting assumptions. Further details are included within the Audit and Risk Committee report on page 100, and notes 2 and 14 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: • We 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; • We challenged the appropriateness of key assumptions applied in the entity's impairment assessment including discount rate assumptions and long-term growth rates. We used internal specialists to assess the reasonableness of the discount rate. We considered the impact of sensitivities in forecast profitability on long-term growth rate assumptions that underpin the entity's impairment model; • We challenged the entity's assumptions in relation to the short-term cashflow forecasts. Specifically, we challenged assumptions relating to forecast growth in TTS International in FY25 including the evidence to support expansion of the overseas distributor network and winning overseas distribution contracts and the overall market demand, and the level of risk associated with achieving the growth in the UK market; • We identified the population of corporate 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; • We 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 FY25 forecasts, and beyond; and • We challenged the sufficiency of disclosures within the financial statements, including that of key sensitivities. These are shown in notes 14 and 18 to the financial statements.
Key observations	We are satisfied that the impairment charge recorded in the year and the valuation of goodwill recorded within the TTS business are appropriately stated. We identified control deficiencies in relation to the review of cash flow forecasts as well as the review of key judgements in the impairment modelling.

5.3. Application of IFRS 15 to new, renewed or modified contracts

Key audit matter description	The Assessment division's revenue recognition involves significant judgement, particularly in applying the five-step model outlined in IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15") to contract renewals, modifications, and new offerings. A number of contracts were renewed in the year and met the criteria to be treated as new contracts under IFRS 15. Key judgements included determining the start date of these contracts, identifying the term of the contract, identifying the distinct performance obligations, allocating the transaction price between performance obligations including establishing the stand-alone selling price for each performance obligation, and determining the timing of revenue recognition. These judgements, which the Directors have highlighted as critical accounting judgements in note 2 on pages 152 and 153 of the financial statements have a direct and material impact on revenue recognised in FY24 and subsequent periods. As set out on page 11 during the year the group signed material contracts to provide digital transformation services using the Global Accreditation Programme. These contracts introduced offerings not previously present in Assessment contracts. Applying IFRS 15 to these contracts, particularly in identifying performance obligations and the nature and timing of revenue recognition for rights to access the license and programme management services, required judgement. The contract modification with the IB for the AOS software necessitated a reassessment of the identified performance obligations. This reassessment involved significant management judgement in determining whether it was appropriate to recognise material revenue within 2024. Further details are included within the Audit and Risk Committee report on page 100. The inherent complexity and judgement involved in applying IFRS 15 to the Assessment division's contracts, particularly those highlighted above, creates a risk of material misstatement in the Group's financial statements. As a result, the application of IFRS 15 to these contracts is recognised as a key audit matter for FY24.

How the scope of our audit responded to the key audit matter	In response to the key audit matter identified, we performed the following procedures:
	• We obtained an understanding of the key controls relating to the application of IFRS 15 for the new, renewed and modified contracts including review of key judgements and compliance with IFRS 15 requirements and principles;
	• We read the contracts specifically focussing on terms and conditions associated with the total transaction price, services to be delivered and timing of the commitments within the contracts. We assessed the alignment of the proposed accounting treatment with the five-step model outlined in IFRS 15.
	• We performed detailed audit procedures on the stand-alone selling prices determined by management for the allocation of transaction prices to renewed and new contracts. Our procedures included:
	  ◦ Evaluating the total forecast costs used by management.
	  ◦ Assessing the appropriateness of the profit margins applied.
	  ◦ Performing an overall reasonableness assessment of the stand-alone selling prices determined.
	• We challenged management's judgements related to the start dates of contracts. This involved inspecting relevant evidence, including:
	  ◦ Correspondence exchanged with customers.
	  ◦ Draft agreements.
	  ◦ Evidence that services had been delivered.
	• We challenged management's identification of performance obligations under the modified IB AOS contract. This involved inquiries with the development and delivery team to understand the nature and timing of deliverables promised to the customer and review of change logs associated with that contract; and
	• We evaluated the financial statement disclosures to confirm that they described the Group's revenue recognition policies, critical accounting judgements, and key estimates related to the new and modified contracts within the Assessment division.

Key observations	We are satisfied that revenue recognised from the new, renewed and modified contracts is materially appropriate. We observed evidence of governance controls over the contract bidding and tendering processes, however controls over ongoing cost and margin reviews were less formalised increasing the risk of errors. We also recommended that management establish controls to identify complexities in contracts that may require external expertise or additional judgement.

Independent Auditor's Report to the members of RM plc continued

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 (2023: £400,000)	£180,000 (2023: £168,000)
Basis for determining materiality	We determined materiality based on 3.0% of EBITDA (which equates to approximately 0.2% of revenue or 5% of adjusted profit). In the prior year we determined materiality based on 0.2% of revenue.	The basis of materiality is total assets. Parent company materiality equates to 0.3% of the parent company's total assets (2023: 0.3% of total assets) which is capped at approximately 45% (2023: 40%) of group materiality
Rationale for the benchmark applied	As the group results have improved in the current year we have moved to a more profit-based benchmark compared to prior year where we determined materiality based on revenue. We considered EBITDA to be an appropriate benchmark given the focus of the users on this metric.	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. This is the same benchmark as used in the prior year as RM plc remains in a net liability position at the end of both years

6.2. Performance materiality

	Group financial statements	Parent company financial statements
Performance materiality	60% (2023: 60%) of group materiality	70% (2023: 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, and the expectation that we would identify a number of misstatements in the current year. 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 (2023: £20,000), 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.

We focussed our group audit scope on the audit work at three components, which were subject to a full scope audit. This included the parent company, RM Education Limited (comprising both RM Technology and the UK elements of RM Assessment) and RM Education Resources Limited (comprising TTS).

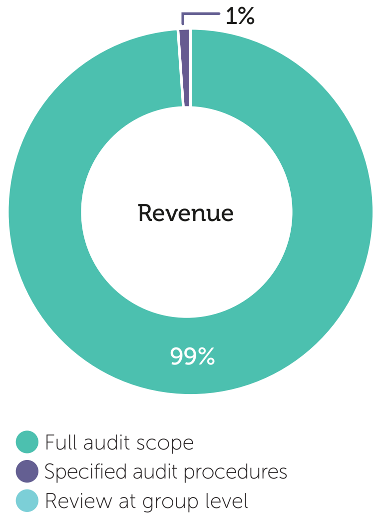
During the period the Consortium business was discontinued. We completed audit procedures on the balances and transactions which were recognised within discontinued results for the year. In the previous year this component was subject to a full scope audit which is no longer the case.

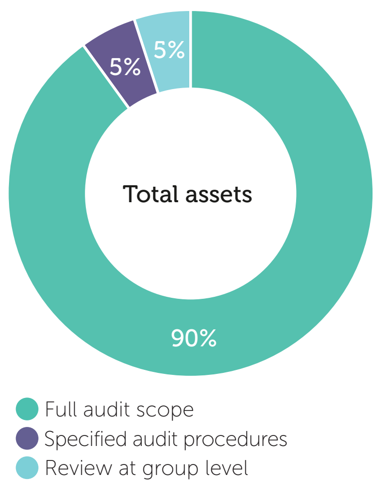
Our audit work at the three full scope components was executed at levels of component performance materiality applicable to each individual component, which were lower than group performance materiality and ranged from £158,000 to £180,000 (2023: £120,000 to £168,000).

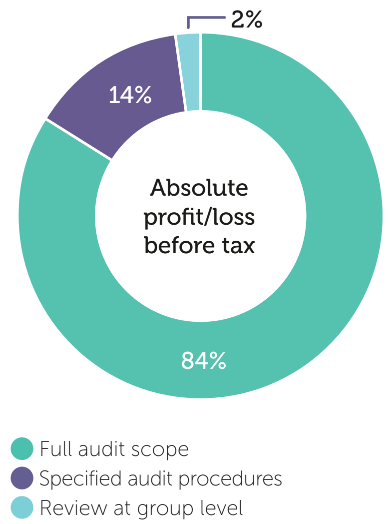
We also performed an audit of specified balances for both the SoNET and RMESI components to be satisfied we had sufficient appropriate audit evidence over these account balances. The procedures performed included an audit of revenue in SoNET and payroll in RMESI. Taken with the entities in full scope, this accounts for 100% (2023: 99%) of the group's revenues and 97% (2023: 98%) of total assets. We have obtained coverage of 98% (2023: 99%) of the absolute total of the profit and losses before tax made by the group's individual business units.

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.







Independent Auditor's Report to the members of RM plc continued

7.2. Our consideration of the control environment

The Group's financial reporting relies heavily on its IT systems, particularly those supporting the main finance functions. We engaged our IT audit specialists to assist us in evaluating the General IT controls within these systems. Our focus was on controls that directly support the integrity and reliability of financial reporting.

While management implemented control improvements during FY24, particularly in documenting processes and controls within the purchase-to-pay and order-to-cash cycles, most of these improvements are yet to be fully embedded and therefore deficiencies arose in their implementation. This led us to adopt a fully substantive audit approach for the year.

Our audit procedures included obtaining an understanding of the relevant controls associated with the financial reporting process, including those related to significant accounting estimates and the key audit matters reported above. Progress was made by management in reducing the number of manual journal entry controls, including correcting entries, and simplifying the group consolidation, however there is still scope to enhance the quality of balance sheet reconciliations.

We have reported specific control findings in Section 5, Key audit matters, above. We identified deficiencies relating to controls over cost monitoring and forecasting which impacted our audit of:

- Revenue where it is recognised based on an expected cost plus a margin.
- Intangible additions based on internal costs capitalised.
- Underlying cashflow forecasts within the going concern assessment.
- Cashflows used to derive the value in use of the TTS CGU.

Consistent with prior years we also identified a control deficiency relating to the application of IFRS 15 to new, renewed and modified contracts including the technical judgements and accurate modelling of forecast and actual revenues.

The Audit and Risk Committee's consideration of the control environment is on page 102.

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 Directors have assessed the risk and opportunities relevant to climate change across the group on page 58.

As a part of our audit procedures, we have held discussions with management 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 2024. 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 55 to 60.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment 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;
- Impairment risk associated with the valuation of goodwill in the TTS CGU;
- Impairment risk associated with the valuation of RM Plc's investment in RMER;
- Application of IFRS 15 to new, renewed or modified contracts; and
- Classification of adjusted items.

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;
- Impairment risk associated with the valuation of goodwill in the TTS CGU; and
- Application of IFRS 15 to new, renewed or modified contracts.

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 expense are appropriate and whether adjustments are adopted consistently between years;
- performing detail audit procedures over the impairment review of the company's investment in RMER by performing the testing set out in 5.2 above and verifying that appropriate adjustments had been made to the TTS CGU impairment review to reflect an equity valuation of the investment; and
- 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.

Independent Auditor's Report to the members of RM plc continued

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- the Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate;
- the Directors' statement on fair, balanced and understandable;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- the section describing the work of the audit and risk committee.

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 audit of the financial statements for the year ending 30 November 2024 will be our fourth and final year of appointment.

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) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Kate Hadley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
17 March 2024

Consolidated income statement

		Year ended 30 November 2024			Year ended 30 November 2023 (restated[1])		
	Note	Adjusted £000	Adjustments £000	Total £000	Adjusted £000	Adjustments £000	Total £000
Continuing operations							
Revenue	3	166,143	–	166,143	175,886	–	175,886
Cost of sales		(99,490)	–	(99,490)	(111,635)	–	(111,635)
Gross profit		66,653	–	66,653	64,251	–	64,251
Operating expenses	5	(58,156)	(5,270)	(63,426)	(55,771)	(2,247)	(58,018)
Reversal of expected credit loss		98	–	98	840	–	840
Impairment losses	6	–	(9,286)	(9,286)	–	–	–
Profit/(loss) from operations		8,595	(14,556)	(5,961)	9,320	(2,247)	7,073
Finance income	8	851	–	851	1,105	–	1,105
Other income	6	–	–	–	–	10,785	10,785
Finance costs	9	(7,007)	–	(7,007)	(6,585)	–	(6,585)
Profit/(loss) before tax		2,439	(14,556)	(12,117)	3,840	8,538	12,378
Tax	10	7,366	884	8,250	(7,898)	(1,926)	(9,824)
Profit/(loss) for the year from continuing operations		9,805	(13,672)	(3,867)	(4,058)	6,612	2,554
(Loss)/profit for the year from discontinued operations	11	(1,249)	379	(870)	(8,423)	(23,235)	(31,658)
Profit/(loss) for the year		8,556	(13,293)	(4,737)	(12,481)	(16,623)	(29,104)
Earnings per ordinary share on continuing operations	12						
– basic		11.8p		(4.6)p	(4.9)p		3.1p
– diluted		11.7p		(4.6)p	(4.9)p		3.1p
Earnings per ordinary share on discontinued operations	12						
– basic		(1.5)p		(1.1)p	(10.1)p		(38.0)p
– diluted		(1.5)p		(1.1)p	(10.1)p		(38.0)p
Earnings per ordinary share on total operations	12						
– basic		10.3p		(5.7)p	(15.0)p		(34.9)p
– diluted		10.2p		(5.7)p	(15.0)p		(34.9)p

1 2023 is restated to present the results of RM Consortium within discontinued operations as set out in Note 11.

Throughout this statement, adjusted profit and EPS measures are stated after adjusting items which are identified by virtue of their size, nature and incidence. Adjusted measures are used by the Board to monitor and manage the performance of the Group (see Note 6 for details). The treatment of adjusted items is applied consistently period on period.

The notes on pages 143 to 192 form an integral part of these Financial Statements.

Consolidated statement of comprehensive income

	Note	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Loss for the year		(4,737)	(29,104)
Items that will not be reclassified subsequently to profit or loss			
Defined benefit pension scheme remeasurements[1]	24	3,760	(15,771)
Tax on items that will not be reclassified subsequently to profit or loss[1]	10	(848)	2,790
Items that are or may be reclassified subsequently to profit or loss			
Fair value gain/(loss) on hedging instruments[2]		12	(402)
Fair value loss on hedging instruments transferred to the income statement[2]		412	272
Exchange gain/(loss) on translation of overseas operations[3]		37	(287)
Other comprehensive income/(expense)		3,373	(13,398)
Total comprehensive expense		(1,364)	(42,502)

1 Recognised in retained earnings.
2 Recognised in the hedging reserve.
3 Recognised in the translation reserve.

The notes on pages 143 to 192 form an integral part of these Financial Statements.

Consolidated balance sheet

	Note	At 30 November 2024 £000	At 30 November 2023 £000
Non-current assets			
Goodwill	14	**29,172**	38,538
Other intangible assets	15	**6,818**	5,224
Property, plant and equipment	16	**7,249**	8,271
Right-of-use assets	17	**12,014**	14,275
Defined benefit pension scheme surplus	24	**20,498**	12,796
Other receivables	20	**245**	240
Contract fulfilment assets	21	**5,661**	1,959
Deferred tax assets	10	**8,479**	170
		90,136	81,473
Current assets			
Inventories	19	**15,190**	13,959
Trade and other receivables	20	**21,723**	32,333
Contract fulfilment assets	21	**2,909**	1,949
Tax assets		**347**	1,988
Cash and cash equivalents		**8,196**	8,062
		48,365	58,291
Total assets		**138,501**	139,764
Current liabilities			
Trade and other payables	22	**(41,897)**	(46,372)
Provisions	23	**(1,972)**	(2,993)
Bank overdraft		**(4,325)**	–
		(48,194)	(49,365)
Net current (liabilities)/assets		**171**	8,926
Non-current liabilities			
Lease liabilities	17, 22	**(12,816)**	(14,297)
Other payables	22	**(3,585)**	(2,463)
Provisions	23	**(1,243)**	(1,749)
Defined benefit pension scheme obligation	24	**(30)**	(411)
Borrowings	25	**(55,524)**	(53,651)
		(73,198)	(72,571)
Total liabilities		**(121,392)**	(121,936)
Net assets		**17,109**	17,828
Equity attributable to shareholders			
Share capital	26	**1,917**	1,917
Share premium account		**27,080**	27,080
Own shares	27	**(444)**	(444)
Capital redemption reserve		**94**	94
Hedging reserve		**31**	(393)
Translation reserve		**(831)**	(868)
Retained earnings		**(10,738)**	(9,558)
Total equity		**17,109**	17,828

The notes on pages 143 to 192 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 17 March 2025.

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 2022		1,917	27,080	(444)	94	(263)	(581)	32,840	60,643
Loss for the year		–	–	–	–	–	–	(29,104)	(29,104)
Other comprehensive expense[4]		–	–	–	–	(130)	(287)	(12,981)	(13,398)
Total comprehensive expense		–	–	–	–	(130)	(287)	(42,085)	(42,502)
Transactions with owners of the Company:									
Share-based payments	28	–	–	–	–	–	–	(364)	(364)
Share-based payments – tax		–	–	–	–	–	–	11	11
Unclaimed dividends		–	–	–	–	–	–	40	40
At 30 November 2023		1,917	27,080	(444)	94	(393)	(868)	(9,558)	17,828
Loss for the year		**–**	**–**	**–**	**–**	**–**	**–**	**(4,737)**	**(4,737)**
Other comprehensive income[4]		**–**	**–**	**–**	**–**	**424**	**37**	**2,912**	**3,373**
Total comprehensive income/(expense)		**–**	**–**	**–**	**–**	**424**	**37**	**(1,825)**	**(1,364)**
Transactions with owners of the Company:									
Share-based payments	28	**–**	**–**	**–**	**–**	**–**	**–**	**644**	**644**
Share-based payments – tax		**–**	**–**	**–**	**–**	**–**	**–**	**1**	**1**
At 30 November 2024		**1,917**	**27,080**	**(444)**	**94**	**31**	**(831)**	**(10,738)**	**17,109**

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 reserve arises on consolidation from the unrealised movement of foreign exchange on the net assets of overseas entities. This reserve is not distributable.

4 The footnotes to the Consolidated Statement of Other Comprehensive Income show the reserve in which each item of other comprehensive income is recognised.

The notes on pages 143 to 192 form an integral part of these Financial Statements.

Consolidated cash flow statement

	Note	At 30 November 2024 £000	At 30 November (restated[1]) 2023 £000
(Loss)/profit before tax from continuing operations		(12,117)	12,378
Loss before tax from discontinuing operations	11	(1,160)	(39,412)
Gain on disposal of intangible licences	6	–	(10,614)
Gain on disposal of operations	6	–	(13,615)
Finance income	8	(851)	(1,105)
Finance costs	9	7,007	6,585
Loss from operations, including discontinued operations		(7,121)	(45,783)
Adjustments for:			
Research and development expenditure credits		(61)	–
Amortisation and impairment of intangible assets	14, 15	9,729	31,050
Depreciation and impairment of property, plant and equipment	16, 17	5,568	11,564
Impairment of inventory and other current assets	5	261	4,476
Amortisation of contract fulfilment assets	21	2,470	2,513
Loss/(gain) on disposal of property, plant and equipment	5	72	(265)
Loss on foreign exchange derivatives		412	570
Share-based payment charge/(credit)	28	644	(364)
Increase in provisions		189	3,825
Defined benefit pension scheme past service cost	24	300	–
Defined benefit pension scheme administration cost	24	27	6
Operating cash flows before movements in working capital		12,490	7,592
(Increase)/decrease in inventories		(1,492)	8,624
Decrease in receivables		10,627	2,804
Increase in contract fulfilment assets	21	(4,394)	(3,035)
Decrease in trade and other payables		(3,471)	(17,844)
Utilisation of provisions	23	(1,912)	(2,824)
Cash generated from/(used by) operations		11,848	(4,683)
Cash paid for settlement of derivative instruments		(288)	(879)
Defined benefit pension scheme cash contributions	24	(4,270)	(4,496)
Tax refunded/(paid)		1,084	(397)
Net cash generated from/(used by) operating activities		8,374	(10,455)
Investing activities			
Interest received	8	100	9
Proceeds on disposal of intangible licences	6	–	10,745
Proceeds on disposal of property, plant and equipment		–	300
Proceeds on sale of operations	11	–	10,899
Purchases of property, plant and equipment	16	(644)	(642)
Purchases of other intangible assets	15	(4,178)	(457)
Net cash (used by)/generated from investing activities		(4,722)	20,854
Financing activities			
Dividends unclaimed		–	40
Drawdown of borrowings	25	8,000	30,167
Repayment of borrowings	25	(6,000)	(24,167)
Borrowing facilities arrangement and commitment fees		(1,040)	(1,716)
Interest and other finance costs paid	9	(5,585)	(4,955)
Payment of leasing liabilities – capital element		(3,058)	(3,179)
Payment of leasing liabilities – interest element	9	(315)	(331)
Net cash used by financing activities		(7,998)	(4,141)
Net (decrease)/increase in cash and cash equivalents		(4,346)	6,258
Cash and cash equivalents at the beginning of the year		8,062	1,911
Effect of foreign exchange rate changes		155	(107)
Cash and cash equivalents at the end of the year		3,871	8,062
Cash at bank		8,196	8,062
Bank overdraft		(4,325)	–
Cash and cash equivalents at the end of the year		3,871	8,062

1 2023 is restated to present the results of RM Consortium within discontinued operations as set out in Note 11.

The notes on pages 143 to 192 form an integral part of these Financial Statements.

Company balance sheet

	Note	At 30 November 2024 £000	At 30 November 2023 £000
Non-current assets			
Investments	18	55,397	57,952
Deferred tax assets	10	5,168	–
		60,565	57,952
Current assets			
Trade and other receivables	20	111	267
		111	267
Total assets		60,676	58,219
Current liabilities			
Trade and other payables	22	(38,369)	(31,127)
		(38,369)	(31,127)
Net current liabilities		(38,258)	(30,860)
Non-current liabilities			
Borrowings	25	(55,524)	(53,651)
		(55,524)	(53,651)
Total liabilities		(93,893)	(84,778)
Net liabilities		(33,217)	(26,559)
Equity attributable to shareholders			
Share capital	26	1,917	1,917
Share premium account		27,080	27,080
Own shares	27	(444)	(444)
Capital redemption reserve		94	94
Retained earnings		(61,864)	(55,206)
Total equity		(33,217)	(26,559)

The notes on pages 143 to 192 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. The loss for the year was £7,302,000 (2023: £86,136,000 loss) and includes an impairment charge of £3,199,000 (2023: £68,153,000) in respect of the Company's investment in RM Educational Resources Limited (see Note 18) and an impairment charge of £276,000 (2023: £7,810,000) in respect of an amount owed by a Group undertaking (see Note 20).

These Financial Statements of RM plc, registered number 01749877, were approved and authorised for issue by the Board of Directors on 17 March 2025.

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 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 payments	28	–	–	–	–	(364)	(364)
Unclaimed dividends		–	–	–	–	40	40
At 30 November 2023		1,917	27,080	(444)	94	(55,206)	(26,559)
Loss for the year		**–**	**–**	**–**	**–**	**(7,302)**	**(7,302)**
Total comprehensive expense		**–**	**–**	**–**	**–**	**(7,302)**	**(7,302)**
Transactions with owners of the Company							
Share-based payments	28	**–**	**–**	**–**	**–**	**644**	**644**
At 30 November 2024		**1,917**	**27,080**	**(444)**	**94**	**(61,864)**	**(33,217)**

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

The notes on pages 143 to 192 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 are presented in the Strategic Report and the Directors' Report. The registered address is: 142B Park Drive, Milton Park, Abingdon, Oxfordshire OX14 4SE.

2. Accounting policies

The accounting policies set out below 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 below and in the Going Concern section of the Strategic Report.

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 affect 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 the 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;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own Income Statement or Statement of Comprehensive Income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

New accounting standards adopted

The Group has applied the following standards and amendments for the first time for the financial year 2024:

- IFRS 17: Insurance Contracts
- Amendment 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 IAS 1: Disclosure of Accounting Policies
- Amendments to IFRS Practice Statement 2: Disclosure of Accounting Policies

None of these standards or amendments had a material impact on the financial statements of the Group.

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:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- 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
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards Volume 11
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

IFRS 18 introduces new requirements to present specified categories and defined subtotals in the Income Statement, provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation. IFRS 18 has not yet been endorsed by the UK Endorsement Board but is expected to apply for annual reporting periods beginning on or after 1 January 2027. The Directors anticipate that the application of IFRS 18 may have an impact on the Group's consolidated financial statements. The Directors do not expect that the adoption of the other standards and amendments listed above will have a material impact on the financial statements of the Group in future periods.

Notes to the financial statements continued

2. Accounting policies continued

Going concern

The Financial Statements have been prepared on a going concern basis. In reaching the conclusion that the going concern basis of accounting was appropriate the Directors made significant judgements which are set out below.

The Directors have prepared cash flow forecasts for the period to the end of March 2026 which indicate that, taking into account reasonably plausible downsides and associated mitigations 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 138, the headroom to the hard liquidity covenant within the banking agreement, and compliance with the quarterly rolling last twelve months Adjusted EBITDA ("LTM EBITDA") covenant. Exceeding the hard liquidity or LTM EBITDA covenants would constitute a material breach of the agreement and consequently the facility would be repayable on demand.

At 30 November 2024, the Group had net debt of £51.7m (30 November 2023: £45.6m) and drawn facilities of £57.0m (30 November 2023: £55.0m). Average Group net debt over the year to 30 November 2024 was £53.8m (year to 30 November 2023: £55.0m) with a maximum borrowings position of £60.7m (year to 30 November 2023: £64.8m). 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. Net current assets have reduced from £8.9m at 30 November 2023 to £0.2m at 30 November 2024, as operating cash generated by the Group has been used to invest in intangible assets for the Global Accreditation Platform, pay debt interest, and make contributions to the defined benefit pension schemes.

As set out in Note 25, the Group has a £70.0m (2023: £70.0m) committed bank facility ("the facility") at 30 November 2024. The facility is due to mature on 5 July 2026. The Directors have assessed the liquidity risk associated with the facility maturing within the Principal Risks and Uncertainties on page 42 and the Financial Viability report on pages 46 to 49, and have concluded that the uncertainties associated with refinancing are not material to the going concern assessment and therefore it remains appropriate to assess going concern over a period of 12 months to March 2026. This facility agreement provides lenders a fixed and floating charge over the shares of all obligor companies (except for RM plc), and it also reset the covenants under the facility. For going concern purposes the Board has assessed the Group's forecast performance against the following covenants:

- A quarterly LTM EBITDA (excluding discontinued operations) covenant test to the quarter ended 28 February 2026. This covenant was originally to be replaced by a quarterly EBITDA leverage test and interest cover test, which were required to be below and above 4x respectively from February 2026, but an amendment was sought and granted by the lenders as a result of forecasting to breach the interest cover element only under the base budget; 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 step down periods applying from 1 January to 21 March 2025, 1 August to 17 October 2025, and 1 January to 21 March 2026, during which the minimum liquidity requirement is reduced from £7.5m to £5.0m. These step downs were agreed with the lenders in our ordinary course of relationship management in order to manage potential downside risk, as our base budgets do not forecast a breach. This liquidity limit is the minimum amount the Group must have available under the facility, taking into account cash and the amount left to draw.

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 2024 and assumes a broadly similar macroeconomic environment to that currently being experienced.

The Group is assuming revenue growth across all businesses in the base case, driven from the following key areas:

- Growth from existing customers and new customer wins in the RM Assessment division;
- Increased revenues principally derived from hardware sales in the RM Technology division; and
- Growth from UK sales and, more significantly, 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 RM TTS division.

Operating profit margin growth in the base case includes annualised savings from restructuring programmes undertaken in the period.

Net debt is not expected to materially reduce organically within the assessment period, as the conversion of operating 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 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 includes:

- In the RM Assessment division:
  - Delay in the delivery of a large contract in FY25; and
  - Reduced success of the new repeatable offer.
- In the RM Technology division:
  - Reductions in renewal rates below the current run rate;
  - Achieving only 80% of budgeted wins in the Connectivity and Managed Service revenue streams; and
  - No growth in hardware sales.
- In the RM TTS division:
  - UK and European markets do not return to growth, and market share growth does not occur;
  - Delays in a significant new distributor arrangement; and
  - Increase in costs that cannot be passed onto customers.

The reasonable worst-case scenario has the following impact on the base-case forecast for the Group:

2. Accounting policies continued

- 2025: A revenue reduction of £24.4m, an EBITDA reduction of £9.6m and cash reduction of £9.1m.
- 2026: A revenue reduction of £25.6m, an EBITDA reduction of £9.4m and cash reduction of £9.5m.

While the Board believes that all reasonably plausible downsides occurring together is highly unlikely, the Group would continue to comply with covenants under the facility until the quarter ended August 2025, when the hard liquidity covenant would be breached, and November 2025, when the EBITDA covenant would be breached. The Board's assessment of the likelihood of a further downside scenario is remote. Management have undertaken reverse stress testing that demonstrates that sales could reduce in TTS by £13.3m (38%) or Technology by £17.4m (67%) in the second quarter of the year ended 30 November 2025 in isolation, and the covenants would still be complied with for that quarter if none of the other downside scenarios were to occur. The timing of this reverse stress test is aligned with the greatest seasonality for those businesses and tightest headroom.

The Board has also considered a number of mitigating actions which could be enacted, if necessary, to ensure that reasonable headroom against the facility and associated covenants is maintained in all cases. These mitigating actions include not paying discretionary bonuses, reducing other discretionary spend, selling surplus IP addresses, and management of payables and receivables. These are actions the Group has taken before and therefore the Board is confident of their ability to deliver these mitigating actions if required. Further actions could also include reduction of capital expenditure and delaying recruitment, which could impact the longer-term speed at which the Group returns to its forecast financial position. Modelling indicates that the enactment of these mitigations against the reasonable worst-case downside scenario would avoid a breach of either covenant during 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.

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:

- Divisional contribution
- Divisional contribution margin
- Adjusted profit from operations
- Adjusted operating margin
- Adjusted profit before tax
- Adjusted tax
- Adjusted profit after tax
- Adjusted basic earnings per share
- Adjusted diluted earnings per share
- Adjusted cash conversion
- Adjusted EBITDA
- Adjusted net debt

Further explanation of what each APM comprises and reconciliations between statutory reported measures and adjusted measures are shown in Note 6. Divisional contribution is explained in Note 4.

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 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.

Intercompany 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

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.

Notes to the financial statements continued

2. Accounting policies continued

Discontinued operations

When the Group has disposed of, has classified as held for sale, or has abandoned a business component that represents a separate major line of business or geographical area of operations, it classifies such operations as discontinued operations. The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the Income Statement, separate from the other results of the Group. The Income Statement for the comparative periods is restated to show the discontinued operations separate from the continuing operations.

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 IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

RM TTS 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 judgements 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 judgements that determine 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 the transaction price 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 timing of revenue recognition based on the implied start date of new and renewed contracts; and
- The estimation of a standalone selling price using the expected cost plus a margin approach.

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 critical accounting judgements below.

Basis of revenue recognition

Revenue is recognised either when the performance obligation in the contract has been performed (either 'point-in-time' recognition or 'over time' as control of the performance obligation is transferred to the customer). For all contracts, the Group determines if the arrangement with a customer creates enforceable rights and obligations.

For contracts with multiple components to be delivered, management applies judgement to consider whether these promised goods or services are; (i) distinct – to be accounted for as separate performance obligations; (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or (iii) part of a series of goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the performance obligation is satisfied over time. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent it is highly probable that no revenue reversal will occur. The transaction price does not include estimates of consideration resulting from change orders for additional goods and services until these are agreed.

The Group have elected to use the practical expedient in paragraph 63 of IFRS 15 (about the existence of a significant financing component), when determining the transaction price for the International Baccalaureate AOS contract.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when those performance obligations are satisfied. In the RM Assessment division the Group may sell customer bespoke solutions, and in these cases the Group typically uses the expected cost plus a margin approach 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. Performance obligations may also take the form of the delivery of bespoke software or bespoke software as a service.

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.

2. Accounting policies continued

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 goods 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 may recognise 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 an 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 judgement 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 TTS divisions 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 provision of curriculum and educational resources for schools and nurseries, provision of IT hardware goods and installation of IT hardware goods.

Revenue: Over-time contracts

In the RM Technology and RM Assessment divisions, the nature of contracts and performance obligations 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 can 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.

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: Licences

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 right-to-access 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 extensions to contracts. 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 costs that give rise to an asset, and costs that are expensed as incurred.

If the costs incurred are not within the scope of another standard, 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.

Notes to the financial statements continued

2. Accounting policies continued

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.

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 biannually 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 software as a service (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 periodically on an individual basis. Capitalised development costs are amortised on a straight-line basis over their useful lives, once the product is available for use. Useful lives are assessed on a project-by-project basis.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Income Statement as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

2. Accounting policies continued

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:

Brands	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 on a straight-line basis 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
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.

Financial instruments

Trade and other receivables

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 uncollectable 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 25. 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.

2. Accounting policies continued

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposure.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below. Fair value measurements are classified using a fair value hierarchy.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedging of forecast financial transactions, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged expected future cash flows affect profit or loss. When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the Income Statement immediately.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Inventories

Finished goods are valued at cost on a first in first out basis, including appropriate labour costs and other overheads. Inventories 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 to individuals at risk. 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

A right-of-use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease. Where this rate is not determinable, the Group's incremental borrowing rate is used, which is the interest rate the Group would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment with similar terms and conditions.

2. Accounting policies continued

The lease liability is subsequently measured at amortised cost increased for interest charges (using the effective interest rate method) and reduced for payments. 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.

The right-of-use asset is initially measured at cost, comprising the initial lease liability, any lease payments already made less any lease incentives received, initial direct costs, and any dilapidation or restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable.

Payments in respect of short-term leases and low-value leases are charged to the Income Statement on a straight-line basis over the lease term.

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 vest, or actually vesting as a result of the effect of non-market-based performance conditions. Share-based payment charges that 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 2024. The present value of the defined benefit obligation was measured using the projected unit method.

At 30 November 2024, all three defined benefit schemes show a surplus. Under the guidance of IFRIC 14, the Group is able to recognise a pension surplus on the balance sheet for all three schemes.

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 2024 (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 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.

Notes to the financial statements continued

2. Accounting policies continued

Current tax balances are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax is measured on an undiscounted basis, and at the tax rates that are expected to apply in the periods in which the asset or liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

The Group presents its Financial Statements in 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.

Foreign exchange differences arising on a specific intercompany loan with a foreign subsidiary are treated as finance income or finance costs in line with the underlying asset. Foreign exchange differences arising from intercompany loans that are part of a net investment in a foreign operation are recognised in other comprehensive income.

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 financial statements.

- **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 or income. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in Note 24.
- **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 (including revenue growth, margin assumptions and corporate costs allocated to the RM TTS cash-generating unit), discount rates and long-term growth rates. Changes in the assumptions could significantly affect the impairment of the RM TTS cash-generating unit and hence reported assets, profits or losses. Further dates, including a sensitivity analysis, are set out in Notes 14 and 18.

Critical accounting judgements

- **Going concern** – In concluding the going concern assessment was appropriate, the Directors have made a number of significant judgements as set out above.
- **Revenue from RM Assessment contracts** – A number of contracts were entered into or renewed in the year, which together contributed £9.2m of revenue. Judgements have been made which impact on the quantum and timing of revenue recognition. These include: 1) determining the implied start date of the contract when services commence prior to a contract being signed, this judgement being based on the point at which the company has an enforceable right to payment for goods or services provided; 2) identifying the term of the contract and specifically whether this period is reduced based on the ability of the customer to terminate without incurring a substantive cost; 3) identifying the distinct performance obligations in the contracts based on the goods and services being provided and specifically whether the customer is being granted a right to access or right to use the underlying software as well as whether programme management, integration, development, enhanced software and hosting services are distinct; 4) allocating the transaction price between performance obligations based on the customer's ability to benefit from the services provided at the inception of contract, including estimating the stand-alone selling price of each performance obligation; and 5) determining the timing of revenue recognition, specifically for contracts with multiple performance obligations and where there is a variable transaction price based on the number of exam scripts, 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.

2. Accounting policies continued

- **Revenue from RM Assessment Managed Services** – RM Assessment only sells Managed Services together with its marking solution and so there is no observable stand-alone selling price for Managed Services. Management have made a judgement that the transaction price should be allocated to the Managed Services performance obligation based on the expected cost plus a margin. The margin takes into account business margins, market demands and the nature of the customer. A change in the estimated margin may affect the revenue recognised in a particular period, although not the total revenue recognised over the life of the contract. If the estimated margin for Managed Services for each contract was increased by 5% then Group revenue for FY24 would be increased by c.£0.3m. If the estimated margin for each contract was reduced by 5% then the FY24 revenue would be reduced by less than £0.1m.
- **Revenue from RM Technology contracts** – A number of judgements are made in respect of certain contracts with RM Technology customers, contributing £27.4m in the year. 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. This is set out in Note 3.
- **International Baccalaureate AOS** – On 30 May 2024, a contract modification was signed that allowed management to revisit the performance obligations at contract inception. Management concluded that two performance obligations had been met during the year ended 30 November 2024, being integration support and access to licenced software, leading to £0.1m of revenue being recognised. A further £4.4m continues to be recognised as deferred revenue as management reached the judgement that the new contract does not enable the IB to consume the benefits of the software during the development phase. As the software developed has become increasingly bespoke as the project has progressed, an amount of £3.6m which was initially recognised as an intangible asset was transferred to contract fulfilment assets in the year. This judgement was made on the basis that the economic benefits from the asset will now be realised through fulfilment of performance obligations on this specific contract with this customer, rather than through alternative uses.
- **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. The net pension surplus at 30 November 2024 of £20.5m is set out in Note 24.
- **Classification of adjusting items** – A number of judgements are made in identifying costs and income as adjusting items. 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.

3. Revenue

Revenue by reportable segment for continuing operations

Year ended 30 November 2024	RM TTS Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Total £000
Supply of products	72,440	12,740	–	–	85,180
Rendering services	–	8,199	22,873	37,308	68,380
Licences	–	5,635	4,548	2,400	12,583
	72,440	26,574	27,421	39,708	166,143

Year ended 30 November 2023 (restated[1])	RM TTS Transactional £000	RM Technology Transactional £000	RM Technology Over Time £000	RM Assessment Over Time £000	Total £000
Supply of products	75,884	18,209	–	–	94,093
Rendering services	–	4,564	25,012	41,673	71,249
Licences	–	3,731	6,147	666	10,544
	75,884	26,504	31,159	42,339	175,886

1 2023 is restated to present the results of RM Consortium within discontinued operations as set out in Note 11.

Revenue for RM Consortium is shown in Note 11 Discontinued operations.

Each contract is analysed separately to identify the performance obligations and judgements made as to whether, for example, goods and services should be combined. For some contracts, judgement is also required to allocate the transaction price to each performance obligation based on the stand-alone selling price or, for licences, the residual amount. Judgements include determination of performance obligations and allocation of the transaction price to performance obligations. Within RM Assessment scanning and indexing revenues of £6.8m (2023: £5.8m) 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. This was a key source of estimation uncertainty in 2023. The revenue recognised in 2024 is not, however, materially sensitive to these assumptions due to the timing of contract start and end dates. The sensitivity analysis related to future script volumes shows that if UK and international exams increased by 5% against assumed volumes from 2025 onwards, then revenue in 2024 would be increased by c.£0.1m (2023: 5% against assumed volumes from 2024 onwards, then revenue in 2023 would be increased by c.£0.4m).

The table below shows the time bands of the expected timing of revenue to be recognised on over-time contracts at 30 November 2024.

Year ended 30 November 2024	RM Technology Over Time £000	RM Assessment Over Time £000	Total Over Time £000
< 1 year	3,842	30,935	34,777
1-2 years	–	26,757	26,757
2-5 years	–	23,863	23,863
> 5 years	–	14,147	14,147
Total	3,842	95,702	99,544

3. Revenue continued

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
Total	8,122	40,754	48,876

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 modifications. 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 Officer is the Chief Operating Decision Maker. Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segmental performance is by division.

The Group was structured into four operating divisions: RM TTS, RM Assessment, RM Technology and RM Consortium. RM Consortium has been classified as discontinued operations in 2024 and therefore ceases to be a reportable segment. The 2023 comparatives have been restated.

The Chief Operating Decision Maker reviews segments at an adjusted operating profit level. Adjustments are not allocated to segments. 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.

The segmental analysis below shows the result and assets by division. 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.

Segment results from continuing operations

Year ended 30 November 2024	RM TTS[1] £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	53,691	21,787	53,870	–	129,348
Europe	11,086	10,957	82	–	22,125
North America	2,653	11	43	–	2,707
Asia	865	1,303	–	–	2,168
Middle East	3,047	250	–	–	3,297
Rest of the world	1,098	5,400	–	–	6,498
	72,440	39,708	53,995	–	166,143
Divisional contribution	8,865	14,436	9,526	(24,232)	8,595
Corporate cost allocation	(3,509)	(7,492)	(5,976)	16,977	–
Adjusted profit/(loss) from operations	5,356	6,944	3,550	(7,255)	8,595
Finance income					851
Finance costs					(7,007)
Adjusted profit before tax					2,439
Adjustments (see Note 6)					(14,556)
Loss before tax					(12,117)

1 Included in UK are international sales via UK distributors of £0.9m.

4. Operating segments continued

Year ended 30 November 2023 (restated[1])	RM TTS[2] £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	52,229	24,756	57,545	–	134,530
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	42,339	57,663	–	175,886
Divisional contribution	8,812	14,869	8,294	(22,655)	9,320
Corporate cost allocation	(2,863)	(4,617)	(7,545)	15,025	–
Adjusted profit/(loss) from operations	5,949	10,252	749	(7,630)	9,320
Finance income					1,105
Finance costs					(6,585)
Adjusted profit before tax					3,840
Adjustments (see Note 6)					8,538
Profit before tax					12,378

1 2023 is restated to present the results of RM Consortium within discontinued operations as set out in Note 11.
2 Included in UK are international sales via UK distributors of £0.8m.

Segmental assets

At 30 November 2024	RM TTS £000	RM Assessment £000	RM Technology £000	Corporate Services £000	RM Consortium (discontinued in 2024) £000	Total £000
Segmental	**40,328**	**20,985**	**8,783**	**30,885**	**–**	**100,981**
Other						**37,520**
Total assets						**138,501**

At 30 November 2023	RM TTS £000	RM Assessment £000	RM Technology £000	Corporate Services £000	RM Consortium (discontinued in 2024) £000	Total £000
Segmental	28,286	15,067	16,158	39,617	17,353	116,481
Other						23,283
Total assets						139,764

Included within the disclosed segmental assets are non-current assets (excluding defined benefit pension surplus and deferred tax assets) of £54.9m (2023: £61.7m) located in the United Kingdom, £5.2m (2023: £5.8m) located in Australia and £1.0m (2023: £1.0m) located in India. Other non-segmented assets include defined benefit pension surplus, tax assets, and cash and short-term deposits. Goodwill is included within the Corporate Services segment.

5. Profit/(loss) from operations

Operating expenses of continuing operations comprise:

	Note	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Operating expenses		63,426	58,018
Reversal of expected credit loss		(98)	(840)
Impairment losses	6	9,286	–
		72,614	57,178
Analysed by function:			
Selling and distribution costs		19,965	17,637
Research and development costs		3,075	3,954
Administrative expenses		35,018	33,340
Adjusted operating expenses		58,058	54,931
Adjustments to administrative expenses	6	14,556	2,247
Total operating expenses		72,614	57,178

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

	Note	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Impairment of goodwill – charged in operating expenses	14	9,286	–
Impairment of goodwill – discontinued operations		–	10,575
Impairment of other intangible assets – discontinued operations	15	–	17,789
Impairment of property, plant and equipment – charged in operating expenses	16	186	–
Impairment of property, plant and equipment – discontinued operations		–	5,881
Impairment of right-of-use assets – charged in operating expenses	17	638	–
Amortisation of other intangible assets – charged in cost of sales	15	21	–
Amortisation of other intangible assets – charged in operating expenses	15	422	2,686
Depreciation of property, plant and equipment – charged in cost of sales	16	649	616
Depreciation of property, plant and equipment – charged in operating expenses	16	1,056	1,478
Depreciation of property, plant and equipment – discontinued operations		–	354
Depreciation of right-of-use assets – charged in operating expenses	17	2,708	2,611
Depreciation of right-of-use assets – charged in discontinued operations	17	331	624
For continuing operations			
Loss/(gain) on disposal of property, plant and equipment		72	(265)
Cost of inventories recognised as expense		54,419	59,046
Staff costs	7	63,617	60,755
Short-term and low-value lease expense		35	35
Foreign exchange loss		612	650
Inventory write-offs		261	267
(Decrease)/increase in inventory obsolescence write-down		(44)	106

Notes to the financial statements continued

5. Profit/(loss) from operations continued

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
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	886	1,272
Other fees payable to the Company's Auditor:		
– other services[1]	10	1,030
	956	2,362

1 Fees for other services in 2024 comprised a review of compliance with the banking facility covenants, and in 2023 comprised reporting accountant fees paid to the Company's Auditor in connection with the Group's sale of the RM Integris and RM Finance.

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 uses as the primary measures of performance measurement during the year.

Adjustments

Adjustments are items that are identified by virtue of their size, nature and incidence 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) impairments, restructuring costs, acquisition and disposal costs, the gain/loss on sales of assets and related transaction costs, and the gain/loss on sale of operations.

		Year ended 30 November 2024			Year ended 30 November 2023		
		Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
Adjustments to administrative expenses							
Amortisation of acquisition-related intangible assets	(a)	(369)	–	(369)	(484)	(1,207)	(1,691)
Impairment of RM TTS goodwill	(b)	(9,286)	–	(9,286)	–	–	–
Impairment reversal/(impairment) of RM Consortium assets	(c)	–	505	505	–	(38,949)	(38,949)
Restructuring costs	(d)	(4,591)	–	(4,591)	(1,290)	(1,388)	(2,678)
Independent business review related costs	(e)	(10)	–	(10)	(473)	–	(473)
Cost of GMP conversion (see Note 24)	(f)	(300)	–	(300)	–	–	–
Configuration of SaaS licences (ERP)	(g)	–	–	–	–	(3,063)	(3,063)
Total adjustments to administrative expenses		(14,556)	505	(14,051)	(2,247)	(44,607)	(46,854)
Other income							
Gain on sale of IP addresses	(h)	–	–	–	10,614	–	10,614
Gain on disposal of operations	(i)	–	–	–	171	–	171
Total adjustments to other income		–	–	–	10,785	–	10,785
Total adjustments		(14,556)	505	(14,051)	8,538	(44,607)	(36,069)
Tax impact (see Note 10)		884	(126)	758	(1,926)	7,928	6,002
Total adjustments after tax		(13,672)	379	(13,293)	6,612	(36,679)	(30,067)
Gain on disposal of discontinued operations	(j)	–	–	–	–	13,444	13,444
Total adjustments after tax		(13,672)	379	(13,293)	6,612	(23,235)	(16,623)

6. Alternative performance measures continued

The following costs and income were identified as adjusted items:

(a) Amortisation of acquired intangibles is included within adjustments because it relates to historical business combinations and does not reflect the Group's ongoing trading performance. This practice is common among peer companies across the technology sector. The income generated from the use of these intangible assets is, however, part of ongoing trading performance and so is included in the adjusted profit measures.
(b) An impairment of the goodwill allocated to the RM TTS cash generating unit was recognised in 2024 (see Note 14).
(c) Following the announcement of the closure of the Consortium business and the subsequent termination of the ERP replacement programme in 2023, 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 14), £17.4m of intangible assets including all remaining Consortium brand and ERP assets (see Note 15), £5.9m of property, plant and equipment at the RM Consortium warehouse (see Note 16), £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. During 2024, due to better than expected sales, the Group wrote back £0.5m of inventory provisions previously recognised in 2023.
(d) Restructuring costs of £4.6m (2023: £2.7m) relating to the implementation of the Group's new Target Operating Model announced last year. These costs include £1.5m impairments and provisions for exited properties to the end of their leases in 2026, £1.2m redundancy costs which were all paid during the year, £1.5m of professional fee and contractor costs, and costs of £0.4m related to the consolidation of the TTS distribution centre in March 2024.
(e) Independent Business Review related costs undertaken on behalf of the lenders and pension scheme totalled £0.5m in 2023.
(f) Pension past service cost of Guaranteed Minimum Pension (GMP) conversion relating to the RM Scheme.
(g) The configuration and customisation costs relating to the ERP replacement programme incurred in the prior year, which were 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 historic warehouse strategy. These costs totalled £3.0m in 2023 based on the development work undertaken.
(h) Income generated in 2023 following the completion of the sale of IP addresses totalled £10.6m.
(i) Gain on disposal of operations in 2023 of £0.2m following the completion of the iCase business disposal.
(j) During 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, representing proceeds of £15.3m less £1.9m of costs associated with the disposal.

Adjusted profit measures

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.

The above adjustments have the following impact on key metrics:

	Year ended 30 November 2024			Year ended 30 November 2023 (restated[1])		
	Statutory measure £000	Adjustment £000	Adjusted measure £000	Statutory measure £000	Adjustment £000	Adjusted measure £000
Revenue	166,143	–	166,143	175,886	–	175,886
Profit/(loss) from operations	(5,961)	(14,556)	8,595	7,073	(2,247)	9,320
Operating margin (%)	(4)%		5%	4%		5%
(Loss)/profit before tax	(12,117)	(14,556)	2,439	12,378	8,538	3,840
Tax	8,250	884	7,366	(9,824)	(1,926)	(7,898)
(Loss)/profit after tax	(3,867)	(13,672)	9,805	2,554	6,612	(4,058)
(Loss)/profit from operations	(5,961)	(14,556)	8,595	7,073	(2,247)	9,320
Amortisation and impairment of intangible assets	9,729	9,655	74	2,686	1,691	995
Depreciation and impairment of property, plant and equipment	5,237	824	4,413	4,704	–	4,704
EBITDA	9,005	(4,077)	13,082	14,463	(556)	15,019
Earnings per share from continuing operations (see Note 12)						
Basic (Pence)	(4.6)		11.8	3.1		(4.9)
Diluted (Pence)	(4.6)		11.7	3.1		(4.9)

1 2023 is restated to present the results of RM Consortium within discontinued operations as set out in Note 11.

The impact of tax is set out in Note 10.

6. Alternative performance measures continued

Cash conversion (adjusted)

Cash conversion (adjusted) is defined as adjusted cash flow from operating activities divided by adjusted operating profit.

	Year ended 30 November 2024			Year ended 30 November 2023		
	Statutory Measure £000	Adjustment £000	Adjusted measure £000	Statutory Measure £000	Adjustment £000	Adjusted measure £000
Net cash generated from/(used by) operating activities	8,374	(5,242)	13,616	(10,455)	(5,107)	(5,348)
(Loss)/profit from operations	(5,961)	(14,556)	8,595	7,073	(2,247)	9,320
Cash conversion	(140)%		158%	(148)%		(57)%

Adjusted net debt

Adjusted net debt is the total of borrowings less capitalised fees, cash and cash equivalents and overdrafts. Lease liabilities of £15.0m (2023: £16.5m) 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.

	Note	2024 £000	2023 £000
Bank loan		57,000	55,000
Less capitalised fees		(1,476)	(1,349)
Borrowings	25	55,524	53,651
Add: bank overdraft		4,325	–
Less: cash and cash equivalents		(8,196)	(8,062)
Adjusted net debt		51,653	45,589

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 2024 Number	Year ended 30 November 2023 Number
Research and development, products and services	1,189	1,321
Marketing and sales	192	232
Corporate Services	263	278
	1,644	1,831

Aggregate emoluments of persons employed by the Group comprised:

	Year ended 30 November 2024			Year ended 30 November 2023		
	Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
Wages and salaries	55,228	588	55,816	54,148	5,015	59,163
Termination costs	1,094	–	1,094	1,307	1,388	2,695
Social security costs	4,610	–	4,610	3,771	349	4,120
Other pension costs	2,041	–	2,041	1,893	175	2,068
Share-based payments expense/(credit) (Note 28)	644	–	644	(364)	–	(364)
	63,617	588	64,205	60,755	6,927	67,682

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

The Company had no employees during the year (2023: 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 2024 £000	Year ended 30 November 2023 £000
Bank interest		18	9
Other finance income		86	5
Total income from financial assets measured at amortised cost		104	14
Net investment income on defined benefit pension schemes	24	747	1,091
		851	1,105

9. Finance costs

	Note	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Borrowing facilities arrangement fees and commitment fees		1,209	491
Unwinding of discount on provisions	23	78	89
Foreign exchange losses		187	441
Interest on lease liabilities		315	330
Interest on bank loans and overdrafts		5,218	5,234
		7,007	6,585

10. Tax

Analysis of tax (credit)/charge in the Consolidated Income Statement

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Current taxation		
UK corporation tax	71	296
Adjustment in respect of prior years	58	796
Foreign tax	487	479
Total current tax charge	616	1,571
Deferred taxation		
Temporary differences	(9,218)	(23)
Adjustment in respect of prior years	48	527
Overseas tax	14	(5)
Total deferred tax (credit)/charge	(9,156)	499
Total Consolidated Income Statement tax (credit)/charge	(8,540)	2,070
Included in continuing operations	(8,250)	9,874
Included in discontinued operations	(290)	(7,754)
	(8,540)	2,070

The tax impact of a transaction or item can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group uses in-house and external professional advisors, where appropriate, to assess uncertain tax positions. The most significant judgement concerns transactions with non-UK entities. The Group recognises an uncertain tax provision when it is considered probable that there will be a future outflow of funds to a tax authority.

Notes to the financial statements continued

10. Tax continued

Analysis of tax charge/(credit) in the Consolidated Statement of Comprehensive Income

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Deferred tax		
Defined benefit pension scheme movements	848	(2,790)
Total Consolidated Statement of Comprehensive Income tax charge/(credit)	848	(2,790)

Analysis of tax credit in the Consolidated Statement of Changes in Equity

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Deferred tax		
Share-based payments	(1)	(11)
Total Consolidated Statement of Changes in Equity tax credit	(1)	(11)

Reconciliation of Consolidated Income Statement tax (credit)/charge

Year ended 30 November 2024

	Continuing operations			Discontinued operations			Total
	Adjusted £000	Adjustment £000	Total £000	Adjusted £000	Adjustment £000	Total £000	£000
Loss on ordinary activities before tax	2,439	(14,556)	(12,117)	(1,665)	505	(1,160)	(13,277)
Tax at 25% thereon:	610	(3,640)	(3,030)	(416)	126	(290)	(3,320)
Effects of:							
– Expenses not deductible for tax purposes	323	2,714	3,037	–	–	–	3,037
– Non-taxable income	(4)	–	(4)	–	–	–	(4)
– Other temporary timing differences: UK	(146)	(6)	(152)	–	–	–	(152)
– Other temporary timing differences: overseas	564	58	622	–	–	–	622
– Effect of (profits)/losses in various overseas tax jurisdictions	(59)	(10)	(69)	–	–	–	(69)
– Previously unrecognised deferred tax now recognised	(9,032)	–	(9,032)	–	–	–	(9,032)
– Prior period adjustments: UK	176	–	176	–	–	–	176
– Prior period adjustments: overseas	(60)	–	(60)	–	–	–	(60)
– Other	262	–	262	–	–	–	262
Tax (credit)/charge in the Consolidated Income Statement	(7,366)	(884)	(8,250)	(416)	126	(290)	(8,540)

10. Tax continued

The tax impact on the adjustments set out in Note 6 is as follows:

	Continuing operations		Discontinued operations	
	Charge £000	Tax credit £000	Income £000	Tax charge £000
Amortisation of acquisition-related intangible assets	(369)	(92)	–	–
Impairment of RM TTS goodwill	(9,286)	–	–	–
Impairment reversal of RM Consortium assets	–	–	505	126
Restructuring costs	(4,591)	(715)	–	–
Independent business review related costs	(10)	(2)	–	–
Cost of GMP conversion	(300)	(75)	–	–
	(14,556)	(884)	505	126

Year ended 30 November 2023

	Continuing operations			Discontinued operations			Total
	Adjusted £000	Adjustment £000	Total £000	Adjusted £000	Adjustment £000	Total £000	£000
Loss on ordinary activities before tax[1]	3,840	8,538	12,378	(8,249)	(31,163)	(39,412)	(27,034)
Tax at 23.01% thereon:	884	1,965	2,849	(1,899)	(7,171)	(9,070)	(6,221)
Effects of:							
– Change in tax rate on carried forward deferred tax assets	267	–	267	–	–	–	267
– Expenses not deductible for tax purposes	207	12	219	–	2,433	2,433	2,652
– Non-taxable income	(42)	–	(42)	–	(3,094)	(3,094)	(3,136)
– Other temporary timing differences: UK	424	–	424	2,073	(96)	1,977	2,401
– Other temporary timing differences: overseas	1,138	(51)	1,087	–	–	–	1,087
– Effect of (profits)/losses in various overseas tax jurisdictions	(324)	–	(324)	–	–	–	(324)
– Previously recognised deferred tax now unrecognised	3,857	–	3,857	–	–	–	3,857
– Prior period adjustments: UK	1,259	–	1,259	–	–	–	1,259
– Prior period adjustments: overseas	64	–	64	–	–	–	64
– Other	164	–	164	–	–	–	164
Tax charge/(credit) in the Consolidated Income Statement	7,898	1,926	9,824	174	(7,928)	(7,754)	2,070

10. Tax continued

The tax impact on the adjustments set out in Note 6 is as follows:

	Continuing operations		Discontinued operations	
	Charge/ (income) £000	Tax £000	Charge/ (income) £000	Tax £000
Amortisation of acquisition-related intangible assets	(484)	(111)	(1,207)	(278)
Impairment of RM Consortium assets	–	–	(38,949)	(6,625)
Restructuring costs	(1,290)	(296)	(1,388)	(319)
Independent business review related costs	(473)	(109)	–	–
Configuration of SaaS licences (ERP)	–	–	(3,063)	(706)
Gain on sale of IP addresses	10,614	2,442	–	–
Gain on disposal of operations	171	–	13,444	–
	8,538	1,926	(31,163)	(7,928)

Deferred tax

The Group has recognised deferred tax assets as these are anticipated to be realised in future periods based on profit forecasts. The deferred tax asset recognised at 30 November 2023 related to the Group's Indian subsidiary, which consistently generates taxable profit.

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 2022	(791)	(5,651)	59	502	7,149	(3,400)	(2,132)
Credit/(charge) to income	1,400	(97)	16	(336)	(4,415)	2,933	(499)
Credit 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
Credit/(charge) to income	10	(1,196)	62	(63)	10,224	119	9,156
Charge to other comprehensive income	–	(848)	–	–	–	–	(848)
Credit to equity	–	–	1	–	–	–	1
At 30 November 2024	**619**	**(5,002)**	**149**	**103**	**12,958**	**(348)**	**8,479**

Analysed on the balance sheet as:

	2024 £000	2023 £000
Deferred tax assets	8,479	170
Deferred tax liabilities	–	–
At 30 November	**8,479**	170

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 2022	–	–	–	–	1,576	-	1,576
Charge to income	–	–	–	–	(1,576)	–	(1,576)
At 30 November 2023	–	–	–	–	–	–	–
Charge to income	–	–	–	–	5,168	–	5,168
At 30 November 2024	**–**	**–**	**–**	**–**	**5,168**	**–**	**5,168**

All deferred tax assets and liabilities have been offset above.

10. Tax continued

The UK companies operate a group relief payment policy which provides for the receipt of a tax credit/(charge) for losses surrendered/(claimed) between UK Group companies. A deferred tax asset has been recognised by the Company, based on the group relief payment policy and also the budgets and forecasts.

Both the Group and Company deferred tax assets have been classified as long term assets. The deferred tax assets which primarily relate to UK losses do not expire and in assessing the recognition position of these losses, the Group expects to fully utilise the trade losses beyond the three year forecast period.

The Group has recognised deferred tax assets in jurisdictions where these are expected to be recoverable against profits in future periods, based upon budgets and forecasts approved by the Board and on the basis of the Group having materially achieved its budgeted adjusted operating profit for the financial year.

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 and where the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax not recognised

No deferred tax liability is recognised on temporary differences of £481,000 (2023: £678,000) 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 £1,459,000 (2023: £10,542,000) has not been recognised due to uncertainty that the asset will be utilised in the foreseeable future. In 2023, the unrecognised deferred tax asset included amounts for the UK and Australian companies. In 2024, the UK asset is now being recognised, and the unrecognised deferred tax asset relates only to the Australian companies. The 2024 deferred tax asset is in respect of tax credits and loss carry forwards (2023: 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. Discontinued operations

On 24 November 2023, the Group announced its decision to close the RM Consortium business. By 30 November 2024, the RM Consortium business had completely ceased operations, and the results of the business are therefore presented within 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 £16.0m on a cash-free/debt-free basis of which £12.0m was received on completion subject to a £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 following the sale.

Results of discontinued operations

Year ended 30 November 2024	RM Consortium £000	Total £000
Revenue	996	996
Cost of sales	(1,212)	(1,212)
Gross loss	(216)	(216)
Operating expenses	(1,449)	(1,449)
Impairment write-backs	505	505
Loss before tax	(1,160)	(1,160)
Tax	290	290
Loss for the year from discontinued operations[1]	**(870)**	**(870)**

1 Attributable to owners of the parent company.

11. Discontinued operations continued

Year ended 30 November 2023	RM Integris and RM Finance £000	RM Consortium £000	Total £000
Revenue	2,410	19,300	21,710
Cost of sales	(988)	(17,468)	(18,456)
Gross profit	1,422	1,832	3,254
Operating expenses	(662)	(10,841)	(11,503)
Impairment losses	–	(44,607)	(44,607)
Profit/(loss) before tax	760	(53,616)	(52,856)
Tax	(175)	7,929	7,754
Profit/(loss) for the year from discontinued operations	585	(45,687)	(45,102)
Gain on disposal of discontinued operations before taxation	15,330	–	15,330
Costs associated with the disposal	(1,886)	–	(1,886)
Net gain on disposal of discontinued operations	13,444	–	13,444
Net profit/(loss) for the year from discontinued operations[1]	14,029	(45,687)	(31,658)

2 Attributable to owners of the parent company.

Gain on disposal of discontinued operations

The net gain on disposal of discontinued operations in FY23 is analysed as follows:

Year ended 30 November 2023	RM Integris and RM Finance £000	RM Consortium £000	Total £000
Net cash proceeds	12,672	–	12,672
Add: net liabilities disposed	2,658	–	2,658
Less: costs associated with the disposal	(1,886)	–	(1,886)
Net gain on disposal of discontinued operations	13,444	–	13,444

Cash flows from discontinued operations

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Net cash used in operating activities	(419)	(4,959)
Net cash generated from investing activities	–	–
Net cash used in financing activities	–	–
	(419)	(4,959)

As the sale of the RM Integris and RM Finance businesses to Schools Educational Software Limited was an asset sale, cash and corporation tax balances related to the business were retained within the Group. Cash proceeds from the sale are excluded from the disclosure above. Included in the sale agreement were Group-owned intellectual properties and the related assets. These assets were fully amortised and depreciated.

12. Earnings per share

	Year ended 30 November 2024 Number '000	Year ended 30 November 2023 Number '000
Number of shares in issue (weighted average)	83,256	83,256
Potentially dilutive shares (weighted average)	213	343
Diluted number of shares (weighted average)	83,469	83,599

12. Earnings per share continued

	Year ended 30 November 2024			Year ended 30 November 2023		
	Adjusted £000	Adjustments £000	Total £000	Adjusted £000	Adjustments £000	Total £000
Profit for the year						
Continuing operations	9,805	(13,672)	(3,867)	(4,058)	6,612	2,554
Discontinued operations	(1,249)	379	(870)	(8,423)	(23,235)	(31,658)
Total	8,556	(13,293)	(4,737)	(12,481)	(16,623)	(29,104)

	Adjusted Pence	Total Pence	Adjusted Pence	Total Pence
Basic earnings per share				
Continuing operations	11.8	(4.6)	(4.9)	3.1
Discontinued operations	(1.5)	(1.1)	(10.1)	(38.0)
Total	10.3	(5.7)	(15.0)	(34.9)
Diluted earnings per share				
Continuing operations	11.7	(4.6)	(4.9)	3.1
Discontinued operations	(1.5)	(1.1)	(10.1)	(38.0)
Total	10.2	(5.7)	(15.0)	(34.9)

13. Dividends

No dividends were paid in either the year ended 30 November 2024 or the year ended 30 November 2023. The Directors do not propose a final dividend for the year ended 30 November 2024 (2023: £nil).

14. Goodwill

Group	£000
Cost	
At 1 December 2022	59,095
Foreign exchange translation	(288)
At 30 November 2023	58,807
Foreign currency translation	**(80)**
At 30 November 2024	**58,727**
Accumulated impairment	
At 1 December 2022	9,694
Impairment charge	10,575
At 30 November 2023	20,269
Impairment charge	**9,286**
At 30 November 2024	**29,555**
Carrying amount	
At 30 November 2024	**29,172**
At 30 November 2023	38,538

At 30 November 2024, the carrying amount of goodwill was allocated to two cash generating units: RM TTS and RM Assessment as set out in the table below.

	2024			2023		
Group	Year ended 30 November £000	Pre-tax discount rate %	Headroom/ (impairment) £000	Year ended 30 November £000	Pre-tax discount rate %	Headroom £000
RM TTS	22,347	14.6%	(9,286)	31,633	14.2%	811
RM Assessment	6,825	14.5%	112,219	6,905	14.2%	54,138

Notes to the financial statements continued

14. Goodwill continued

Further information pertaining to the performance and future strategy of the divisions can be found within the Strategic Report. The recoverable amounts of the cash-generating units (CGUs) are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the cash flows, the discount rates and the growth rates.

The Group 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 that align to market growth and inflation expectations.

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 58 to 60 of this report, the cashflow forecasts used for impairment calculations incorporate the medium to long-term impact of climate change.

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 2024

The table below shows key assumptions used in the value-in-use calculations for the year ended 30 November 2024:

	RM TTS	RM Assessment
Pre-tax discount rate	14.6%	14.5%
Long-term growth rate	2.2%	2.2%

The assumptions underlying the cash flow forecasts used in the value in use calculations are consistent with those used in the going concern base case scenario set out in Note 2.

RM TTS

The cashflow forecasts have been risk adjusted, discounted for the first three years and extrapolated based on terminal rates that align to market growth and inflation expectations.

The cash flows, long-term growth rates and pre-tax discount rates represent key sources of estimation uncertainty. The FY25 cash flow assumption used in the impairment model is £3.8m, which includes an allocation of £4.5m central costs.

An additional £1.0m impairment would be recorded if the forecast cash flows reduced by £0.1m per year, the long-term growth rate fell to 1.8%, or the pre-tax discount rate increased to 15.0%.

If the cash flows 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, then a further charge impairing the carrying value of the CGU of £38.2m would be required to be recorded. The additional impairment charge in a mitigated reasonable worst-case scenario would be £33.3m. This would result in the write-off of goodwill and a partial impairment of the other assets of the CGU.

The impairment in the year has arisen as a result of reductions in estimated future cashflows caused by increasing uncertainty in UK and international schools budgets, together with economic movements driving higher discount rates and lower long term growth rates.

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 2023

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. Consequently, goodwill of £10,575,000 was allocated to RM Consortium and the remaining goodwill of £31,633,000 was allocated to RM TTS.

Management performed an impairment review which resulted in the goodwill allocated to RM Consortium being fully impaired.

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 cash flow assumption used in the impairment model is £6.0m. A reduction of 1.6% would erode headroom.

15. Other intangible assets

	Customer relationships £000	Brands £000	Intellectual property and database assets £000	Website platform £000	Other software assets £000	Total £000
Cost						
At 1 December 2022	2,352	18,066	3,041	1,324	17,833	42,616
Additions	–	–	–	–	457	457
Transfers between categories	–	144	(144)	–	(90)	(90)
Foreign currency translation	(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
Additions	**–**	**–**	**–**	**–**	**4,992**	**4,992**
Transfers from contract assets (Note 21)	**–**	**–**	**–**	**–**	**952**	**952**
Transfers to contract assets (Note 21)	**–**	**–**	**–**	**–**	**(3,882)**	**(3,882)**
Foreign currency translation	**(13)**	**–**	**(52)**	**–**	**(1)**	**(66)**
Disposals	**(410)**	**(18,210)**	**–**	**–**	**(8,458)**	**(27,078)**
At 30 November 2024	**1,068**	**–**	**2,484**	**–**	**11,658**	**15,210**
Accumulated depreciation and impairment						
At 1 December 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 currency translation	(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
Charge for the year	**118**	**–**	**251**	**–**	**74**	**443**
Foreign currency translation	**10**	**–**	**(52)**	**–**	**1**	**(41)**
Disposals	**(410)**	**(18,210)**	**–**	**–**	**(8,458)**	**(27,078)**
At 30 November 2024	**1,068**	**–**	**1,328**	**–**	**5,996**	**8,392**
Carrying amount						
At 30 November 2024	**–**	**–**	**1,156**	**–**	**5,662**	**6,818**
At 30 November 2023	141	–	1,407	–	3,676	5,224

The total amortisation in the year from internally generated intangibles amounts to £0.1m (2023: £1.0m).

Substantially all of the carrying value of other software assets relates to the Global Accreditation Platform which is under construction and therefore has not begun amortisation.

In 2023, 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.

Notes to the financial statements continued

16. Property, plant and equipment

Group	Short leasehold improvements £000	Plant, equipment and fixtures £000	Computer equipment £000	Vehicles £000	Total £000
Cost					
At 1 December 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 currency translation	(45)	(47)	(105)	(8)	(205)
Disposals	(130)	(84)	(64)	(83)	(361)
At 30 November 2023	11,377	13,279	9,347	91	34,094
Additions	**246**	**365**	**334**	**–**	**945**
Foreign currency translation	**(8)**	**(9)**	**(26)**	**(1)**	**(44)**
Disposals	**–**	**(72)**	**(95)**	**(18)**	**(185)**
At 30 November 2024	**11,615**	**13,563**	**9,560**	**72**	**34,810**
Accumulated depreciation					
At 1 December 2022	4,360	5,310	8,181	134	17,985
Charge for the year	665	1,348	428	7	2,448
Impairment charge	501	5,380	–	–	5,881
Transfers between categories	2	(74)	79	(3)	4
Foreign currency translation	(45)	(44)	(82)	(6)	(177)
Disposals	(130)	(83)	(64)	(41)	(318)
At 30 November 2023	5,353	11,837	8,542	91	25,823
Charge for the year	**663**	**649**	**393**	**–**	**1,705**
Impairment charge	**58**	**128**	**–**	**–**	**186**
Foreign currency translation	**(8)**	**(9)**	**(22)**	**(1)**	**(40)**
Disposals	**–**	**(52)**	**(43)**	**(18)**	**(113)**
At 30 November 2024	**6,066**	**12,553**	**8,870**	**72**	**27,561**
Carrying amount					
At 30 November 2024	**5,549**	**1,010**	**690**	**–**	**7,249**
At 30 November 2023	6,024	1,442	805	–	8,271

In 2023, 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.

17. Right-of-use assets and leases

Group	Land and buildings £000	Plant and equipment £000	Vehicles £000	Total £000
Cost				
At 1 December 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
Remeasurements	**969**	**447**	**–**	**1,416**
Disposals	**(2,151)**	**–**	**(117)**	**(2,268)**
At 30 November 2024	**20,247**	**2,509**	**34**	**22,790**
Accumulated depreciation and impairment				
At 1 December 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
Charge for the year	**2,410**	**624**	**5**	**3,039**
Impairment charge	**638**	**–**	**–**	**638**
Disposals	**(2,151)**	**–**	**(117)**	**(2,268)**
At 30 November 2024	**8,921**	**1,822**	**33**	**10,776**
Carrying amount				
At 30 November 2024	**11,326**	**687**	**1**	**12,014**
At 30 November 2023	13,405	864	6	14,275

The most significant right-of-use asset is the Harrier Park warehouse which has a cost of £13.6m and a net book value at 30 November 2024 of £10.0m (2023: £10.7m). The warehouse is used by RM TTS.

The lease liabilities included on the Group balance sheet are:

Group	2024 £000	2023 £000
Current	**2,152**	2,194
Non-current	**12,816**	14,297
	14,968	16,491

The Company has no leases.

The movements in the lease liability and the maturity analysis of lease liabilities are set out in Note 31 Financial risk management.

The expense relating to short-term and low-value leases is set out in Note 5 Profit/(loss) from operations.

Notes to the financial statements continued

18. Investments in subsidiary undertakings

The subsidiary undertakings of the Company at 30 November 2024 were:

Name	Principal activity	Country of incorporation	Class of share	% Held
RM Education Limited	Software, services and systems	England	Ordinary	100%
RM Educational Resources Limited	Resource supply	England	Ordinary	100%
RM Education Solutions India Private 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%
RM Education Research Machines Limited	Dormant	England	Ordinary	100%
RM Education Holdings Limited	Dormant	England	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 Private Limited is registered at Unit No.8A, Carnival Techno Park Technopark, Kariyavattom, PO Trivandrum, Thiruvananthapuram, Kerala 695581, India.

RM PLC Australia Pty Limited and SoNET Systems Pty Limited are registered at 179 Queen Street, Melbourne, Victoria, VIC 3000, Australia.

The investment in subsidiary undertakings comprises:

Company	Investment in share capital £000	Capital contribution share-based payments £000	Total £000
Cost			
At 1 December 2022	112,470	14,000	126,470
Share-based payments	–	(365)	(365)
At 30 November 2023	112,470	13,635	126,105
Share-based payments	**–**	**644**	**644**
At 30 November 2024	**112,470**	**14,279**	**126,749**
Accumulated impairment			
At 1 December 2022	–	–	
Impairment charge	68,153	–	68,153
At 30 November 2023	68,153	–	68,153
Impairment charge	**1,911**	**1,288**	**3,199**
At 30 November 2024	**70,064**	**1,288**	**71,352**
Carrying value			
At 30 November 2024	**42,406**	**12,991**	**55,397**
At 30 November 2023	44,317	13,635	57,952

Following an impairment review at 30 November 2024, the Company has recognised a £3,199,000 impairment charge to fully write off the carrying value of its investment in RM Educational Resources Limited, comprising the RM TTS division and formerly the RM Consortium division (2023: charge of £68,153,000).

The remaining carrying value at 30 November 2024 entirely relates to the Company's investment in RM Education Limited (comprising the RM Assessment and RM Technology divisions).

18. Investments in subsidiary undertakings continued

The recoverable amounts of the investments in subsidiary undertakings are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the cash flows, the discount rates and the growth rates. The Group prepares cash flow forecasts derived from the most recent annual financial budget approved by the Board, which also contains forecasts for the two years following, and extrapolates cash flows based on internal forecasts with terminal rates that align to market growth and inflation expectations.

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 14. Adjustments are then made to reflect an equity valuation.

A £0.5m reversal of the impairment would be caused by a 0.7% increase in cashflows, a 0.17% reduction in the discount rate, or a 0.22% increase in the annual growth rate.

No reasonably possible change in assumptions would give rise to an impairment of the investment in RM Education Limited.

19. Inventories

Group	2024 £000	2023 £000
Finished goods	**15,190**	13,959

Inventories are stated net of write-downs of £377,000 (2023: £1,111,000).

20. Trade and other receivables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Current assets				
Financial assets				
Trade receivables	**12,045**	21,207	**–**	–
Other receivables	**766**	1,160	**–**	–
Derivative financial assets	**22**	–	**–**	–
Accrued income from customer contracts	**3,563**	2,860	**–**	–
	16,396	25,227	**–**	–
Non-financial assets				
Prepayments	**5,327**	7,106	**111**	267
	21,723	32,333	**111**	267
Non-current assets				
Financial assets				
Other receivables	**245**	240	**–**	–
Total non-current assets	**245**	240	**–**	–
Total trade and other receivables	**21,968**	32,573	**111**	267
Currency profile of receivables				
Pounds Sterling	**18,279**	28,389	**111**	267
US Dollar	**2,099**	2,404	**–**	–
Australian Dollar	**150**	200	**–**	–
Euro	**34**	135	**–**	–
Indian Rupee	**642**	574	**–**	–
Singapore Dollar	**415**	130	**–**	–
Other	**349**	741	**–**	–
	21,968	32,573	**111**	267

20. Trade and other receivables continued

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 relates to revenue from contracts with customers.

Movements in the accrued income balances were driven by transactions entered into by the Group within the normal course of business in the year.

Analysis of trade receivables and customer contracts by type of customer

Group	2024 £000	2023 £000
Government	8,188	13,254
Commercial	7,420	10,813
At 30 November	15,608	24,067

Trade receivables included an allowance for expected credit losses at 30 November 2024 of £429,000 (2023: £1,424,000), based on management's knowledge of the customer base, 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 is no reasonable expectation of recovery and enforcement activity has ceased.

Allowance for estimated credit losses

Group	2024 £000	2023 £000
At 1 December	1,424	1,859
Expected credit losses provided/(unwound)	147	(840)
Amounts written off in the year	(1,142)	405
At 30 November	429	1,424

No expected credit losses have been recognised on accrued income as the probability of default is considered insignificant.

Ageing of trade receivables

	2024			2023		
Group	Trade receivables £000	Allowance £000	Net £000	Trade receivables £000	Allowance £000	Net £000
Not past due	8,481	(74)	8,407	15,190	(239)	14,951
Overdue by less than 60 days	2,635	–	2,635	4,931	(1)	4,930
Overdue by between 60 and 90 days	628	(99)	529	732	(88)	644
Overdue by between 90 and 180 days	513	(187)	326	938	(329)	609
Overdue by more than 180 days	217	(69)	148	840	(767)	73
	12,474	(429)	12,045	22,631	(1,424)	21,207

The following table shows the movements in trade receivables in the year:

Group	2024 £000	2023 £000
At 1 December	21,207	24,441
Amounts billed to customers in the period:		
Net	167,509	194,969
Sales tax	25,562	30,510
Cash received	(203,228)	(228,278)
Movement in provision	(147)	(840)
Written off	1,142	405
At 30 November	12,045	21,207

20. Trade and other receivables continued

Impairment of intercompany receivables – Company accounts

At 30 November 2024, amounts owed by group undertakings amounted to £8,086,000 and were fully impaired (2023: £7,810,000 fully impaired). The £276,000 increase in impairment is recognised as a charge in the Company's Income Statement.

Movements in customer contract balances

The following table shows the movements in customer contract balances and the performance obligations satisfied in the year:

Group	Accrued income £000	Deferred income £000	Total customer contract balance £000	Contract fulfilment asset £000
At 1 December 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
Amounts subsequently billed to customers in the period	**(2,631)**	**–**	**(2,631)**	**–**
Performance obligations satisfied (invoiced and deferred in prior periods)	**–**	**10,374**	**10,374**	**–**
Revenue recognised but not invoiced in the period	**3,334**	**–**	**3,334**	**–**
Amounts billed to customers for which revenue will be recognised in later periods	**–**	**(11,491)**	**(11,491)**	**–**
Transfer from other intangible assets	**–**	**–**	**–**	**3,882**
Transfer to other intangible assets	**–**	**–**	**–**	**(952)**
New contract fulfilment costs incurred	**–**	**–**	**–**	**4,394**
New contract fulfilment assets amortised in line with performance obligations satisfied	**–**	**–**	**–**	**(2,470)**
Written off	**–**	**45**	**45**	**–**
Impact of foreign exchange	**–**	**15**	**15**	**(192)**
At 30 November 2024	**3,563**	**(15,812)**	**(12,249)**	**8,570**

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. Contract fulfilment assets

Group	Note	2024 £000	2023 £000
At 1 December		3,908	3,440
Additions		4,394	2,981
Transfer from intangible assets	15	3,882	–
Transfer to intangible assets	15	(952)	–
Amortised in the period		(2,470)	(2,322)
Disposed		–	(77)
Foreign exchange		(192)	(114)
At 30 November		8,570	3,908
Analysed by			
Current		2,909	1,949
Non-current		5,661	1,959
At 30 November		8,570	3,908

Contract fulfilment assets represent investment in contracts that are recoverable and are expected to provide benefits over the life of the contract.

22. Trade and other payables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Current liabilities				
Financial liabilities				
Trade payables	13,748	16,441	–	–
Lease liabilities	2,152	2,194	–	–
Other payables	3,224	2,757	–	–
Derivative financial instruments	–	278	–	–
Accruals	7,340	7,708	109	214
Amounts owed to Group undertakings	–	–	38,260	30,913
	26,464	29,378	38,369	31,127
Non-financial liabilities				
Other taxation and social security	3,206	4,702	–	–
Deferred income from customer contracts	12,227	12,292	–	–
	41,897	46,372	38,369	31,127
Non-current liabilities				
Financial liabilities				
Lease liabilities				
– due after one year but within two years	1,676	1,819	–	–
– due after two years but within five years	3,849	4,107	–	–
– after five years	7,291	8,371	–	–
	12,816	14,297	–	–
Non-financial liabilities				
Deferred income from customer contracts				
– due after one year but within two years	1,447	1,027	–	–
– due after two years but within five years	2,138	1,436	–	–
	16,401	16,760	–	–
	58,298	63,132	38,369	31,127

22. Trade and other payables continued

The amounts owed to Group undertakings by the Company are unsecured, payable on demand and bear interest at SONIA plus 2%. Other payables mainly comprise overpayments and rebates due to customers. 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.

Currency profile of trade and other payables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Pound Sterling	**47,525**	55,939	**38,369**	31,127
US Dollar	**5,254**	4,234	**–**	–
Australian Dollar	**775**	567	**–**	–
Indian Rupee	**2,134**	798	**–**	–
Other	**2,610**	1,594	**–**	–
	58,298	63,132	**38,369**	31,127

23. Provisions

Group	Dilapidations £000	Employee-related restructuring £000	Contract risk provisions £000	Total £000
At 1 December 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
Increase in provisions	**876**	**81**	**–**	**957**
Utilisation of provisions	**(287)**	**(740)**	**(885)**	**(1,912)**
Release of provisions	**(323)**	**(76)**	**(251)**	**(650)**
Unwinding of discount on provisions	**78**	**–**	**–**	**78**
At 30 November 2024	**2,636**	**81**	**498**	**3,215**

1 Contract risk provisions at 1 December 2022 included a TUPE unfunded pension-related balance of £30,000. As set out in Note 24, these balances were transferred to defined benefit pension scheme obligations during the year ended 30 November 2023.

Dilapidations provisions are based on reports from appropriately qualified third-party experts. Of the £2.6m total dilapidations provisions at 30 November 2024, £1.5m is expected to be utilised in 2025 and the remaining £1.1m between 2026 and 2035.

Employee-related restructuring provisions refer to costs arising from restructuring to meet the future needs of the Group. All these restructuring activities are expected to be completed during 2025.

Contract risk provisions includes items not covered by any other category of which the majority relates to provisions for onerous IT licence contracts, which decreased as provisions recognised in the prior year, following the Group's decision to cease trading in the RM Consortium business, were utilised.

Disclosure of provisions

Group	2024 £000	2023 £000
Current liabilities	**1,972**	2,993
Non-current liabilities	**1,243**	1,749
	3,215	4,742

Notes to the financial statements continued

24. 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 £2,041,000 (2023: £2,068,000) represents contributions payable to these schemes by the Group at rates specified in employment contracts.

b. Defined benefit pension schemes

As described in Note 2, the Group has both defined benefit and defined contribution pension schemes. There are four 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.

An 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 2024 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 would repay this amount via deficit catch-up payments of £3,200,000 per annum until 31 December 2024. Deficit catch-up payments of £707,000 remained to be paid at 30 November 2024 and were settled following the year end. The 31 May 2024 triennial valuation was approved in March 2025, with the previous scheme deficit becoming a technical surplus. No further deficit recovery payments are required.

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 subsequently became a part of 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.

An 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 2024 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 31 May 2024 triennial valuation was approved in March 2025, with the previous scheme deficit becoming a technical surplus. The deficit recovery payments set by the 31 May 2021 valuation, of £1,200,000 per annum until the end of 2026, will continue but no further recovery payments will be required after that date.

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 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.

24. Pension schemes continued

Local Government Pension Schemes

The Group has TUPE employees who retain membership of Local Government Pension Schemes. The Group is required to pay regular contributions as decided by the relevant scheme actuary and as detailed in each scheme's schedule of contributions, which are calculated every three years as part of a triennial valuation. Many of these schemes have a customer contractual guarantee whereby the Group reimburses any deficit when it ceases to be a participating employer. 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 2024 was £50,000 (2023: £62,000).

Amounts recognised in the Income Statement and in the Statement of Comprehensive Income

Group	Note	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Current service cost		–	(69)
Past service cost (see Note 6)		(300)	–
Administrative expenses		(27)	(6)
Operating expense		(327)	(75)
Interest cost		(8,763)	(8,269)
Interest on scheme assets		9,510	9,360
Net interest income	8, 9	747	1,091
Income recognised in the Income Statement		420	1,016
Effect of changes in demographic assumptions		354	3,400
Effect of changes in financial assumptions		(73)	23,820
Effect of experience adjustments		1,673	(6,152)
Total actuarial gains		1,954	21,068
Return on scheme assets excluding interest on scheme assets		1,439	(36,839)
Reversal of historical payment accrual		367	–
Income/(expense) recognised in the Statement of Comprehensive Income		3,760	(15,771)

24. Pension schemes continued

Reconciliation of the scheme assets and obligations through the year

	RM Scheme £000	CARE Scheme[1] £000	Platinum Scheme £000	Local Government Pension Schemes £000	Total £000
Assets:					
At 1 December 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
Interest on scheme assets	**8,748**	**666**	**96**	**–**	**9,510**
Return on scheme assets, excluding interest on scheme assets	**1,064**	**391**	**(16)**	**–**	**1,439**
Administrative expenses	**–**	**–**	**(27)**	**–**	**(27)**
Contributions from Group	**3,027**	**1,215**	**28**	**–**	**4,270**
Benefits paid	**(4,405)**	**(657)**	**(18)**	**–**	**(5,080)**
At 30 November 2024	**178,980**	**14,280**	**1,937**	**–**	**195,197**
Obligations:					
At 1 December 2022	(174,026)	(14,647)	(1,364)	–	(190,037)
Reclassification of provision[2]	–	–	–	(30)	(30)
Interest cost	(7,574)	(636)	(59)	–	(8,269)
Actuarial gains	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)	(30)	(172,700)
Past service cost	**(300)**	**–**	**–**	**–**	**(300)**
Interest cost	**(8,045)**	**(655)**	**(63)**	**–**	**(8,763)**
Actuarial gains/(losses)	**2,064**	**(129)**	**19**	**–**	**1,954**
Benefits paid	**4,405**	**657**	**18**	**–**	**5,080**
At 30 November 2024	**(160,263)**	**(13,173)**	**(1,263)**	**(30)**	**(174,729)**
Net pension surplus/(deficit)					
At 30 November 2024					
Pension deficit	**–**	**–**	**–**	**(30)**	**(30)**
Pension surplus	**18,717**	**1,107**	**674**	**–**	**20,498**
Net pension surplus/(deficit)	**18,717**	**1,107**	**674**	**(30)**	**20,468**
At 30 November 2023					
Pension deficit	–	(381)	–	(30)	(411)
Pension surplus	12,159	–	637	–	12,796
Net pension surplus/(deficit)	12,159	(381)	637	(30)	12,385

1 Included within the CARE Scheme obligations at 30 November 2024 is an unfunded liability of £85,000 (2023: £88,000) which is a liability of the Group and not the scheme.

2 The Local Government Pension Scheme unfunded liability position at 1 December 2022 was previously included in provisions (see Note 23 for details) but was transferred to defined benefit pension scheme obligations during the year ended 30 November 2023.

Surplus recognition

The RM, CARE and Platinum schemes are in an accounting surplus position. In each case, any surplus remaining after all members have left the scheme would be returned to the Group in accordance with the trust deed. The full economic benefit of any surplus is therefore available to the Group and is recognised on the balance sheet.

24. Pension schemes continued

Reconciliation of net defined benefit obligation

Group	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Net pension surplus at 1 December	12,385	22,605
Reclassification of provision[1]	–	(30)
Past service cost	(300)	–
Net interest income included in the Income Statement	747	1,091
Administrative expenses included in the Income Statement	(27)	(6)
Scheme remeasurements included in the Statement of Comprehensive Income (excluding historical adjustment)	3,393	(15,771)
Cash contribution	4,270	4,496
Net pension surplus at 30 November	20,468	12,385

1 The Local Government Pension Scheme unfunded liability position at 1 December 2022 was previously included in provisions (see Note 23 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.

Obligation by participant status

Group	At 30 November 2024 £000	At 30 November 2023 £000
Vested deferreds	124,879	133,122
Retirees	49,820	39,548
Local Government Pension Schemes obligations	30	30
	174,729	172,700

Value of scheme assets

Group	Fair value hierarchy	At 30 November 2024 £000	At 30 November 2023 (restated[1]) £000
Cash and cash equivalents, including escrow	Level 1	1,408	3,264
Equity instruments	Level 2	68,206	76,546
Equity instruments – pooled investment vehicle	Level 3	2,132	2,230
Debt instruments	Level 2	2,019	2,496
Liability driven investments	Level 2	104,415	83,339
Insurance contract	Level 3	17,017	17,210
		195,197	185,085

1 The analysis of scheme assets at 30 November 2023 has been restated to show amounts on a comparable basis to 30 November 2024.

Liability driven investments (LDI)

The RM Scheme and the CARE Scheme assets include an LDI portfolio. 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.

Insurance assets

The RM Scheme also holds insurance policies covering benefits for some pensions in payment. The value of these annuities is £17.0m at 30 November 2024 (2023: £17.2m). 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 2024.

Notes to the financial statements continued

24. Pension schemes continued

Significant actuarial assumptions

Group	Year ended 30 November 2024	Year ended 30 November 2023
Discount rate (RM Scheme)	**5.15%**	5.15%
Discount rate (CARE Scheme)	**5.10%**	5.15%
Discount rate (Platinum Scheme)	**5.15%**	5.10%
Rate of RPI price inflation (RM Scheme)	**3.10%**	3.10%
Rate of RPI price inflation (CARE Scheme)	**3.15%**	3.15%
Rate of RPI price inflation (Platinum Scheme)	**3.05%**	3.10%
Rate of CPI price inflation – period before 1 January 2030	**2.20%**	2.10%
Rate of CPI price inflation – period after 1 January 2030	**3.10%**	3.10%
Rate of pensions increases based on RPI with 5% cap (RM Scheme)	**2.90%**	2.90%
Rate of pensions increases based on RPI with 5% cap (CARE Scheme)	**2.95%**	2.95%
Rate of pensions increases based on RPI with 2.5% cap	**1.95%**	1.95%
Mortality base table (RM and CARE Schemes)	**S4PA**	S3PA
Mortality base table (Platinum Scheme)	**S3PA**	S3PA
Future longevity improvements	**CMI 2023 with 1.00% long-term improvement, 2020 and 2021 weight parameters of 0%, 2022 and 2023 of 100%**	CMI 2022 with 1.00% long-term improvement, 2020 and 2021 weight parameters of 10%, 2022 of 35%
Weighted average duration of defined benefit obligation	**16 years**	16 years
Assumed life expectancy on retirement at age 65:		
Retiring at the accounting date (male member aged 65)	**20.7**	21.0
Retiring 20 years after the accounting date (male member aged 45)	**21.6**	21.9

Expected cash flows

Group	Year ended 30 November 2024	Year ended 30 November 2023
Expected employer contributions for the following year ended 30 November	**1,907**	4,400
Expected total benefit payments		
Year 1	**5,208**	4,661
Year 2	**5,359**	4,926
Year 3	**5,514**	5,224
Year 4	**5,674**	5,762
Year 5	**5,839**	6,299
Years 6 – 10	**31,835**	37,603

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 in 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 25. No such payments were made during the years ended 30 November 2023 or 30 November 2024 because the Group remained above the threshold for the adjusted debt leverage ratio.

24. Pension schemes continued

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

The significant actuarial assumptions are the discount rate applied to pension liabilities, the inflation rate and mortality. The table below shows the sensitivity of the scheme obligations and net surplus to a 0.1% movement in discount rate, a 0.1% movement in RPI and a one-year increase in life expectancy.

	At 30 November 2024					
Group	Base £m	Discount rate -0.1% £m	Discount rate +0.1% £m	RPI -0.1% £m	RPI +0.1% £m	Life +1year £m
Analysis of net balance sheet position						
Fair value of scheme assets	195.2	195.2	195.2	195.2	195.2	195.2
Present value of scheme obligations	(174.7)	(177.5)	(172.1)	(172.8)	(176.8)	(179.3)
Net pension surplus	**20.5**	**17.7**	**23.1**	**22.4**	**18.4**	**15.9**
Actuarial assumptions						
Discount rate (RM Scheme)	5.15%	5.05%	5.25%	5.15%	5.15%	5.15%
Discount rate (CARE Scheme)	5.10%	5.00%	5.20%	5.10%	5.10%	5.10%
Discount rate (Platinum Scheme)	5.15%	5.05%	5.25%	5.15%	5.15%	5.15%
Rate of RPI	3.10%	3.10%	3.10%	3.00%	3.20%	3.10%
Rate of CPI	2.20%	2.20%	2.20%	2.10%	2.30%	2.20%

Implications of Court of Appeal ruling of Virgin Media Ltd vs NTL Pension Trustees II Ltd case

On 16 June 2023, the High Court handed down its decision in the Virgin Media Ltd vs NTL Pension Trustees II Ltd case, which concerned the correct interpretation of section 37 of the Pension Schemes Act 1993. Subsequently Virgin Media Ltd filed an appeal, the hearing for which took place on 26 and 27 June 2024 and on 25 July 2024, it was announced that the Court of Appeal upheld the High Court ruling. The Court of Appeal's ruling confirms that a section 37 confirmation was required where an alteration to a scheme's rules affected pension benefits attributable to past or future service benefits related to section 9(2B) rights between 6 April 1997 until the end of contracting-out on 5 April 2016.

For the RM and CARE schemes the trustees have engaged legal advisers to undertake an initial review of amendments to the schemes within the relevant time period. The review has identified a number of amendments which required section 37 confirmations, and the Company is awaiting confirmation as to whether the required actuarial input was obtained, and a section 37 certification communicated. Accordingly, there remains additional uncertainty over the measurement of the defined benefit obligation in that regard. As it is too early at present to estimate the potential impact, if any, on the Scheme, no provision has been made in the financial statements.

In respect of the Platinum Pension Scheme, as the Company has one small sub-section of a much larger scheme, with fewer than 50 members in the sub-section, the risk of implications from the ruling are deemed immaterial.

Notes to the financial statements continued

25. Borrowings

Group and Company	2024 £000	2023 £000
Bank loan	57,000	55,000
Less capitalised fees	(1,476)	(1,349)
Borrowings	55,524	53,651

The borrowings in the year and details of the facility are detailed in Note 31.

At 30 November 2024, the Group had drawn down £57.0m (2023: £55.0m) 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 £771,000 (2023: £141,000) relates to the unamortised previous facility agreement and £705,000 (2023: £1,208,000) is the unamortised arrangement fee relating to the extension during the current year.

During the year, the Group secured an agreement with lenders, which extended its 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, remain in place. Under the amended facility, covenants were reset as follows:

- A quarterly LTM EBITDA (excluding discontinued operations and Consortium) covenant test from February 2024 to November 2025, which is then replaced by a quarterly EBITDA leverage and interest cover tests, 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 extra £2.5m liquidity for the first step-down period from 15 September 2024 to 24 October 2024 was not utilised.

The Group operated within its existing financial covenants during 2024. At the end of November 2024, the minimum EBITDA covenant required was £6.1m versus EBITDA of £13.1m. After the year end, as the Group forecast that it would not meet the quarterly EBITDA leverage and interest cover covenants for the quarters ended 28 February 2026 and 31 May 2026, the Group agreed with its lenders to replace these with a restitution of the LTM EBITDA covenant for those two quarters, at £10.8m and £11.8m respectively. During 2024, the Group remained over the soft liquidity covenant limit which requires liquidity to be greater than £12.5m during the cash flow forecast period. No additional meetings were therefore requested by the lenders.

26. Share capital

	Ordinary shares of 2²⁄₇p	
Group and Company	**Number 000**	**£000**
Authorised, allotted, called-up and fully paid:		
At 1 December 2022, 30 November 2023 and 30 November 2024	**83,875**	**1,917**

The valuation of the shares is weighted average cost. Ordinary shares issued carry no right to fixed income.

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 2²⁄₇p	
Group and Company	**Number 000**	**£000**
At 1 December 2022, 30 November 2023 and 30 November 2024	**619**	**444**

The valuation of the shares is weighted average cost.

The maximum number of own shares held in the year was 618,796 (2023: 618,796).

28. Share-based payments

The Group operates an equity-settled share-based payment scheme known as the RM plc Performance Share Plan 2019 (the PSP Scheme) for the remuneration of senior employees. Details of Directors' awards are contained within the Remuneration Report.

Participants are granted nil-cost options which are subject to performance conditions and remaining employed up to the vesting date. The performance conditions are measured over a three-year performance period and are based on a mix of total shareholder return and total shareholder return relative to a comparator group of FTSE Small Cap Index companies.

During the year ended 30 November 2024, three (2023: three) awards were made under the PSP Scheme. The total share-based payments charge/(credit) was:

	Year ended 30 November 2024 £000	Year ended 30 November 2023 £000
Equity-settled share-based payment charge/(credit)	644	(364)

The movements in the number of share options are:

	Year ended 30 November 2024 Number	Year ended 30 November 2023 Number
Outstanding at the start of the year	2,467,388	1,737,248
Granted during the year	3,285,777	2,346,640
Lapsed during the year	(310,377)	(1,616,500)
Outstanding at the end of the year	5,442,788	2,467,388
Exercisable at the end of the year	Nil	Nil
Weighted average remaining contractual life	8.9 years	9.1 years
Weighted average fair value of options granted	£0.47	£0.49

All awards are in the form of nil-cost options and so have an exercise price of £nil (2023: £nil).

The options granted are valued using a Monte-Carlo model. The principal assumptions used in these valuations were:

	Year ended 30 November 2024	Year ended 30 November 2023
Range of share price at date of grant	£0.54 to £0.86	£0.62 to £0.84
Volatility	74% to 76%	79%
Risk-free rate	4.1% to 4.2%	3.3% to 4.9%
Dividend yield	Nil	Nil

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 24, some of the local government pension schemes have a customer contractual guarantee whereby the Group reimburses the schemes for any 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.

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 24).

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.

Notes to the financial statements continued

30. Capital commitments

At 30 November 2024, capital expenditure contracted for but not recognised as a liability amounted to £nil (2023: £nil).

31. Financial risk management

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Financial assets				
Trade and other receivables – current	16,396	25,227	–	–
Trade and other receivables – non-current	245	240	–	–
Cash and short-term deposits	8,196	8,062	–	–
	24,837	33,529	–	–
Financial liabilities				
Trade and other payables – current	(26,464)	(29,378)	(38,369)	(31,127)
Trade and other payables – non-current	(12,816)	(14,297)	–	–
Bank overdrafts	(4,325)	–	–	–
Bank loans/borrowings	(55,524)	(53,651)	(55,524)	(53,651)
	(99,129)	(97,326)	(93,893)	(84,778)

All assets and liabilities classified as financial assets and financial liabilities are held at amortised cost except for forward foreign exchange contracts of £22,000 asset (2023: £278,000 liability) which are measured at fair value.

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.

Changes in liabilities arising from financing activities

	2024 Borrowings £000	2024 Lease liabilities £000	2023 Borrowings £000	2023 Lease liabilities £000
At 1 December	53,651	16,491	48,728	19,142
Cash movements				
Drawdown of borrowings	8,000	–	30,167	–
Repayment of borrowings	(6,000)	–	(24,167)	–
Borrowing facilities arrangement and commitment fees	(1,040)	–	(1,716)	–
Interest paid	(5,165)	–	(4,955)	–
Payment of leasing liabilities	–	(3,373)	–	(3,510)
Non-cash movements				
Interest and other finance costs	6,078	315	5,724	330
New leases	–	1,173	–	490
Lease modifications	–	362	–	126
Lease break exercised	–	–	–	(87)
Other	–	–	(130)	–
	55,524	14,968	53,651	16,491

31. Financial risk management continued

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 Private 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.

Hedge accounting was achieved for the year and the effective portion of changes in the fair value of derivatives was recognised in other comprehensive income. Hedging was transacted in Indian Rupees for the whole year and up to August 2024 for US Dollars.

The total amount of outstanding forward foreign exchange contracts to which the Group was committed was:

	At 30 November 2024				
Currency	Contract type	Forward contract value Currency 000	Forward contract value £000	Mark-to-market value £000	Fair value £000
Indian Rupee	Buy	721,000	(6,640)	(6,662)	22
			(6,640)	(6,662)	22

	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)
Indian Rupee	Buy	961,000	(9,287)	(9,047)	(240)
			(12,051)	(11,773)	(278)

Derivative financial instruments are stated at fair value at the balance sheet date and are included within trade and other receivables and trade and other payables. 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.

Of these, forward foreign currency exchange contracts with a contract value of £6,640,000 (2023: £12,051,000) and fair value of £22,000 asset (2023: £278,000 liability) have been designated as effective hedges in accordance with IFRS 9 Financial Instruments: Recognition and Measurement. The movement in fair value of hedging derivative financial instruments during the year was a net credit of £424,000 (2023: debit of £130,000) 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 2024 or at 30 November 2023.

All Indian Rupee forward contracts are non-deliverable and are settled on a net basis.

Notes to the financial statements continued

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 in the amount of the respective currency that could be purchased with Pounds Sterling at the balance sheet date (assuming all other variables remain constant) (for example from $1.27: £1 to $1.40: £1). 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 2024		At 30 November 2023	
Group	Nominal value £000	Fair value £000	Nominal value £000	Fair value £000
Forward foreign exchange contracts	**6,640**	**22**	12,051	(278)

Sensitivity

	At 30 November 2024		At 30 November 2023	
Group	Income £000	Equity £000	Income £000	Equity £000
10% increase in foreign exchange rates against Pounds Sterling:				
US Dollar	**287**	**–**	169	(3)
Australian Dollar	**2**	**–**	(684)	–
Indian Rupee	**71**	**(2)**	190	(22)

All the forward exchange contracts mature within one year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk, as the analysis does not reflect management's proactive monitoring methods and processes for exchange risk.

Interest rate risk

The only significant interest-bearing financial assets or liabilities relate to the Group's borrowings referred to below. During the year, adjusted average net debt was £53.8m (2023: £55.0m) and the maximum borrowings position was £60.7m (2023: £64.8m).

At 30 November 2023, the Group had a £70.0m committed revolving credit facility with HSBC Bank plc and Barclays Bank plc to July 2025, which was originally signed on 5 July 2019. During the year, the Group secured an agreement with lenders, which extended 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. Further amendments to the covenants were made in March 2025, which have been reset as follows:

- A quarterly LTM EBITDA (excluding discontinued operations) covenant test from February 2024 to May 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 to 24 October 2024, 1 January to 21 March 2025, 1 August to 17 October 2025 and 1 January to 21 March 2026, 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 are included in the net pension surplus). The Group also has financial guarantees covering payments to suppliers and other performance guarantees for the RM Assessment, Technology and Resources businesses.

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 4.10% (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 £473,000 (2023: £379,000) and independent business review fees and costs of £566,000 (2023: £1,355,000) were paid in 2024. The fees are recognised in the Consolidated Income Statement on an effective interest rate basis over the duration of the facility.

31. Financial risk management continued

Financial covenants from May 2023 to November 2025 were on a rolling 12-months minimum EBITDA basis, with the Group receiving waivers in respect of the quarters ended 31 August 2023 and 30 November 2023. Following amendment to the facility in March 2025, this minimum EBITDA covenant continues until the quarter ended 31 May 2026. At 30 November 2024 the minimum EBITDA covenant required was £6.1m versus actual EBITDA of £13.1m. The £57.0m drawn down at 30 November 2024 is not contractually due for repayment until July 2026.

The interest and currency profile of bank loans and cash and cash equivalents is shown below:

	2024			2023		
Group	Floating rate £000	Interest free £000	Total £000	Floating rate £000	Interest free £000	Total £000
Pounds Sterling	–	5,830	5,830	2,304	2,153	4,457
US Dollar	–	471	471	10	2,529	2,539
Euro	–	185	185	–	329	329
Indian Rupee	535	–	535	–	238	238
Singapore Dollar	–	148	148	–	210	210
Australian Dollar	–	810	810	281	5	286
New Zealand Dollar	–	50	50	–	3	3
Swedish Krona	–	167	167	–	–	–
Cash and cash equivalents	535	7,661	8,196	2,595	5,467	8,062
Bank loan – Pounds Sterling	57,000	–	57,000	55,000	–	55,000

The weighted average effective interest rates at the balance sheet date on interest bearing financial assets and liabilities were as follows:

	2024		2023	
Group	Floating rate £000	Weighted average interest rate %	Floating rate £000	Weighted average interest rate %
Financial assets				
Cash and cash equivalents	535	0.00	2,595	0.11
Financial liabilities				
Overdrafts	4,325	9.62	–	4.37
Bank loans	57,000	9.23	55,000	9.16

Interest rate sensitivity (assuming all other variables remain constant):

	2024		2023	
Group	Income sensitivity £000	Equity sensitivity £000	Income sensitivity £000	Equity sensitivity £000
1% increase in interest rates	(570)	(570)	(550)	(550)
1% decrease in interest rates	570	570	550	550

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.

Notes to the financial statements continued

31. Financial risk management continued

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 means 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 facility of £57.0m at year end and has worked with its lenders to maintain liquidity. From the quarter ended 28 February 2026, the LTM EBITDA covenant was to be replaced by an adjusted leverage covenant and an interest cover covenant whereby the Group is required to be below 4x and above 4x respectively. Subsequent to year end, as the Group forecast that it would not meet these two new covenants for the quarters ended 28 February 2026 and 31 May 2026, the Group agreed with its lenders to replace these with a restitution of the LTM EBITDA covenant for those two quarters, at £10.8m and £11.8m respectively. The Group has prepared cash flow forecasts for the period to the end of March 2026 which indicate that the Group 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.

Full details of the terms of the Group's facility, including financial covenants and the Group's performance under those financial covenants during the year are set out in Note 25.

Maturity profile of financial liabilities

The table below highlights the maturity profile of the financial liabilities:

At 30 November 2024 Group	Trade payables £000	Lease liabilities £000	Other payables £000	Derivative financial instruments £000	Accruals £000	Borrowings and overdrafts[1] £000	Total £000
Within one year	13,748	2,430	3,224	–	7,340	9,341	36,083
Between one and two years	–	1,919	–	–	–	60,344	62,263
Between two and five years	–	4,356	–	–	–	–	4,356
More than five years	–	7,668	–	–	–	–	7,668
Total contractual cash flows	13,748	16,373	3,224	–	7,340	69,685	110,370
Carrying amount	13,748	14,968	3,224	–	7,340	59,849	99,129

1 Borrowings are detailed in Note 25, the profile for the year ended 30 November 2024 reflects the cash flows to the facility maturity date of 5 July 2026.

At 30 November 2023 Group	Trade payables £000	Lease liabilities £000	Other payables £000	Derivative financial instruments £000	Accruals £000	Borrowings[1] £000	Total £000
Within one year	16,441	2,194	2,757	278	7,708	5,115	34,493
Between one and two years	–	2,067	–	–	–	57,984	60,051
Between two and five years	–	4,672	–	–	–	–	4,672
More than five years	–	8,901	–	–	–	–	8,901
Total contractual cash flows	16,441	17,834	2,757	278	7,708	63,099	108,117
Carrying amount	16,441	16,491	2,757	278	7,708	53,651	97,326

1 Borrowings are detailed in Note 25, the profile for the year ended 30 November 2023 reflects the cash flows to the facility maturity 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 so 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 2024 £000	Year ended 30 November 2023 £000
Short-term employee benefits	2,349	2,389
Post-employment benefits	68	67
Termination benefits	230	193
Share-based payment expense/(credit)	605	(288)
	3,252	2,361

Share-based payments above include fair value charges for Executive Directors of £200,529 (2023: £102,008) in respect of awards to Mark Cook and £81,073 (2023: £9,656) in respect of awards to Simon Goodwin and £nil (2023: credit of £359,565) in respect of awards to Neil Martin who resigned on 16 January 2023.

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 2024 £000	Year ended 30 November 2023 £000
Payments:		
Management recharges	1,382	1,175
Net intercompany interest payable	2,052	1,048

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. The Group purchased services with a value of £465,512 (2023: £423,553 since his appointment on 16 January 2023) relating to recruitment and executive search fees. Mark was not involved in the commercial discussions relating to this supply. At the year end, there was no balance payable (2023: £41,040 payable).

Restore (in 2023)

Charles Bligh, a Non-Executive Director 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. The Group purchased services with a value of €2,302 and £1,394,017 from Restore Digital Limited (part of the Restore plc group) between 1 December 2023 and 6 July 2023. At 30 November 2023, there was a balance outstanding of £nil relating to these purchases. Charles was not involved in any discussions relating to the use of Restore plc.

Notes to the financial statements continued

33. Re-presentation of the prior year Income Statement

The table below sets out the changes made to restate the FY23 Income Statement to present the results of RM Consortium in discontinued operations (see Note 11).

	Year ended 30 November 2023		
	As originally reported Total £000	RM Consortium Re-presentation £000	Restated Total £000
Revenue	195,186	(19,300)	175,886
Cost of sales	(129,103)	17,468	(111,635)
Gross profit	**66,083**	**(1,832)**	**64,251**
Operating expenses	(74,517)	16,499	(58,018)
Reversal of expected credit loss	840	-	840
Impairment losses	(38,949)	38,949	-
(Loss)/profit from operations	**(46,543)**	**53,616**	**7,073**
Finance income	1,105	-	1,105
Other income	10,785	-	10,785
Finance costs	(6,585)	-	(6,585)
(Loss)/profit before tax	**(41,238)**	**53,616**	**12,378**
Tax	(2,070)	(7,754)	(9,824)
(Loss)/profit for the year from continuing operations	**(43,308)**	**45,862**	**2,554**
Profit/(loss) for the year from discontinued operations	14,204	(45,862)	(31,658)
Loss for the year	**(29,104)**	**-**	**(29,104)**
Earnings per ordinary share on continuing operations			
- basic	**(52.0)p**		3.1p
- diluted	**(52.0)p**		3.1p
Earnings per ordinary share on discontinued operations			
- basic	17.1p		(38.0)p
- diluted	17.0p		(38.0)p
Earnings per ordinary share on total operations			
- basic	(34.9)p		(34.9)p
- diluted	(34.9)p		(34.9)p

34. Post balance sheet events

In March 2025, the lenders approved the following changes to the covenants that apply to the Group's revolving credit facility:

- The quarterly EBITDA leverage and interest cover tests, which were required to be below and above 4x respectively from February 2026, have been replaced by a quarterly LTM EBITDA (excluding discontinued operations) covenant test to the end of the facility in July 2026; and
- Additional step-down periods applying from 1 August 2025 to 17 October 2025, and 1 January 2026 to 21 March 2026, during which the minimum liquidity requirement under the hard liquidity covenant test is reduced from £7.5m to £5.0m.

The 31 May 2024 triennial valuation for the RM and CARE schemes was approved in March 2025, with the previous total scheme deficit becoming a technical surplus. The deficit recovery payments set by the 31 May 2021 valuation of £4.4m per annum until the end of 2024, which then reduce to £1.2m per annum until the end of 2026, will continue but no further recovery payments will be required after that date.

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, MUFG Corporate Markets, either via email at shareholderenquiries@cm.mpms.mufg.com 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 MUFG Corporate Markets' 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 MUFG Corporate Markets' 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 MUFG Corporate Markets, 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, MUFG Corporate Markets will not amalgamate the accounts without your written consent. If you would like to amalgamate your multiple accounts into one account, please write to MUFG Corporate Markets.

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