GBG

Building trust in a digital world

Annual Report and Accounts 2024

From the world's largest banks and eCommerce giants to the best-known household brands, we ensure businesses can reach and trust their customers in more than 70 countries worldwide.

Our purpose

To build trust in a digital world

Our vision

To create a world where everyone can transact online with confidence

How to use this report

Please use the arrows to move between pages

Use the home button to return to the contents page

Use the search function to look for specific details within this report

Read more link to further content in this report

Read more link to further content online

To read our wider investor material:

www.gbgplc.com/en/investors/

Learn more about our solutions at:

www.gbgplc.com/

Read our first ESG Impact Report. Available at:

www.gbgplc.com/en/investors/environmental-social-and-governance/

Contents

Welcome

We are the leading experts in global identity and location

In an increasingly digital world, we help businesses grow by giving them intelligence to make the best decisions about their customers, when it matters most.

Every second, our global data, agile technology, and expert teams, power over 20,000 of the world's best-known organisations to **reach** and **trust** their customers.

£277.3m

Revenue

FY24	£277.3m
FY23	£278.8m

98.1%

Net revenue retention %[1]

FY24	98.1%
FY23	92.3%

£61.2m

Adjusted operating profit[1]

FY24	£61.2m
FY23	£59.8m

£(41.4)m

Operating (loss)/profit[2]

FY24	£(41.4)m
FY23	£(112.4)m

22.1%

Adjusted operating profit margin[1]

FY24	22.1%
FY23	21.5%

15.1p

Adjusted diluted earnings per share

FY24	15.1p
FY23	16.4p

90.6%

Cash conversion[1]

FY24	90.6%
FY23	67.3%

£(80.9)m

Net debt[1]

FY24	£(80.9)m
FY23	£(105.9)m

4.20p

Final dividend per share

FY24	4.20p
FY23	4.00p

1. Alternative performance measures ('APMs') are used consistently throughout this document and are referred to as 'adjusted'. These measures are defined in full and reconciled to the reported statutory measures on pages 149 to 152 to the accounts.
2. Reflecting exceptional costs of £59.6m which includes a £54.7m non-cash goodwill impairment charge (FY23: £127.2m which includes a £122.2 million non-cash goodwill impairment charge as explained further within the financial review on page 34 and in note 16 to the accounts.

For an update on our financial and operational performance this year

→ **Read more on pages 9 to 12**

There is an enduring opportunity across our markets

→ **Read more on page 13**

Understand our strategy to deliver profitable growth

→ **Read more page 14**

Read about how we operate sustainably to deliver value today and for future generations

→ **Read more on pages 23 to 25**

GBG at a glance

Helping businesses to reach and trust their customers

We are well-positioned in attractive markets around the world that are underpinned by structural growth.

We work behind the scenes to enable businesses globally to reach and trust their customers with complete identity and location confidence, based on multi-layered protection with privacy and security at their core.

Key structural growth trends driving our business

Structural growth is accelerated by developments such as AI, which increase the market opportunity:

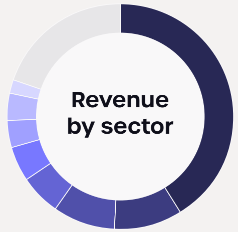
- **Digital transformation**
- **Industrialised fraud & financial crime**
- **Customer experiences**
- **Regulation and increasing compliance**

Complete confidence through multi-layered protection

We optimise consumer onboarding and life cycle with our solutions providing capabilities such as:

- **Address capture & verification**
- **Data-led identity verification**
- **Identity document proofing**
- **Fraud protection**
- **Identity investigation**

Creating trust across diverse sectors and regions



- 39% Financial services
- 11% Retail
- 10% Gaming
- 8% Technology
- 4% Public sector
- 4% Prof. services
- 3% Travel
- 21% Other

- 33% USA
- 30% UK
- 19% APAC
- 12% Europe
- 6% Rest of World

Competitive differentiation is driven through a solid platform based on our highly relevant capabilities:

- **Global Data**
- **Agile Technology**
- **Expertise**

GBG at a glance continued

GBG today

We operate Location and Identity Fraud, two complementary and global lines of business reported through three segments: Location, Identity and Fraud.

As our markets evolve at pace, there is an increasing convergence of our trust-building solutions across the identity lifecycle to help our customers make decisions relating to the individuals using their products and services.

Helping our customers to reach their customers

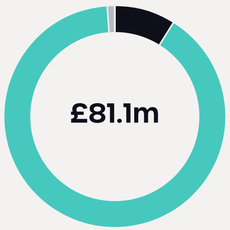
Helping our customers to build trust with their customers

Location

How we operate

A market leader in providing location capturing, verifying and enriched address data globally to deliver the precision required for a seamless online user experience, enhance data quality, increase conversion rates and help ensure accurate deliveries.

FY24 revenue



29% of Group
- 9% › Consumption
- 90% › Subscription
- 1% › Services & hardware

Why customers choose us

1. Global coverage
2. Subpremise-level data
3. Best address records
4. Unlimited addressing experience

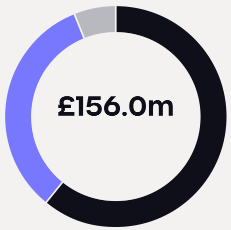
→ Read more about Location on pages 17 and 18

Identity

How we operate

Enabling our global customer base to build trusted relationships through our rich portfolio of data and document identity verification solutions that deliver strong match rates to onboard good individuals and prevent the growing impact of origination fraud.

FY24 revenue



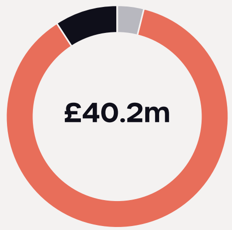
56% of Group
- 61% › Consumption
- 33% › Subscription
- 6% › Services & hardware

Fraud

How we operate

Primarily delivering fraud prevention and investigation solutions that offer real-time protection and regulatory compliance against modern-day financial crimes, primarily in the APAC and EMEA markets.

FY24 revenue



15% of Group
- 4% › Consumption
- 87% › Subscription
- 9% › Services & hardware

Why customers choose us (Identity and Fraud)

1. More accurate onboarding decisions
2. Verify hard-to-identify customers
3. Customisable onboarding journeys
4. Increased protection from fraud

→ Read more about Identity Fraud on pages 19 and 20

Chair's statement

As GBG's Chair, I am pleased to report that FY24 has been a year of strong strategic progress and operational efficiency. My Board colleagues and I have focused on delivering sustainable shareholder value, and we are pleased with the significant efforts by the GBG team in the year, delivering £10 million of annualised cost-savings which underpins the 8% increase in our adjusted operating profit, the highest level achieved by the Group to date. I believe this focus on simplicity and cost-effectiveness will deliver long-term benefits as it has enabled investment to be maintained in the Group's market-leading solutions.

Reflecting on our Group revenue growth this year, both Location and Fraud achieved good growth and Identity was broadly flat, however, it was pleasing to see the Group return to mid-single-digit growth in the final quarter of the year. This was driven by an acceleration in Identity and we are encouraged by the operational momentum that we carry into FY25. More detail on trading performance is provided in our CEO's Review and Financial Review.

One of the important Board decisions this year related to the CEO transition. I want to take this opportunity on behalf of the Board and the GBG team to extend our sincere thanks to Chris Clark, who retired at the end of January. His significant contribution over seven years has transformed GBG from a UK-centric business to a global leader in digital identity software. Throughout a rigorous selection process for Chris' successor, Dev Dhiman stood out as a proven people leader with a strong track record of success. Dev's sector experience and his years at GBG make him the right choice to lead the Group through the next phase of its evolution.

> **I hope that this report will demonstrate how our strategy for profitable growth will be driven by the unique combination of our global data, our agile technology and team expertise at the core of all our solutions.**

Strategic focus

Innovation within GBG is crucial to enhancing the level of reach and trust that can be established by our customers and partners with their end customers. It creates the competitive differentiation that enables GBG's solutions to remain at the forefront of a competitive market. The Group as a whole is underpinned by structural growth, notably enduring trends for digitalisation, increasing regulation and the need to optimise customer experiences, alongside the unprecedented pace of generative AI adoption, whose sophistication undoubtedly brings benefits while also introducing new risks as bad actors use this technology to commit more complex fraud.

GBG is well-placed to benefit from these evolving market dynamics. Our layered approach to our solutions is already augmented by AI and machine learning capabilities that we have developed over the last decade. We are confident our business model, expertise and financial strength mean we can pursue profitable growth and expand our role as an enabler of trust for the customers we serve.

Our people

The Board appreciates the ongoing dedication and efforts of our teams globally. Throughout the year, either through interactions with our valued customers or with each other at internal events, our strong and supportive culture has been consistently demonstrated, reinforcing why GBG has one of the identity industry's most engaged and expert teams. This level of engagement is not taken for granted and reflects a sustained effort and wealth of experience that is not easily replicated.

Chair's statement continued

Delivering on our ESG commitments

GBG plays a crucial role as an enabler of trust and compliance between customers and their consumers in the digital world. Our future product roadmap will drive innovation to enable greater inclusivity within digital identity verification that will empower more consumers to transact online with confidence.

More broadly, the Board supports the overriding importance of integrating Environmental, Social and Governance (ESG) matters into our everyday activities for the benefit of all our stakeholders. This year we have taken steps to build on our stretching commitments which will positively impact society. In particular, we committed to set externally validated, science-based near-term and net zero targets, while also achieving a meaningful reduction in our office emissions footprint through targeted action. We also conducted our first climate-related scenario analysis project this year, helping us understand how we could be impacted by climate change and the steps we can take in mitigation.

Board and governance matters

As a company committed to corporate governance, we hold ourselves to the highest standards set out in the Quoted Companies Alliance Corporate Governance Code. My role as Chair alongside my Non-Executive Board colleagues is to create an environment that provides appropriate challenge and support to the Executive Directors, and I believe the governance framework allows the Group to pursue its strategy effectively and with appropriately managed risk. Our approach to these responsibilities is set out in the Corporate Governance Statement on pages 53 to 55.

The non-executive members of the Board have also continued to evolve; following a thorough recruitment process, we were pleased to welcome Michelle Senecal de Fonseca, an experienced executive and non-executive director in the technology industry, as a Non-Executive Board member. Furthermore, we also announced that Natalie Gammon would step down as Non-Executive Director and Chair of both Remuneration and ESG Committees after the next Annual General Meeting ('AGM'). The Board appreciates Natalie's expertise, professionalism and commitment since joining in 2019, notably for her additional roles as ESG and Remuneration Committee Chair. Natalie will be succeeded in these roles by Michelle, who will also be a member of our Audit & Risk and Nomination Committees.

The composition of the Board will continue to be reviewed regularly and I will always consider further opportunities to enhance its breadth and skills as we shape the business in a way that represents the world that we live in. Having spent considerable time on succession planning and Board evaluation, I am confident we move forward with a Board that continues to have the appropriate balance of skills, experience and diversity required to support the business and drive forward its strategy, and I am grateful to each Director for their time and commitment to GBG.

Capital allocation

Our disciplined and balanced approach to capital allocation is an important priority for the Board. We are focused on enabling sustainable and profitable growth, while the Group's strong cash generation and balance sheet capacity will provide flexibility to respond to market opportunities as they arise. We lay this out in the context of our Strategy on page 14.

Our progressive dividend policy reflects the Board's confidence in the Group's financial strength and ability to deliver growth. This year we are recommending a final dividend of 4.20 pence per share, a rise of 5% on the previous year. If approved, this would represent the 17th consecutive year the final dividend payment has increased. Subject to shareholder approval at our AGM, it will be paid on 2 August 2024 to shareholders on our register by 21 June 2024.

Summary

As a Board, we are confident GBG is a high-quality business with the capability to execute the long-term opportunities in its markets and deliver value for all stakeholders. This year, the business has navigated near-term issues impacting growth and increased the focus on profitability which has created momentum into FY25 with a strong financial position and a talented team motivated for success.

Finally, we appreciate your support as shareholders; it is a privilege for me and my fellow Board members to be part of GBG's journey, helping to guide the Company's strategy as we work with a clear purpose to build trust in a digital world.

Richard Longdon
Chair
10 June 2024

Our 2024 AGM

GBG will host its AGM on 23 July 2024 at which shareholders can attend in-person to participate in the meeting, ask questions and vote. This will be held in London at 10:00am (BST).

As you will read in the Notice of AGM published alongside this Report, we are putting 14 resolutions to vote at our 2024 AGM. The Notice of AGM includes detail on a special resolution related to a proposed share capital reduction. GBG is proposing to cancel the entirety of its share premium account in order to create distributable reserves that will be available to increase flexibility for the future payment of dividends to shareholders and for any other general corporate purposes, subject always to the financial performance of GBG.

The Board considers the resolutions being proposed at the AGM to be in the best interests of both the Company and the shareholders as a whole. We ask our shareholders to support these resolutions, your Board of Directors, and various other business matters on which you are asked to vote.

↗ **Read more in our Notice of AGM**

CEO Q&A with Dev Dhiman

About Dev

Dev was appointed as Chief Executive Officer (CEO) in January, having joined GBG as Managing Director, APAC in 2020. During that time, our APAC business has consistently delivered year-on-year revenue growth and Dev demonstrated excellent leadership qualities aligned with GBG's people-focused culture to deliver that performance. Prior to GBG, he spent 12 years at Experian, where he held a variety of senior positions, building considerable knowledge and experience of the sector and the markets in which GBG operates.

Q Since you assumed the CEO role in January, what has been some of your first impressions of the broader business?

A Its an exciting time to become CEO of GBG. We are well-positioned to deliver profitable growth in a market with long-term structural drivers. As our customer's identity challenges grow, our market-leading solutions deliver value, speed and scale through a complete identity onboarding experience. Our team is exceptional. I've had the pleasure since January of meeting more of our people worldwide, witnessing their expertise, energy, and enthusiasm first hand. Our customers echo this sentiment through their positive feedback and our impressive Voice of Customer satisfaction scores. While we've experienced a period of lower growth, our focus on cost effectiveness maintained profitability. I am confident our trajectory back to sustainable growth will continue to be supported by ongoing product innovation and our ability to execute at scale. I'm proud to say that every second, our resilient platforms enable our customers to grow and reach their customers, be that high profile sports events to the big online shopping dates such as Black Friday.

> **Looking to FY25, by prioritising competitive differentiation and a high-performance culture, we will ensure GBG capitalises on the exciting market opportunity ahead.**

Q What gives you confidence that GBG can pursue improved growth in the markets you are operating in?

A Our confidence in driving near-term growth to mid-single digits is underpinned by our current momentum which saw group growth of 5.0% in the final quarter of FY24, driven by Identity as anticipated. While the timing is hard to forecast, we also expect as the macroeconomic backdrop stabilises, business confidence will return and act as a further tailwind to our growth dynamics. Over the mid-term, two elements will enable GBG to accelerate growth; our ongoing ability to win new business, and returning net revenue retention (NRR) to historic levels. In FY24, both Location and Fraud delivered good growth, while Identity was broadly flat, as a result of transaction volume reductions at existing customers due to sector-specific impacts and the broader macroeconomic slowdown which impacted this year's NRR.

Q What are your key priorities into FY25?

A In my first few months I have travelled across our business and the time I have spent out with our people and customers has given me a good understanding of what we need to drive future success. Looking to FY25, by prioritising competitive differentiation and a high-performance culture, we will ensure GBG capitalises on the exciting market opportunity ahead. We have four key focus areas that support a clear strategy to drive success across all our markets. Firstly, simplifying our ways of working to enhance clarity for our people, customers, and investors, ensuring a deeper understanding of our business and the value we offer. Secondly, aligning globally as one cohesive entity will allow us to leverage our size and maximise our relationships with over 20,000 customers. Thirdly, fostering a high-performance culture within our team, focused on winning and differentiation. And finally, prioritising innovation aimed at delivering tangible value to our customers, through our proprietary market-leading solutions.

CEO's review

I wanted to use this first opportunity as CEO to update you on our performance in FY24, and then outline my thoughts on GBG today together with our focus areas as the Group evolves.

Summary

In an increasingly digital world, GBG exists to help businesses and organisations grow by giving them the intelligence to make the best decisions about their customers, when it matters most. We are consistently set apart by our global reach and our ability to serve industry-specific solutions across a range of sectors. Our combination of global data, agile technology, and expertise, powers over 20,000 organisations, including the best-known global brands. We help those organisations to reach and trust their customers across a number of the most attractive markets globally, which are underpinned by favourable structural trends – providing GBG with a long-term, sustainable runway of growth.

Reflecting on FY24, we are pleased to have successfully executed our financial plan for the year. Our strategic progress on simplification and cost-effectiveness delivered £10 million of annualised savings enabling GBG to be a more resilient and profitable business with the capacity to capitalise on our future growth opportunities. As expected, our overall growth in FY24 remained constrained by two significant headwinds to our transactional volumes; first, the subdued macroeconomic conditions impacted consumer demand, and second, changes in consumer behaviours within the internet economy.

While macroeconomic conditions remain subdued, we have seen our growth trajectory improve during the second half of FY24 resulting from a partial reacceleration in Identity as consumer behaviour normalised and I am encouraged by the operational momentum that we now carry into FY25. Net revenue retention (NRR) improved by 580 basis points to 98.1% and we were also pleased with a further improvement in revenue growth generated from new customers.

Our high absolute customer retention rate and our flexible business model featuring high levels of repeatable revenue means we are well-placed as business confidence returns, both through improved top-line growth and the operating leverage arising from the cost savings we delivered.

Strong strategic progress has also been delivered this year. We launched innovative products that further enhance our leadership in the identity fraud market, such as GBG Trust and Score to optimise the onboarding journey. In Location, we scaled up the deployment of our AI-parsing and deep-learning technology to seventeen more countries to increase our industry-leading performance in emerging markets. More broadly, a greater emphasis on collaboration and global alignment is ensuring that we can appropriately leverage our scale and expertise for commercial success. This includes strengthening our Americas Identity business in go-to-market, sales enablement and product to more effectively pursue the large market opportunity, and we are pleased by the improvement seen in that business as a result of our actions to date.

In summary, we are pleased with the financial and strategic progress delivered in FY24, particularly the stronger final quarter in Identity. Our achievements demonstrate the focus, tenacity and effort of the GBG team during the year and I thank them all for their hard work and dedication to our customers. I am excited about what we will achieve together in FY25.

"Reflecting on FY24, we are pleased to have successfully executed our financial plan for the year.

CEO's review continued

Financial results overview

Both revenue and adjusted operating profit are in line with the trading update released on 23 April 2024.

Group revenue of £277.3 million grew by 2.7% on a constant currency basis. This reflects improving net revenue retention (NRR) of 98.1% compared with 92.3% in FY23 and a further improvement in revenue growth generated from new customers won in the last 12 months to 4.6% (FY23: 4.5%).

Despite our high levels of absolute customer retention, revenue growth opportunities continued to be impacted by transaction volume demand linked to the two specific headwinds mentioned earlier which impacted our year-on-year comparison. However, as consumer behaviour normalised, the headwinds related to certain internet economy customers abated as we moved through the year, and it was pleasing to see growth accelerate to 5.0% in the final quarter of FY24 driven by our Americas and EMEA identity businesses.

As a result of the subdued macroeconomic environment in which to drive top-line growth, we have been particularly focused on execution to drive the Group's profitability. These initiatives to deliver increased simplicity and cost-effectiveness have balanced delivering growth in returns for shareholders and the need to invest and optimise our core solutions in a competitive market.

We have made excellent progress with these initiatives, which began during FY23 and have achieved an annualised run-rate reduction in operating expenditure of £10 million. This has contributed to an adjusted operating profit growth, excluding net gains on foreign exchange, of 8.0% to £61.4 million, with our operating profit margin on that basis expanding by 170bps to 22.1%.

On a reported basis there was an operating loss of £41.4m, caused by the £54.7 million exceptional non-cash goodwill impairment charge that was recognised in the first half.

Our cash conversion normalised at 90.6% (FY23: 67.3%) which contributed to a good reduction in the Group's net debt to £80.9 million at 31 March 2024 (31 March 2023: £105.9 million) and net debt to EBITDA leverage below 1.3x as expected. While our near-term capital allocation priority is to use cash generation to reduce net debt, the Board remains committed to a disciplined approach to capital allocation that focuses on delivering long-term shareholder value. As a result of our strong cash performance and its confidence in GBG's enduring market opportunity, the Board recommends a final dividend per share of 4.20 pence (FY23: 4.00 pence per share), which represents a year-on-year increase of 5.0%.

	FY24	FY23	Change %	Constant currency change %
Revenue	**£277.3m**	£278.8m	(0.5)%	2.7%
Adjusted operating profit excluding FX gain	**£61.4m**	£56.8m	8.0%	
Adjusted operating margin excluding FX gain	**22.1%**	20.4%		
Net gain/(loss) on foreign exchange	**£(0.2)m**	£3.0m		
Adjusted operating profit	**£61.2m**	£59.8m	2.3%	

Our segmental performance

Location (29% of the Group's revenues)

Location had another good year; revenue was up 7.3% on a constant currency basis to £81.1 million as the business continued to perform resiliently. We successfully mitigated the impact of softer transactional volumes from our e-commerce customers by driving go-to-market activity on expanding the relevant use cases into a diverse sector and geographic footprint such as financial services, utilities, telecoms and via channel partners.

Notable customer success:

- Capturing growing demand from our large and diverse customer and partner base, including HelloFresh, Aldi, Santander and Reltio
- Supporting retail customers such as New Balance, Kurt Geiger, Neiman Marcus and Marc Jacobs
- Facilitating the customer checkout journey for some of Asia's largest e-commerce marketplaces to enhance address accuracy as they experience growing cross-border demand

Identity (56% of the Group's revenues)

Revenue of £156.1 million represents a small 0.7% decline on a constant currency basis, in line with our expectations for Identity this year. A strong performance in our APAC identity business driven by financial services and partner activity in Australia was offset by tough prior-year comparatives for the first three quarters of the year in the Americas, reflecting the trends discussed earlier. As expected, year-on-year growth accelerated by mid-single-digits in the fourth quarter as a result of improving trends in both our EMEA and Americas businesses. Our absolute customer retention rate remained strong in a period when usage volumes remained subdued, and we are pursuing a more globally aligned approach to cross-sell/up-sell opportunities that leverages the competitive differentiation of our solutions to deliver improved onboarding success, identity fraud detection and customer return on investment.

Notable customer success:

- Demonstrating an increased focus on identity fraud detection, Floa chose our mobile fraud signal solution with an upsell to our fraud monitoring capabilities and, Tide selected our Multibureau and Trust solutions
- Customers leveraging our global expertise include AIG, Atlantic Lottery, Currencies Direct and SumUp who all utilised our expanded international data coverage while investment platform, Webull, chose GBG as its end-to-end onboarding partner in EMEA and APAC
- In the Americas gaming, where changes in regulation continue to create opportunity for GBG, we had success with customers such as ESPNBET and Bally's

CEO's review continued

Fraud (15% of the Group's revenues)
Revenue for our fraud prevention, detection and investigation solutions grew by 7.8% at constant currency to £40.2 million. This was underpinned by licence renewals, upgrades and new business wins with leading financial institutions in this segment's core Southeast Asia and EMEA markets, albeit sales of software licences slowed in the final quarter of FY24 after two strong years of growth. In these markets, our solutions have an established reputation and play a critical part in our customer's compliance ecosystems, helping them monitor rapidly evolving fraud threats and comply effectively with new regulatory standards.

Notable customer success:

- Agreements for our fraud monitoring solutions in Indonesia include Bank Syariah and Bank Ina Digital and in Thailand with TMBThanachart Bank and Kiatnakin Phatra Bank
- Nordic-focused Express Bank who upgraded to our fraud compliance platform
- Robust demand for our specialist fraud investigation capabilities in the UK includes emerging use cases working with one of the UK's leading transport firms to support revenue protection on its network and supporting UK Companies House with investigations related to new Economic Crime legislation

> **Since assuming the role of CEO at the end of January, my interactions with our team and our customers and partners reinforce why I'm excited about GBG's strategic position in a growing market.**

Our focus areas

GBG is a high-quality business with a proven track record of delivering profitable growth and a reputation for addressing our customers' complex identity challenges. Through our expertise and innovation, we have developed strong competitive differentiation that underpins our leadership positions across our markets.

Since becoming CEO at the end of January, my interactions with our team and our customers and partners has reinforced why I'm excited about GBG's strategic position in a growing market. That said, I recognise there is scope for performance improvement, and my overriding objective is to improve the organic growth rate for the business. This has directly informed our initial focus areas:

Simplicity: We believe our success will have its foundation in being a simple and efficient organisation and we were pleased that cost initiatives executed in FY24 delivered £10 million of annualised savings. Building on this, simplicity will support our push to be globally aligned, to develop better innovation, and to drive a performance culture. By operating simply, we will drive change to make GBG easier to work with, easier to understand, and easier to prosper within.

We have structured global teams to better focus on our priorities, and we will continue to simplify our product portfolio to optimise our investments to increase the effectiveness and innovation of our solutions. We are also streamlining commercial processes, making it easier for customers to engage with us, with a key example being a brand refresh. This is designed to enable our teams to communicate our value proposition more clearly to key stakeholders, creating a richer understanding of who we are and what we offer.

Being globally aligned: While our Location business has been run globally for some time, we are continuing to drive towards greater alignment through the implementation of a global operating model for our Identity Fraud activities. In our core regions, we are often solving similar complex challenges and there is still further opportunity to work more closely with greater consistency to become a stronger and faster organisation that stands out in all the markets we serve.

We are bringing our identity and fraud capabilities closer together, with our Chief Product Officer leading a more centralised approach to development and innovation. By exploiting our size and scale as one of the largest providers in the market, we will leverage common identity fraud platforms and capabilities to serve our customers worldwide through localised solutions. We are also benefiting from being more commercially effective by managing key suppliers and reducing duplication of investment with a build-once approach. An example is being able to offer our customers increased performance by delivering our improved international data sets, developed in our EMEA Identity business, to customers around the world.

A newly created role of Head of Market Development is focused on leading our global go-to-market strategy and sales enablement across our Identity Fraud activities working closely with our regional leaders. This approach will improve effectiveness and pace across our sales and marketing cycle. We are already seeing the benefits of this approach in our Americas Identity business.

CEO's review continued

Driving a performance culture: As we make progress towards building a simpler and more efficient organisation focused on growth, we expect to create momentum across the business that enhances the experience for our customers and builds on a culture that differentiates us. Across all areas of the Group, we will increase the emphasis on performance delivery from the significant talent within the GBG team, which has seen over 130 team members promoted this year to expanded roles. We have also implemented a high-performance development programme for key sales and product leaders globally and embedded performance initiatives that celebrate the collaborative success of the team.

GBG has always had a strong focus on team member engagement, and this will not change as we evolve. Our latest Gallup survey resulted in 90% of the team recommending GBG as a great place to work (FY23: 93%) with a total participation rate of 92%. We did expect to see a moderation in this score versus the prior year given the level of change and focus on efficiency during the last 12 months. Strong team engagement is directly correlated with satisfied customers, and we were particularly pleased to see our latest Net Promoter Score (NPS) of 50, our highest to date and a 19% increase year on year in a period when we expanded our NPS monitoring globally.

Differentiation through innovation: Meeting the evolving needs of customers will be crucial in maintaining our competitive advantage and accelerating our growth through value-added activities that increase the intelligence provided to support a customer's decision-making. Our GBG Score solution is facilitating discussions with customers to understand the confidence they can place in their current onboarding journey. This complements GBG Trust, our proprietary identity fraud network to stop fraud at the point of onboarding. Customers across sectors have contributed more than 50 million identity records into the network to help onboard consumers more quickly, differentiate their journey based on a 'trust' score and share insight on bad actors.

We have extensive experience deploying AI and machine learning. Advances in technology and our product portfolio, such as the Trust network, mean AI will continue to be a key focus. Product highlights include new computer vision and machine learning models within our document & biometric capabilities, delivering a 4.5x improvement in match rate performance as well as enhancements to our document tamper detection. We also improved our location intelligence using deep learning models and data parsing to increase match results by up to 17% in emerging markets. At the same time as we make significant progress enhancing extensive AI capabilities to augment our products, we are extending its use across our broader business operations for improved productivity to provide an exceptional end-to-end customer experience from setup to support.

Outlook and summary

GBG is a high-quality business with market-leading positions in the key sectors and geographies we operate. We have good momentum to continue our journey of building one of the largest identity and location players in the market through the evolution of our strategy to concentrate and exploit the most attractive market growth opportunities, with a relentless focus on delivering shareholder value.

Our focus on identity onboarding supports our customers in managing this critical stage of a customer lifecycle to help them grow and build long-term trusted relationships. Products such as GBG Trust reinforce our strength in this market as the digital transformations of our customers progress and the world continues to face exponential growth in the threat of fraud.

The new financial year has begun in-line with our expectations, with improved momentum in Identity and Location continuing from the final quarter of FY24. The Board is confident GBG will deliver mid-single-digit revenue growth, on a constant currency basis, which will drive high single-digit growth in adjusted operating profit. As we look further forward, the Board remains confident that GBG has the market position, technology leadership and business model to capitalise upon the significant growth opportunities ahead, delivering significant and sustainable shareholder value

Dev Dhiman
Chief Executive Officer

On behalf of the Board

10 June 2024

Our markets

GBG operates in markets that benefit from long-term structural growth drivers. The acceleration of the digital economy creates long-term opportunities, but also new challenges such as the growing industrialisation of fraud. All businesses must offer smooth and secure management of location and identity information at the point of onboarding, while meeting increasing regulatory demands and the imperative to deliver outstanding digital experiences are fundamental questions brands must address to grow their business and protect their reputation.

	Global trends	Sector and region trends		The opportunity for GBG
Digital transformation	• A continued shift to digital commerce in daily life, with 1.4 billion new internet users in the last five years (two-thirds of global population) • Adoption of Generative AI beginning to drive transformative change in our digital experiences Source: Statista.	**Financial services:** High touch, high frequency interactions build brand equity **Retail:** Use of digital interactions to drive people into physical stores	**Gaming:** Increasing number of digital promotions drive customer acquisition **Online Retail:** Increasing cross-border eCommerce	• The size of our markets continues to grow, we are well placed benefit as our identity and location customers increasingly deliver more activity online • Promotions drive 'bonus abuse fraud' which creates opportunities for solutions such as GBG Trust, to help identify individuals conducting this fraud
Industrialised fraud and financial crime	• Fraud is a growing and cross-industry concern. During 2023, 55% of global businesses experienced a rise in digital fraud at a cost of $5.4 trillion to the global economy • Fraud protection as a brand defence with identity theft occurring every 22 seconds due to use of AI deepfake technology and widespread synthetic ID fraud (comprising 85% of all fraud right now) Source: National Council on Identity Theft, Mckinsey.	**Fraud focused on:** **UK:** Bank, insurance and tax **US:** Healthcare **Australia:** Bank and pensions **Financial services:** Growing identity, money mule and application push payments	**Retail:** Promotion abuse, returns and delivery fraud **Public sector:** Billing, procurement and claims **Gaming:** Promotion abuse and money laundering	• Combining our fraud and identity capabilities to offer solutions that strengthen our value to customers • Leveraging our position as a data controller to provide enhanced customer insight • Increasing potential to serve identity fraud solutions to customers in the retail sector • Using Location's sub-premise level data to identify initial indicators of fraud
Onboarding as a differentiator	• 85% of customers prefer brands offering advanced identity verification • Customers' willingness to switch makes the onboarding journey a competitive differentiator Source: GBG.	**Gaming:** Shifting emphasis to digital brand creation from digital enabler	**Financial services:** In banking, introduction of 'healthy friction' creates brand trust, and growing use of digital wallets in the checkout process	• Layering and combining our capabilities to deliver customer experiences that enhance brand equity • Delivering fast and accurate decisioning through our automated document verification • Educating customers on the importance of data quality as digital wallets rise in popularity
Regulation and increasing compliance	• Continued adoption and growth of privacy and consumer transparency regulation • Growing regulation of push payments	**Gaming:** Increasing friction to mirror regulation **Australia, New Zealand, UK and US:** Online safety regulations **UK:** Protection of vulnerable individuals	**Australia:** Expanded AML regulations **US:** State-by-state regulation enables growth in online gaming **LATAM:** Regulation of online gaming in high-growth markets such as Brazil and Peru	• Leveraging our leadership in UK gaming to address international markets such as the North Americas, South America and Australia • Applying our compliance expertise in our core markets to guide best practice across our customer base

Our strategy

Focused on profitable growth

We have a clear strategy to deliver profitable growth. As a business, we are focused on enabling valuable onboarding decisions for our customers around the world as they look to manage risk factors related to their size, brand, regulatory or compliance requirements, and deliver excellent customer experiences.

How we do it

Our market-leading solutions play to our key strengths, leveraging international data with our agile technology platforms and the unique expertise of our people to provide our customers with intelligence to distinguish between their good and great customers, tailoring customer journeys appropriately while stopping fraudulent, bad actors.

Key elements driving our strategy

1 Differentiated offering
Our continuous product innovation, track record of delivery and breadth of expertise contribute to our wide recognition as a leader in the identity and location sector

2 Expertise
Highly skilled and experienced people with strong technical end-to-end capabilities and an in-depth understanding of customer requirements

3 Geographic and sector reach
Our global footprint enables us to be a trusted adviser and partner to our large customer base across diversified sectors

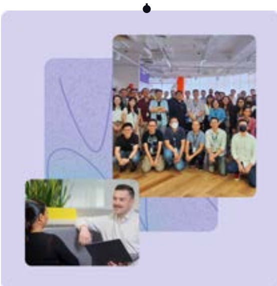
4 Structural growth
Our key markets are underpinned by attractive structural growth

5 Financial strength
Our attractive, cash generative model enables disciplined capital allocation for the benefit of all stakeholders

Current focus areas


Simplicity


Being globally aligned


Driving a performance culture


Differentiation through innovation

→ Read more on our focus areas in pages 9 to 12

Our business model

The value GBG creates

Our attractive financial operating framework delivers high levels of repeatable revenue, consistent operating margins, and a disciplined approach to capital allocation that supports a strong balance sheet. This drives the positive cash flow required to execute our strategy for profitable growth, while creating opportunities to reinvest operating leverage. This maintains the differentiation and performance of our market-leading solutions, which ultimately delivers sustainable value creation.

Delivering value through execution

Growth

A business model that generates high levels of repeatable revenue with long term opportunities in attractive end markets

Profitability

Focus on simplification and cost-effectiveness in FY24 has created a more resilient and profitable business

Cash generation

Highly cash-generative model supports disciplined capital allocation

Disciplined capital allocation

Using our strong balance sheet and high cash generation to deliver profitable growth

Debt leverage of up to ~2x Adjusted EBITDA

Investing for growth

Invest in our people

Sustain and build differentiated solutions

Go-to-market teams expanding market share and addressable opportunities

Progressive dividend

Consistent reliable cash returns

Growth reflects underlying performance

Strategic M&A

Active programme assessing possible acquisition targets

Rigorous process to assess risk and validate financial returns

Strong track-record for successful integrations

Additional shareholder returns

Ongoing employee benefit trust share repurchases

Returning surplus capital to maintain an efficient balance sheet

Sustainable outcomes for our stakeholders

Customers

- Combats fraud risk
- Helping grow and build trust with new customers
- Accelerating digitalisation of manual processes

Our people

- A performance culture focused on winning
- Recognising and nurturing talent
- Offering exciting careers in a growing industry

Investors

- High levels of repeatable revenue
- Profitable growth and cash generation
- Disciplined capital allocation

Communities

- Protecting individuals from the risk of fraud
- Reducing failed deliveries lowering emissions
- Helping consumers to have great experiences

Stakeholders

Stakeholder Engagement

At GBG we firmly believe that maintaining strong stakeholder relationships is essential to our long-term success. We aim to treat all stakeholders fairly, ensuring we engage in regular dialogue to better understand their needs.

	Investors	People	Customers	Communities	Suppliers	Regulators
Who	Investors are key beneficiaries in the value that we create. We are committed to transparent and open engagement with them.	Developing and attracting high-quality talent is a key driver of our success. As of 31 March 2024, we have 1,127 employees worldwide.	Our customers expect us to provide reliable, innovative products and services that meet their needs.	For our communities we have a duty to conduct our business in a responsible way that aligns with our purpose and values.	Developing strong operational relationships with our suppliers is key to success.	We operate within the requirements of a regulated industry.
Why	We provide regular updates to investors so they can be assured that the Company is being managed responsibly. This includes ESG updates alongside financial and performance information to enable investors to take a broader view of value and risk.	Our people understand what we do better than anyone. With a diverse range of views and experience and in a world that is rapidly changing, they are best placed to identify opportunities to ensure our success. We see it as essential that we proactively engage with our team members to establish a positive culture based on trust.	We actively seek feedback on what customers think about us so we can make our services better and address the issues that matter. As customer expectations change, we look to evolve and enhance our products and services to ensure we deliver best in class solutions.	We seek to understand the impact and contribution GBG has on everyday life for the communities that we interact with through our work. We also have a clear focus on our environmental and social impacts and report regularly on progress in these areas, with clear targets set.	We recognise how important it is to have positive relationships across our supplier chain. This includes making sure there is mutual respect and understanding of how we should work together. We conduct a thorough due diligence when onboarding and keep up regular dialogue through the relationship to ensure the highest standards of conduct are maintained.	We recognise how important it is to shape the policy and regulatory framework within which we operate, covering customer, supplier, and ESG matters.
How	We held roadshow events at the full and half year as part of a proactive investor relations programme covering 160 engagements during FY24. Our Annual General Meeting (AGM) took place in July and we engaged directly with investors ahead of the AGM as well as at the meeting.	Our new CEO has visited several team locations globally and held virtual townhalls to engage with as many team members as possible. Bi-annual team member engagement surveys are conducted with results shared with the Board. Rewarding top performers and developing key talent is a priority for the Board.	We provide a 24/7 helpdesk for all customers. We also run a continuous 'Voice of the Customer' programme. Customers complete various satisfaction surveys so that they can tell us what they think about our products and services and we can monitor our Net Promoter Score. The Board receive monthly updates on the outcomes of these surveys.	This year we have held more 'Women in Tech' forums than in previous years. We conducted more volunteering across the Group providing a wide-ranging variety of fundraising opportunities globally where we directly engaged local communities.	Led by a team of highly experienced procurement specialists GBG's onboarding of suppliers ensures that they understand the high standards expected. Regular dialogue is maintained throughout the supplier relationship to ensure the best possible service is received by GBG.	GBG's Chief Regulation Officer is responsible for ensuring compliance with regulation within our industry. Our Company Secretary ensures our compliance with new ESG reporting regulations, including our climate-related financial disclosures.

Location

Precise location data is critical to all businesses delivering goods, services and great customer experiences. We deliver the richest, most precise premise-level address data to help every business in the world, reach every customer in the world.

Improving location data quality for thousands of customers

With over 130 different address formats across 250 countries and territories, global address verification is a costly challenge for most businesses. We curate the most comprehensive address data for every region by combining multiple data sources into a single best address record. The result is verified data that is standardised, enriched and structured to the most appropriate local format.

Our rich suite of location capabilities gives businesses worldwide the precision they need to make data-driven decisions, deliver superior customer experiences, help prevent fraud and enable cross-border commerce.

Continuous Innovation

We continue to innovate by curating and creating location data from hundreds of sources and the millions of transactions we process daily for thousands of customers to deliver strong time-to-value.

We are always evolving to ensure accurate and reliable results and ensure customers are using the most up-to-date location data in the market. Our country maturity programme is dedicated to integrating cultural context into the search capabilities of our type-ahead products, providing a localised experience, globally. This enhances search efficiency, reducing input time and keystrokes needed to find addresses worldwide.

Why customers choose us

1

Global coverage
We cover 250 countries, multiple languages and eight global character sets, providing standardised, formatted and enriched results even in hard-to-address markets.

2

Subpremise-level data
We deliver subpremise-level data, such as apartment, suite and floor numbers; combining multiple data sources to produce a single best address record.

3

Best address records
Our proprietary curation process cross-references and combines data to create a single, most complete and accurate address record from multiple sources.

4

Unlimited addressing experience
Unlike other location services, we don’t limit data caching in our platform to 30 days. This reduces address data entry, ensuring the best possible experience for repeat visitors.

“We curate the most trusted global address data and deliver it through our technology platform.

Key capabilities

A suite of global capabilities that capture, verify and enrich location and customer data from anywhere in the world.

Address Capture
Smart type-ahead addressing suggests and captures accurate addresses in seconds.

Address Verification
Verifies, corrects, standardises, and enriches address data in real time for express eCommerce.

Phone and Email Validation
Validates customer email addresses and phone numbers for improved customer contact.

Country Maturity
Integrates cultural context to provide a localised experience anywhere in the world.

Data Maintenance
Corrects, suppresses and appends large batches of data to ensure GDPR & CCPA regulatory compliance.

Geocode
Delivers geo-coordinates for a specific verified location to ensure delivery route optimisation.

Store Finder
Identifies a retail address to help customers quickly arrive for same-day collections.

Select customers and partners

ALLOY GYMSHARK betfair DOW JONES HOTEL Chocolat IBM

Location continued

Data Maintenance & Address Capture

Leading household appliance insurer reduced address entry time by 80%

This household appliance insurer relies heavily on its customers' location to do business. Their internal data quality was leading to significant amounts of returned mail, an upward trend in poor outcomes and an increase in customer complaints around data processing.

They chose our Data Maintenance and Address Capture solutions to deliver greater accuracy. They underwent a large-scale data cleansing process to parse, standardise, verify and format location data, followed by a suppression cleanse to flag any customer address changes. They also implemented our real-time type-ahead capture capability for online forms, reducing address data entry time for their customers by 80% and input errors by 20%.

By implementing our solutions, this business was able to improve customer experience, boost conversion rates and reduce wasted marketing costs all while maintaining an uninterrupted service for their customers.

“

We decided to use GBG because they deliver the widest data sources and therefore the greatest address accuracy.

Global reach. Local precision.

Our product philosophy is simple: We must know an address as well as the people who live at that location so our customers can deliver products and services first time and every time.

We curate the most trusted global address data and deliver it through our technology platform, harnessing a powerful ecosystem of AI and continuous machine learning to process millions of transactions every day and continually improve our location intelligence. We prioritise product quality, reliability and data freshness and ensure that any customer can integrate our location capabilities in minutes for unrivalled global reach.

Kartik Venkatesh
Chief Technology Officer, Location

Address Verification

Leading fragrance company saves 85% in courier fees

This unique perfumery business has around 200,000 consultants worldwide, actively engaging with and selling fragrances to customers. They had been facing reoccurring addressing problems due to a poor data capture experience, absence of address verification process and an inability to validate addresses in international markets.

They selected our location solution suite for its extensive international coverage and range of capabilities, including type-ahead address capture functionality.

The result was transformative, significantly reducing address inaccuracies and failed deliveries and streamlining the intricate logistics associated with global sales fulfilment. The company has achieved 85% savings in courier fees and operational efficiency gains, especially in their Australia and New Zealand market that saw a 33% increase in successful deliveries.

Identity Fraud

Our solutions help businesses make more accurate onboarding decisions, fast-track great customers and stop fraud.

In today's complex online environment, trust in identity and protection from fraud are indivisible, shared concerns for organisations and individuals. Brokering trust between business and consumers is what we do, with leading identity fraud solutions to verify and prove identity and protect against fraud. These solutions go beyond binary due diligence to deliver the highest level of onboarding intelligence to businesses, while ensuring consumers receive the fast and secure digital experiences they demand.

Over the past year, we have continued to deliver solutions that increase trust in digital identity. The launch of GBG Identity Score provides a unique identity confidence metric, giving businesses the power to measure a complete digital footprint and recognise more genuine identities. It helps businesses confidently optimise customer journeys and calibrate onboarding decisions, in real time country-by-country around the world. Our International Identity Index took this a step further, revealing the best way to verify digital identity around the world, helping to navigate national identity ecosystems and increase identity inclusion.

With the launch of GBG Trust during the year, we have an identity intelligence-sharing network, delivering competitive advantage that is hard to replicate. Trust is built on a comprehensive rules engine that constantly interrogates millions of consumer identity data records in the Trust network. Hundreds of customers from across the sectors and geographies we serve have contributed over 50 million identity records to build trust and prevent identity fraud across the network. By finding positive data matches and suspicious anomalies and behaviours, our customers can recognise great, good and bad prospects at the first point of contact.

Why customers choose us

1. **More accurate onboarding decisions**
Comprehensive identity information, precise configurability and our Trust network deliver more context and better decisions to onboard consumers more efficiently.

2. **Verify hard-to-identify customers**
The breadth of our identity data and understanding mean fewer consumers are unfairly excluded even if an identity footprint doesn't tick all KYC boxes. This is good for hard-to-identify consumers and businesses alike.

3. **Customisable onboarding journeys**
Our Trust network recognises great, good and bad prospects for accurate routing of fast, slow or no-go customer journeys – minimising friction and cost or adding extra checks if it's necessary.

4. **Increased protection from fraud**
As we see more identity fraud, synthetic identity and fake IDs being used, the breadth and depth of our layered identity solutions accurately distinguish between genuine consumers and criminals.

Complete customer onboarding

We are committed to helping our customers grow and protect their business, complying with global regulations. This commitment underpins an innovative solution roadmap designed to deliver increasing value to our business.

By leveraging the rich, continually growing identity transaction data flowing through our solutions, GBG aims to become the strongest market operator delivering trust in all digital identities. Powered by the proprietary capability and flexibility of our solutions, a progressive evolution of our orchestration platforms will deliver exceptional customer experiences by unifying identity, fraud and location capabilities – a powerful combination that is unique to GBG.

Gus Tomlinson
Chief Product Officer, Identity Fraud

Verify
Know your customer
Fast, accurate and secure identity data verification designed to deliver customer due diligence.

Prove
Biometric authentication
Identity proofing with documents and biometric authentication for maximum customer security.

Protect
Prevent identity fraud
Interrogate identity data and documents for suspicious anomalies and other fraud signals.

Investigate
Trace connections
Investigating connections between people, businesses and property for the complete customer view.

Select customers and partners

bet365 | Lyft | St James's Place | Revolut | HSBC | LexisNexis | Costco Wholesale

Identity Fraud continued

Verify

One of the UK's largest wealth managers improves its customer pass rate by 9%.

Offering financial advice and property investment products via a network of around 2,500 partners, this unique wealth management business identified a clear opportunity to improve Know Your Customer (KYC) efficiency.

Our Multi Bureau digital identity verification solution gives this business direct search access to all major UK credit bureaus. By interrogating all trusted credit reference agency data in one search and delivering a match against two separate credit records – such as a mortgage, credit card or bank loan – we can now achieve a reliable UK measure for compliant KYC checks in just a moment and maximise the number of new customers passing straight through onboarding first time.

Now switched to a more streamlined, automated solution for KYC, the business continues to speed up and scale up customer onboarding via its partner network. During the first two years of Multi Bureau identity verification, partner practices have compliantly onboarded more than 150,000 new customers.

Prove

Popular trading platform enters new global markets, with enhanced ID security.

This year we welcomed a leading online trading and investment platform seeking to expand its global presence and a tailored response to customer due diligence challenges.

Navigating an intricate regulatory landscape and ensuring secure customer onboarding were both critical. The business had to adhere to distinct AML (Anti-Money Laundering) regulatory requirements and GDPR (General Data Protection Regulation) standards in Australia, South Africa and the United Kingdom. Plus, a competitive online trading sector made swift customer onboarding crucial; poor identity proofing experience would not be tolerated.

GBG is embedded into its onboarding experience, enabling the business to tap into real-time identity data verification with sources to meet market regulations. For extended due diligence, the platform plugs into our web-hosted identity proofing solution, delivering document capture and assessment in all markets plus biometric authentication and liveness detection.

Protect

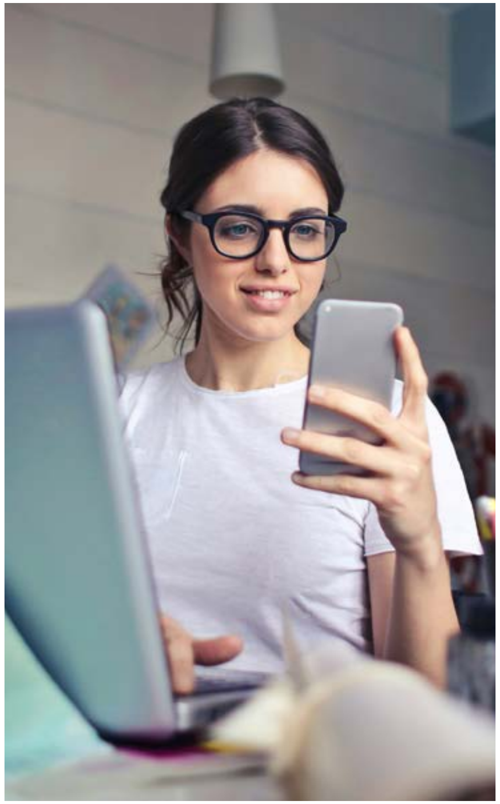
Across our diverse sub-sectors, hundreds of customers are linked to our global identity network.

Combining consumer identity records from previous data and document-led journeys, our identity network, GBG Trust delivers trust insights for onboarding speed and security, helping members fast-track great customers and keep criminals out.

Connecting business onboarding checks to this powerful source of truth is producing some remarkable results for GBG Trust members.

One of the UK's biggest business financial platforms deployed GBG Trust scoring alongside their existing identity verification checks. Within hours it had halted instances of identity fraud and onboarded customers otherwise missed by its existing customer due diligence.

Running 100,000 transactions through our GBG Trust network, a global eCommerce giant, discovered cost-savings in fraud prevention and enhanced customer due diligence that totalled a multiple of its annual subscription to the soluion.



Plugging into our low-code solutions, this trading platform has entered new markets at speed while meeting high customer and regulator expectations.

Investigate

UK city council prevents losses and generates income totalling more than £6.7 million.

The Counter Fraud Investigation team at one of the UK's largest city councils needed a solution to help protect public funds and ensure residents receive maximum value for their tax money.

Using GBG's UK-focused Investigate tool, the team now has access to over 1.5 billion enhanced, interlinked records, allowing them to see how different people, addresses and businesses are linked together. This helps the team spot falsified social housing or Right to Buy claims from ineligible applicants, as well as illegal subletting, fraudulent council tax exemptions and many other costly crimes.

In one financial year alone, the council's investigators prevented losses and generated income totalling over £6.7 million. In the previous five years, the total was £26.5 million, added to a further £12.5 million in savings from fraudulent and irregular business COVID grants.

Section 172 statement

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006.

GBG's Board must consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and having regard (amongst other matters) to factors set out in (a) to (f) s172 Companies Act 2006 (s.172).

This section describes how the Directors had regard to the matters in Section 172(1) (a) to (f) of the Companies Act 2006 in Board discussions and actions, behaviours and decision-making. The Board and Executive Directors know that considering all our key stakeholder relationships, having proper regard to our stakeholders' interests and being aware of the external impact of our activities on the communities and environments in which we operate, will ultimately drive value to our shareholders and secure our long-term success.

Section 172 Considerations	Decision-making process	Where you can read more
a **The likely consequences of any decision in the long-term**	The Directors are aware that the decisions they make today will affect the Group's long-term success. The Board continually monitors the Group's progress against strategy and makes decisions between short and long-term investments. Further detail on the types of decisions taken are covered in the CEO review and Financial review.	→ **Strategy – page 14** → **CEO review – pages 9 to 12** → **KPIs and Financial review – pages 30 to 35**
b **The interests of the Company's employees**	The Board understands the important role each and every one of our people play in the long-term success of the Group. The Board are committed to the people agenda and this year there has been a real focus on development of our key team members, this has included leadership programmes, succession planning and making sure effective reward packages are in place. The Group operates bi-annual engagement surveys, the results of which are shared with the Board along with other senior members of the business who regularly interact with team members at all levels.	↗ **ESG Impact Report**
c **To foster the Company's business relationships with suppliers, customers and others**	The Board understands the importance of fostering good relationships with its stakeholders. More detail about how it engages with its stakeholders is on page 16. Board members monitor the relationship with key customers and suppliers through the Executive Directors and members of senior management that own these relationships.	→ **Strategy – page 14** → **Stakeholders – page 16**
d **The impact the Company has on the community and the environment**	The Board recognises the importance of its decisions on the community and the environment. Through the ESG Committee, the Board ensures that environmental policies and suitable governance structures are established to align with committed sustainability and diversity targets.	↗ **ESG Impact Report**
e **For the Company to maintain a reputation for high standards of business conduct**	The Board intends for GBG to maintain a reputation for high standards of business conduct. This is set out in the GBG's Code of Conduct which has been written to ensure all stakeholders that work with GBG know what's expected of them and the part they play in helping GBG maintain high ethical standards. GBG also has a robust, global whistleblowing facility, using an external specialist provider which enables team members to feel safe to raise concerns if they wish.	↗ **ESG Impact Report**
f **The need to act fairly between members of the Company**	The Board recognises that it has to balance competing interests in reaching its decisions. Where there are conflicting interests, the Board will act as equitably and fairly as it is able to and take into account the implications for each stakeholder group.	→ **Financial review – pages 32 to 35**

Section 172 statement continued

Below are some examples of principal decisions taken by the Board during the year which focused on issues of importance to the Group's long-term success. They describe how the Board considered the relevant stakeholder group when making the decision and identifies the elements of Section 172(1) that were considered.

Principal decision taken by the Board	Decision-making process	Consequences of decisions in the long-term	Section 172 Considerations
Change in CEO	The role of CEO was recruited and offered to Dev Dhiman. The Board considered succession plans already in place and considered diversity of the Board.	The Board considered the different stakeholders when making the decision. What was key to the decision was to ensure as little disruption as possible in order to continue to successfully deliver the Group strategy in the short, medium and long-term.	b c e f
Payment of dividend	The Board considers its commitment to a progressive dividend policy which has seen a dividend paid every year since 2007. It considers maintaining a sufficient level of distributable reserves to ensure shareholders receive a dividend.	The Board aims to ensure that dividends are consistent with the Group's financial performance without detriment to the balance sheet and future sustainability. During the year the Board conducted a thorough assessment of its distributable reserves and, as a result, is making a recommendation to shareholders at the AGM this year to convert the existing share premium to distributable reserves so as to support the payment of dividends in the long-term.	b e f
Capital allocation	The budget, approved by the Board, sets the allocation of capital to deliver our growth strategy through investment in R&D, capital expenditure, talent and acquisitions. The weighting of each is determined by our strategic priorities over the short to medium term.	Balancing investment for future growth whilst supporting our people and customers in the short term as well as meeting shareholder expectations.	b e f
Improvements to Anti-Bribery and Corruption	Following an internal audit undertaken in respect of GBG's Anti-Bribery and Corruption Policy and following recommendations from the Audit & Risk Committee, the Board requested some improvements be made to GBG's anti-bribery and corruption arrangements. This focused on ensuring all team members were educated on the policy and that there was a thorough and transparent process for recording gifts and hospitality.	The main focus was to ensure high standards of business conduct were maintained. As we have grown as a business it was important to educate all team members globally on anti-bribery legislation and the process for accepting gifts so that they could be reassured that they were not doing anything that they shouldn't be. It also reaffirms to suppliers and customers that GBG is a business that wishes to operate with honesty, integrity and transparency.	b c e
Carbon emissions reduction targets	The Board receives regular updates on progress against our emissions reduction target and have this year approved the Group's approach to climate-related risks and opportunities. They further requested validation for a science-based emissions target (SBTi), signing a leter of commitment.	The Board considers the long-term impact that carbon (and other greenhouse gas) emissions have on the environment and the implications of our actions on all stakeholders. They are committed to reducing our impact where we can in this space.	d e

Environment, Social and Governance (ESG) overview

Our ESG Strategy

Our ESG Strategy – Environment, Everyone & Ethics – reinforces our commitment to embed a sustainable and ethical approach in everything we do.

It represents what makes us unique and gives us the framework to drive action on the most impactful and important areas.

A summary of this year's ESG progress is on the next few pages. For more information, please read our first ESG Impact Report

Environment

Focus

Reducing and improving our impact on the planet.

UN SDGs supported

12 Responsible consumption and production; 13 Climate action

Goals

Reduce our Scope 1 and 2 emissions by 42% in 10 years
Achieved:

We have already managed to reduce our Scope 1 and 2 emissions by 54% in comparison to our FY22 baseline.

Net zero by 2045
In progress:

While we have made excellent progress on our Scope 1 and 2 emissions, there is still much more work to do on our Scope 3 emissions.

Run two climate-related scenarios and disclose in our FY24 Annual Report
Achieved:

Please read our climate-related disclosures on page 25, which have been informed by physical and transition scenario analysis.

Everyone

Focus

Ensuring that our team has the support and resources they need to grow their skills, build diverse teams and protect our environment and society.

UN SDGs supported

4 Quality education; 5 Gender equality; 10 Reduced inequalities

Goals

Exceed 40% female representation by 2026 (global workforce and senior leaders level)
In progress:

We have increased our female representation across our global workforce and senior leaders this year. Our senior leaders representation remains above 40%.

Continually increase participation in our voluntary diversity data collection
Achieved in FY24:

Participation in our voluntary diversity data collection increased to 51.8% this year (2023: 47.1%).

Publish an Ethnicity Report
Achieved:

We published an internal Ethnicity Report this year.

Ethics

Focus

Having clear oversight and responsibilities for transparent ESG reporting and effective ESG risk management.

UN SDGs supported

8 Decent work and economic growth

Goals

Put the ethical use of data at the heart of everything we do
In progress:

This year we have developed our approach to AI to ensure that as we grow our use we keep ethics at the heart of our decision making.

Incorporate the role our industry plays in building a better world in our thought leadership
In progress:

We have released case studies, ran events and released this report to help build the picture of how our products build a better world.

Environment, Social and Governance (ESG) overview continued

Inclusion, diversity and equity

A diverse and inclusive workforce encourages innovation, widens our perspective and leads to a more successful, happier team with improved business outcomes.

That's why it is important that our global team is representative of the markets and societies we serve around the world. We are really pleased to see progress in our proportion of female team members across our global workforce, Board of Directors, Executive Team and senior leaders this year in comparison to last year. The data presented in this report is categorised by female and male, but we recognise that gender is not binary. The second target we set is to continually increase participation in our voluntary diversity data collection.

↗ **To find out more, please read pages 16-17 in our ESG Impact Report**

GBG cares about its people, the environment, and the communities we're based in. As the newest member of the ESG Committee, I am focused on holding us to account against these values and the commitments we have made – demonstrating the value that our products do, and could, create across society.

Dev Dhiman
CEO

Our gender diversity

Board of Directors

33.3%

FY24	33.3%
FY23	28.6%
FY22	28.6%

Executive Team

27.3%

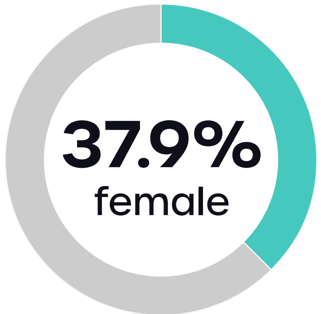
FY24	27.3%
FY23	23.1%
FY22	20.0%

Senior leaders

44.3%

FY24	44.3%
FY23	41.9%
FY22	33.3%

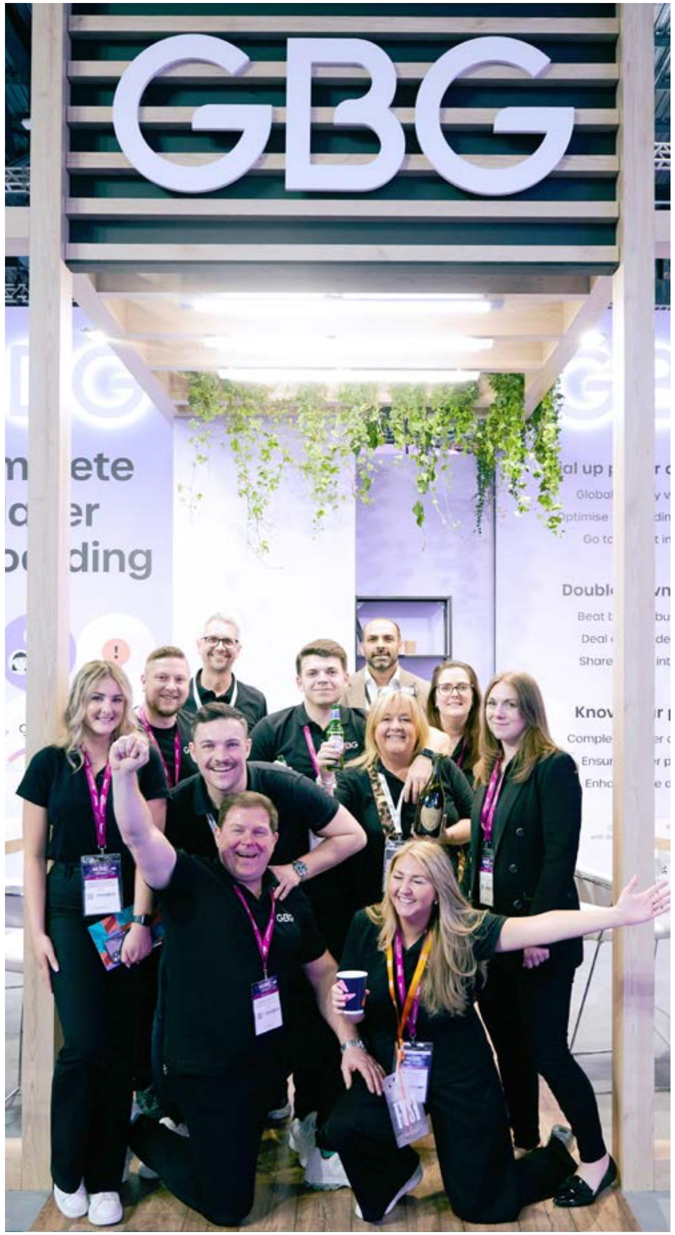
Global workforce FY24



Key

Female

Male



Our emissions

Scope	Source	Location	Tonnes CO_2e FY24	FY23	FY22 (including the former Acuant business and Cloudcheck)
Scope 1	Natural gas	UK	**7**	15	13
		Rest of the world	**–**	–	–
		Total	**7**	15	13
Scope 2	Location-based purchased electricity	UK	**72**	127	89
		Rest of the world	**164**	223	274
		Total	**236**	350	363
	Market-based purchased electricity	UK	**–**	48	55
		Rest of the world	**148**	204	267
		Total	**148**	252	321
Total Scope 1 and 2 (location-based)			**243**	365	376
Total Scope 1 and 2 (market-based)			**155**	267	334
Intensity ratio (Scope 1 and location-based Scope 2 tCO_2e/£m revenue)			**0.88**	1.31	1.55
Intensity ratio (Scope 1 and market-based Scope 2 tCO_2e/£m revenue)			**0.56**	0.96	1.38

Our emissions measurement is in line with the GHG Protocol. We have used as much primary data as we can and worked with a consultant to check our measurements are as accurate as possible.

Last year we included our first Scope 2 market-based measurement. This year we have calculated the Scope 2 market-based emissions for our baseline year, FY22, so that we are consistent in the way we measure our reductions. We are very proud to have reduced our Scope 1 and 2 emissions by 54% in two years, achieving our near-term target early.

We have also updated our intensity ratios to include both location and market-based emissions. Going forward, we will only use market-based emissions for our intensity ratio calculation.

	Location	kWh FY24	FY23
Energy consumption used to calculate the above emissions	UK	**375,513**	402,398
	Rest of the world	**329,912**	379,181

Scope	Source[1]	Tonnes CO_2e FY24	FY23	FY22 (including Acuant and Cloudcheck)
Scope 3	1. Purchased goods and services	**338**	267	426
	5. Waste generated in operations	**4.1**	5	0.3
	6. Business travel	**838**	656	375
	7. Employee commuting	**759**	710	112

1. Numbers relate to the Scope 3 category of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Non-financial and sustainability information statement

Climate-related financial disclosures

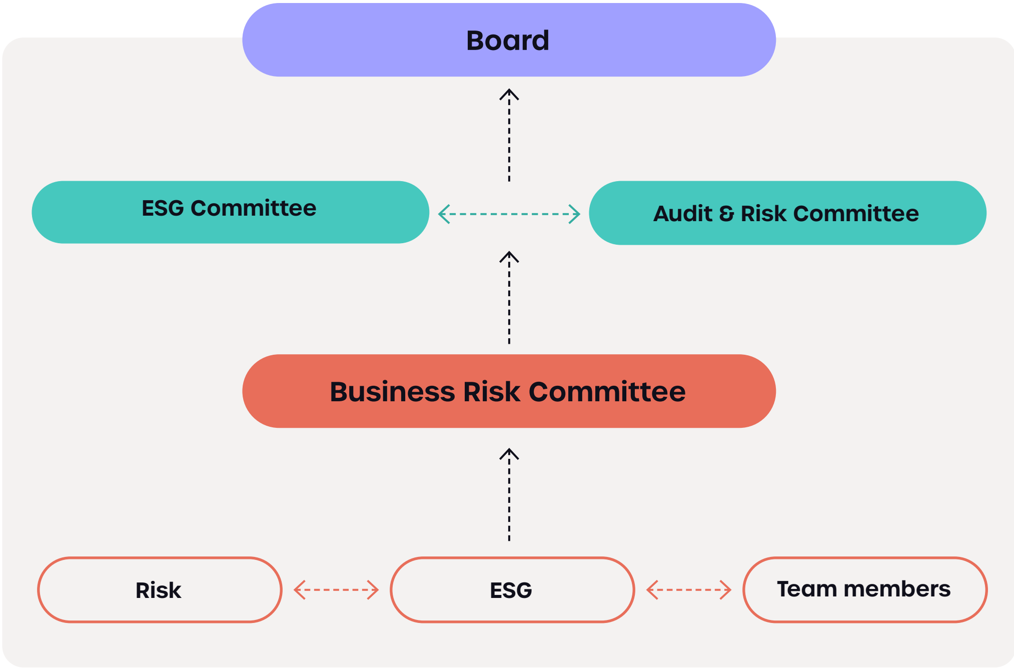
We know that to have a resilient and robust strategy and business model, we need to understand the range of risks we could be impacted by and have a management plan in place to mitigate those risks. That is why we voluntarily reported against the recommendations of the Task Force on Climate-related Financial Disclosures for the first time last year.

Please find our disclosures against the UK Government's Climate-related Financial Disclosure regulations across the next few pages, including the results of the climate-related scenario analysis project we ran this year.

a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities

Our Board has overall responsibility for our ESG programme, its activities and targets, which is maintained through regular review of recommendations made by its Committees. Our ESG Committee meets to assess and monitor progress against our ESG strategy, KPIs and policies. The Committee is scheduled to meet three times a year, where progress, future plans and evolving regulation is discussed. You can read this year's ESG Committee report on pages 81 and 82. Our Audit & Risk Committee regularly monitors the principal risks and uncertainties identified by our risk assessment processes, along with the strategies developed and the actions we have taken to mitigate them.

Our Business Risk Committee facilitates Executive focus on the management of our key non-financial risks and issues and makes sure that they are management in line with Board risk appetite. The Committee is chaired by the Chief Regulation Officer, or Chief Financial Officer in their absence, and is attended by representatives from governance, risk, people team, finance, cybersecurity, data privacy and regional representatives. The Committee reviews our top climate-related risks and opportunities at least annually and makes recommendations, as appropriate to the ESG Committee.



Non-Financial and Sustainability Information Statement continued

b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities

GBG uses a "bottom-up, top-down" approach to identifying risk. We start by conducting "bottom-up" risk assessment workshops, covering each of GBG's business units and central services functions. The output from the risk assessment workshops creates risk registers, where we have a specific 'ESG' subcategory, under 'Strategic' as described in the GBG Risk Taxonomy.

A "top-down" review of the top risks is conducted by the Audit & Risk Committee to validate the workshop findings and to ratify the risk register.

This process is refreshed regularly and on any material event occurring which is likely to result in GBG being subject to new or additional risks. This is overseen by our ESG Committee, with sponsorship by our ESG Committee Chair and Executive ownership by our Chief Executive Officer. Independent review and challenge is provided by the Business Risk Committee.

The risks and opportunities are assessed against likelihood and impact against a risk matrix. Climate-related risks and opportunities are assessed against the short (0-5 years), medium (5-10 years), and long-term (10+ years) timelines. Our short-term timeline reflects the five-year financial forecast model we maintain. Impact is measured by considering the risk impact on our reputation, operations, regulation, information and finances.

Each risk is given a Risk Owner, who is the person primarily responsible for managing and mitigating that risk. Where a risk response is required it is documented in the risk register and kept under evaluation to ensure it remains appropriate.

c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process

As outlined above, our climate-related risks and opportunities are integrated into our Group Risk Management process and follow the same approach. This means that climate-related risks and opportunities follow the same "bottom-up, top-down" risk identification and assessment approach, have an Executive Owner, Non-Executive Sponsor, dedicated Executive-level Panel and oversight from the Board, as well as independent review from Risk Management.

d) a description of—

i) the principal climate-related risks and opportunities arising in connection with the company's operations, and

ii) the time periods by reference to which those risks and opportunities are assessed

e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy

You can find the descriptions requested in (d) and (e) in the table over the next few pages. The risks and opportunities described were informed by the climate-related scenario analysis project we ran this year. You can find further details of this in section (f).

Non-financial and sustainability information statement continued

Risk/opportunity	Potential impact	Time frame most likely to actualise	Strategic response
Transition risks			
Policy and legal			
Risk of the introduction of GHG pricing and/or a carbon tax	Increase in costs	M	Management plan in place
Risk of enhanced reporting requirements and regulations	Imposition of financial penalties with failure to comply and loss of investment	S	Management plan in place
Technology			
Risk of the need to invest in carbon removals	Increased costs associated with purchase	L	Management plan in place
Market			
Risk of increased and/or changing customer expectations	Impacting revenue and operations	S	Review plan in FY25
Risk that our suppliers fail to meet our climate maturity expectations	Increasing our costs and making our climate targets harder to achieve	S	Review plan in FY25
Reputational			
Risk of failing to meet, or being perceived as failing to meet, climate-related targets and/or taking insufficient climate action	Decreased customer demand and revenue if customers chose other suppliers	S	Management plan in place
Physical risks			
Chronic			
Risk of increased heatwaves	Causing disruption to our team's ability to carry out their responsibilities through an increase in the necessity for climate migration. As well as increasing complexity in our supply chain	L	Management plan in place

Key

S Short term (0-5 years)

M Medium term (5-10 years)

L Long term (10+ years)

Non-Financial and Sustainability Information Statement continued

Risk/opportunity	Potential impact	Time frame most likely to actualise	Strategic response
Physical risks continued			
Acute			
Risk of increased cyclones, especially in North America	Causing physical damage to workspaces, property and/or equipment and disruption to our supply chain. As well as direct threat to team member health and safety and disruption to their ability to carry out their responsibilities	S	Review plan in FY25
Risk of increased water stress across most of our sites			
Risk of increased wildfires, especially in Australia and Turkey		M	
Opportunities			
Opportunity for improved energy efficiency	Lower costs and less fossil fuel dependency	S	Management plan in place
Opportunity for enhanced climate-related disclosure	Improve our knowledge and understanding of our business risks and the mitigation plan needed	S	Management plan in place
Opportunity to develop new solutions or offer to new markets due to the need for location services due to physical climate change impacts	Increased customer base and improved revenue	M	To review in line with customer expectations

f) an analysis of the resilience of the company's business model and strategy, taking into account consideration of different climate-related scenarios

This year we conducted scenario analysis with an external consultant to deepen our understanding of the climate-related risks and opportunities we face, the potential impact and the mitigating action we need to take. We ran two physical scenarios: fossil-fuelled development (IPCC SP5) and middle of the road scenario (IPCC SSP2) against our global workspace locations. We chose these scenarios as they are widely used and represent two extreme potential outcomes.

We also ran two transition scenarios: net zero emissions by 2050 (IEA NZE) and the announced pledges scenario (IEA APS).

We assessed our climate-related risks with input from our scenario analysis project and do not currently view them as financially material to our business. We will continue to track and review the risks and opportunities as they evolve.

g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets

h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based

Having a robust and deliverable emissions reduction plan is one of the key ways we can mitigate the impact of our climate-related risks, such as the introduction of a carbon tax, responding to customer expectations and being perceived as failing to take enough climate action.

It also contributes to the goal to limit global warming to 1.5°C of warming above pre-industrial levels, which could reduce the impact of physical climate risks.

We are very proud to have already achieved our target to reduce our Scope 1 and 2 emissions by 42%, with a 54% reduction this year since our FY22 baseline. We have also set an ambition to be net zero by 2045, which we are measuring by an at least, 90% absolute reduction in our Scope 1, 2 and 3 emissions. This year we have also committed to setting an externally validated, science-based net zero and near term target.

Key performance indicators

The Board monitors the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Performance is assessed against the strategy and budget using financial and non-financial measures.

The following details the principal Key Performance Indicators ('KPIs') used by the Group. A summary of performance against these KPIs is set out on the following page. Statutory measures are those taken directly from the Consolidated Statement of Profit or Loss or Consolidated Balance Sheet. Non-Statutory measures are defined within the last note to the financial statements.

The Group uses the following primary measures to assess the performance of the Group:

Financial

Revenue and pro forma/organic revenue growth at constant currency

Revenue and revenue growth are used for internal performance analysis to assess the execution of our strategies. This is measured on a constant currency basis to remove the impact of changes in exchange rates.

Where revenue in the current or prior year was impacted by acquisitions/disposals or material non-repeating revenue, pro forma or organic revenue growth are also measured, although those terms are not defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

Pro forma growth is defined by the Group as year-on-year continuing revenue growth, after adjustments for the pre- acquisition/disposal revenue from acquisitions/disposals in the past twelve months and excluding non-underlying items.

Organic growth is defined by the Group as year-on-year continuing revenue growth, excluding acquisitions (until the date of their anniversary) and disposed businesses.

Repeatable revenue

This is the percentage of revenue from subscriptions or consumption.

Net revenue retention (NRR)

This is calculated as constant currency revenue growth excluding revenue from brand new customers within the past 12 months.

Adjusted operating profit

This is used for internal performance analysis and to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

Earnings per share

Earnings per share is calculated as diluted earnings per share from continuing operations on both an adjusted and unadjusted basis.

Earnings per share growth

This is calculated as the growth in year- on-year earnings per share on both an adjusted and unadjusted basis.

Net cash/debt

This is calculated as cash and cash equivalent balances less outstanding external loans. Unamortised loan arrangement fees are netted against the loan balance in the financial statements but are excluded from the calculation of net cash/debt.

Net debt leverage

This is calculated as the ratio of Net (Debt)/Cash to Adjusted EBITDA. This demonstrates the Group's liquidity and its ability to pay off its incurred debt.

The ratio is a covenant within the Group's bank facility.

Adjusted EBITDA

This is used for internal performance analysis and to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

Cash conversion

This is calculated as cash generated from operations in the Consolidated Cash Flow Statement, adjusted to exclude cash payments for exceptional items, as a percentage of Adjusted EBITDA.

Deferred revenue

Deferred revenue, which is included in our Consolidated Balance Sheet within Trade and Other Payables, is the amount of invoiced business in excess of the amount recognised as revenue. This is an important internal measure for the business and represents the amount that we will record as revenue in our Consolidated Statement of Profit or Loss in future periods. Trends may vary as business conditions change.

Non-financial

Employee engagement

Team member engagement is a key focus area for the business in order to retain and grow what we believe is some of the best talent in our industry. This is measured twice a year through a group wide employee survey conducted through an external provider.

Key performance indicators continued

	FY24	FY23
Revenue growth	**(0.5%)**	15.0%
Revenue growth at constant currency (FY23: pro forma revenue growth at constant currency)	**2.7%**	3.7%
Location revenue growth at constant currency	**7.3%**	11.7%
Identity revenue growth at constant currency (FY23: pro forma revenue growth at constant currency)	**(0.7%)**	(1.9%)
Fraud revenue growth at constant currency	**7.8%**	14.7%
Repeatable revenue % (FY23: pro forma):		
– Subscription revenue %	**57.5%**	56.7%
– Consumption revenue %	**37.3%**	37.0%
	94.8%	93.7%
Net revenue retention %	**98.1%**	92.3%
Adjusted operating profit (£'000)	**61,197**	59,817
Adjusted operating profit %	**22.1%**	21.5%
Adjusted EBITDA (£'000)	**63,823**	63,147
Earnings per share – diluted	**(19.2p)**	(47.5p)
Earnings per share – adjusted diluted	**15.1p**	16.4p
Earnings per share growth – diluted	**(59.6%)**	(786.2%)
Earnings per share growth – adjusted diluted	**(7.7%)**	(18.7%)
Net (debt)/cash (£'000)	**(80,854)**	(105,918)
Net debt leverage (multiple of adjusted EBITDA)	**1.27**	1.68
Cash conversion %	**90.6%**	67.3%
Deferred revenue (£'000)	**55,298**	56,507
Employee engagement	**90%**	93%

Financial review

Principal activities and business review

In an increasingly digital world, GBG helps businesses grow by giving them intelligence to make the best decisions about their customers, when it matters most.

Every second, our global data, agile technology and expert teams, power over 20,000 of the world's best-known organisations to reach and trust their customers.

The performance of the Group is reported by segment, reflecting how we run the business and the economic characteristics of each segment. There are three reportable segments, Location, Identity and Fraud.

The Group results are set out in the Consolidated statement of profit or loss and explained in this Financial review.

A review of the Group's business and future development is contained in the Chair's Statement, the CEO's review and in this Financial review.

The Group uses adjusted figures as key performance indicators in addition to those reported under UK-adopted International Financial Reporting Standards and in accordance with standards issued by IFRIC. Adjusted figures exclude certain non-operational or exceptional items, which is consistent with prior year treatments. Adjusted measures are marked as such when used and are explained on pages 149 to 152.

We are pleased that we were able to successfully execute our financial plan for the year. We had a strong focus on simplification and cost-effectiveness and as a result have delivered structural savings that we expect will benefit GBG into the future. Our continued focus on growth initiatives led to us achieving the acceleration in year-on-year growth in quarter four that we had expected and built into our plan. This improved revenue growth of approximately 5.0%, on a constant currency basis, was primarily driven by an acceleration in the Identity segment, as a result of improving trends in the Americas and EMEA. This gives us positive momentum going into the new financial year.

Revenue growth opportunities in FY24 continued to be impacted by the general macroeconomic conditions which has suppressed consumer demand and business confidence leading to lower transactional volumes for GBG. However, some of the more specific headwinds the Group faced in the previous year, relating to changes in consumer behaviours driving demand reductions in the internet economy and particularly fintech businesses, somewhat abated from the fourth quarter of the year.

In FY24 we delivered constant currency revenue growth of 2.7% and as a result of the sharp focus on simplification and efficiencies, we recorded our highest ever level of adjusted operating profit.

GBG's mix of commercial models and resilient customer retention continues to support strong cash generation and good forward visibility due to our high levels of repeatable revenue, with 57.5% (FY23: 56.7%) from subscriptions and 94.8% (FY23: 93.7%) of revenue coming from the combination of subscriptions and consumption.

This focus on driving simplicity and efficiency has enabled GBG to prioritise the disciplined investment required to optimise our core solutions in a competitive market, while at the same time deliver growth in returns for shareholders. These initiatives, which began during FY23, have achieved an annualised run-rate reduction in operating expenditure of £10 million and helped deliver an improved adjusted operating profit margin of 22.1%, which was ahead of the reported FY23 margin of 21.5%. This was despite inflationary pressures and the FY23 margin benefiting from an unusually large FX gain primarily from the retranslation of intercompany loans. Excluding gains and losses on foreign exchange, the FY24 adjusted operating profit margin was still 22.1%, against 20.4% in the prior year.

Our financial position and balance sheet is strong and in FY24 cash conversion returned to more normal levels at 90.6% (FY23: 67.3%). By the end of the year GBG's net debt had reduced to £80.9 million from £105.9 million at the previous year end. The net debt to EBITDA ratio reduced to 1.27 times (FY23: 1.68 times). As we enter the new financial year, we remain focused on cash generation and further repayment of debt.

	FY24 £000	FY23 £000
Revenue	**277,325**	**278,810**
Gross profit margin	**70.1%**	71.0%
Adjusted operating profit	**61,197**	**59,817**
Adjusted operating profit margin	**22.1%**	21.5%
Share-based payments	**(3,488)**	(2,313)
Amortisation of acquired intangibles	**(39,447)**	(42,758)
Impairment of goodwill	**(54,707)**	(122,225)
Other exceptional items	**(4,906)**	(4,950)
Operating loss	**(41,351)**	**(112,429)**
Net finance costs	**(9,035)**	(6,401)
Loss before tax	**(50,386)**	**(118,830)**
Total tax credit/(charge)	**1,803**	(964)
Loss for the year	**(48,583)**	**(119,794)**
Final dividend per share (pence)	**4.20**	4.00
Diluted (loss)/earnings per share (pence)	**(19.2)**	(47.5)
Adjusted diluted earnings per share (pence)	**15.1**	16.4

Financial review continued

Revenue and gross margin

Revenue declined on a reported basis by 0.5% but after adjusting for changes in foreign exchange rates, the constant currency revenue growth in FY24 was 2.7%.

More detail on revenue performance in each of our operating segments is included in the CEO's review.

We were particularly pleased with the level of revenue growth attributable to new customers won in the last 12 months which has increased to 4.6% (FY23: 4.5%) and as expected, Net Revenue Retention (NRR) of 98.1% has improved compared to the prior year (92.3%). In FY24 we have seen a reduction in the NRR associated with Fraud segment, which is more susceptible to short-term fluctuations in NRR as contracts are generally larger and revenue timing dependant on renewal dates. NRR, excluding the Fraud segment, increased from 91.1% to 99.0%.

Gross margin for the year of 70.1% was a small reduction against the prior year when the gross margin was 71.0%. This reflects the revenue mix in the year both across our segments but also between direct and partner channels, in addition to an increase in cloud hosting costs. In the second half of the year the revenue mix, along with a focus on cloud hosting optimisation, resulted in gross margin of 71.0%, compared to 69.2% in the first half.

Operating profit and cost management

On a reported basis, there was an operating loss of £41.4 million (FY23: loss of £112.4 million), principally due to the goodwill impairment charge of £54.7 million recognised at the half year (FY23: £122.2 million).

Adjusted operating profit was £61.2 million (FY23: £59.8 million), which represents a margin of 22.1% (FY23: 21.5%) and an 8% increase over FY23, excluding the £3 million foreign exchange gain in the prior year.

This improvement reflects a tight focus on cost efficiency and simplification of our business, combined with disciplined prioritisation of investment to capitalise on our long-term market opportunities.

Despite the general inflationary pressures of the markets in which we operate, our adjusted operating expenses were £8.8 million or 6.3% lower than the prior year. We managed headcount tightly and carefully considered our team member recruitment and the replacement of leavers. This, together with targeted redundancies, led to an 8% reduction in our average headcount over the course of the year.

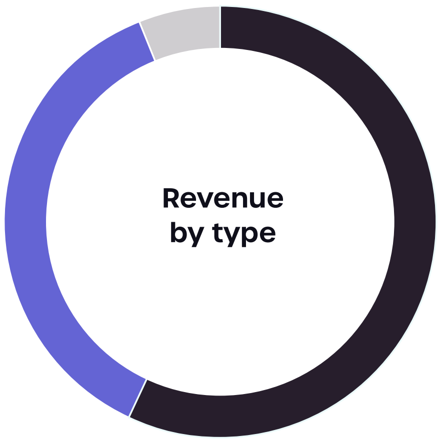
We also completed a review of our physical office footprint reducing commitments and costs meaningfully to reflect the hybrid working environment of our teams as well the changes we have implemented over the last few years to our geographical footprint, particularly for our technology teams.

Total spend on technology decreased to £46.5 million (FY23: £54.0 million), which represents a reduction of 13.9%. We achieved this through strict prioritisation of technology projects to ensure our teams are focused on fewer projects and ones of highest opportunity for GBG as well as further resource offshoring to lower cost locations.

These cost saving initiatives underpinned our profit delivery in FY24 but have also enabled some level of re-investment into a small number of key product development activities to ensure we maintain our competitive differentiation and are positioned to achieve our short, medium and long-term goals.

	FY24	FY23	Change
Total operating expenses	**234,934**	313,481	
Amortisation of acquired intangibles	**(39,447)**	(42,758)	
Equity-settled share-based payments	**(3,488)**	(2,313)	
Impairment of goodwill	**(54,707)**	(122,225)	
Other exceptional items	**(4,906)**	(4,950)	
Adjusted operating expenses	**132,386**	141,235	**(6.3%)**

Financial review continued



- 57.5% › Subscription
- 37.3% › Consumption
- 5.2% › Other

£277.3m
FY24 Revenue

£61.2m
FY24 Adjusted operating profit

(0.5%)
Reported revenue growth

2.7%
Constant currency revenue growth

Normalised and exceptional items

Amortisation of acquired intangibles

The charge for the year of £39.4 million (FY23: £42.8 million) represents the non-cash cost of amortising separately identifiable intangible assets including technology-based assets and customer relationships that were acquired through business combinations.

The decreased charge in FY24 is due to the impact of some intangibles becoming fully amortised during the year, in addition to changes in exchange rates.

Share-based payments

During FY24 3.9 million (FY23: 3.3 million) new share option awards were granted to directors and team members across the Group, including through the GBG Sharesave scheme. This increase was due to the share price being comparatively lower in FY24 leading to a greater number of shares being awarded for any given value.

The charge for the year of £3.5 million (FY23: £2.3 million) has increased as FY23 included a credit due to a change in the assumption for the percentage of awards expected to vest based on EPS and TSR performance.

Impairment of goodwill

As required under IFRS, the Group conducts an annual impairment review of goodwill and intangible assets. This review compares the carrying value on the Group's balance sheet of those assets against the present value of the future cashflows they are expected to generate.

As reported in our half year results for the six months ended 30 September 2023, significant increases to central bank interest rates since 31 March 2023 resulted in the post tax discount rate used in our assessment and applied to the US cashflows increasing from 9.2% at 31 March 2023 to 9.9%. This resulted in an exceptional non-cash goodwill impairment charge of £54.7 million. More detail can be found in note 16.

Other exceptional items

In addition to the goodwill impairment charge, other exceptional costs of £4.9 million (FY23: £5.0 million) were incurred by the Group in the year and have been detailed in note 7. Broadly, these exceptional charges arose in support of our initiatives to achieve future operational simplification and efficiency.

The most significant elements were the exit costs for a number of team members which totalled £4.0m as part of this group wide review; and £0.7m of integration costs as we finalised projects to align systems from the Acuant acquisition.

Net finance costs

The Group incurred net finance costs for the year of £9.0 million (FY23: £6.4 million). The increase is due to the annualised impact of the significant increases in the Secured Overnight Financing Rate (SOFR) interest rate during FY23 (from 0.3% to 4.8%), upon which the Group's loan facility interest rate is linked. SOFR continued to increase until July 23 and has remained around the 5.3% level throughout the rest of FY24.

Strong cash generation has enabled the Group to reduce net debt by £25.0 million and making repayments against the loan facility will continue to be a focus during FY25.

Taxation

The total tax credit of £1.8 million (FY23: £1.0 million charge) includes £8.8 million of current tax payable on the Group's taxable profits and losses in the year (FY23: £12.9 million), offset by a deferred tax credit of £10.6 million (FY23: £11.9 million).

The reported effective tax rate for the Group has moved from negative 0.8% in FY23 to 3.6% in FY24.

The adjusted effective tax rate, which excludes the impact of amortisation of acquired intangibles, share-based payments and exceptional items increased from 21.3% to 25.2%. The majority of this increase is due to UK statutory tax rate increasing from 19% to 25% from 1 April 2023.

The tax rate attributable to US State taxes has fallen and largely this is due to changes in the calculation method for some US States. GBG Americas has significant deferred tax assets that have been revalued at the lower tax rate resulting in a tax charge that is fully recognised as a discrete item in the year to 31 March 2024.

The Group expects its future adjusted effective tax rate to be approximately 25%.

Earnings per share

Basic earnings per share improved from a loss of 47.5 pence to a loss of 19.2 pence reflecting the reduction in the non-cash goodwill impairment charge.

Adjusted earnings (adjusted operating profit less net finance costs and adjusted tax) decreased to £39.0 million (FY23: £42.1 million) due to the higher net finance cost and higher adjusted tax charge. This resulted in a 7.7% decrease in adjusted diluted earnings per share from 16.4 pence to 15.1 pence.

The basic weighted average number of shares at 31 March 2024 increased minimally to 252.6 million (FY23: 252.2 million), due primarily to the full year impact of shares issued during the prior year.

Financial review continued

Deferred and accrued revenue

Deferred revenue at the end of the year decreased by 2.1% to £55.3 million (FY23: £56.5 million).

This balance principally consists of contracted licence revenues and profits that are payable up front but recognised over time as the Group's revenue recognition criteria are met.

The deferred revenue balance does not represent the total contract value of any future unbilled annual or multi-year, non-cancellable agreements as the Group more typically invoices customers in annual or quarterly instalments. The deferred revenue balance at any point in time is determined by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing, FX rates and new business linearity within a reporting period.

Accrued revenue at the end of the year increased by £6.9 million to £14.5 million (FY23: £7.6 million). This increase was primarily due to timing differences with several larger contracts, mostly in the Fraud and Location segments, signed or renewed during the year where the revenue recognition profile is different to the invoicing profile.

Cash flows

Group operating activities before tax payments and exceptional items generated £57.8 million of cash (FY23: £42.5 million) representing an Adjusted EBITDA to operating cash conversion ratio of 90.6% (FY23: 67.3%).

Following the specific and non-recurring factors impacting cash conversion during the prior year, the operating cash conversion has returned to a level more consistent with previous years and GBG's medium-term guidance.

During the year to 31 March 2024, net repayments against the RCF were £23.0 million, resulting in outstanding balances of $129 million (FY23: $149 million) and £nil (FY23: £7 million).

Overall, our net debt at 31 March 2024 decreased to £80.9 million. This was despite the £10.1 million full year dividend payment, £1.2 million payment of contingent consideration related to the Cloudcheck acquisition and exceptional cash costs of £5.4 million. Offsetting these costs were a positive £1.8 million retranslation impact from the conversion of the non-sterling denominated cash and debt into pound sterling and a £1.3 million receipt following the sale of an owned property during the year.

Further detailed analysis of this movement is included in the Consolidated Cash Flow Statement.

We were pleased to obtain approval for the exercise of the second of the one- year extension options on the existing revolving credit facility. Extending the length of the facility through to July 2027 provides a platform to support investment in organic growth and potential future M&A activity.

Dividend

At the AGM, the Board of Directors will propose a final ordinary dividend of 4.20 pence per share (FY23: 4.00 pence), amounting to £10.6 million (FY23: £10.1 million).

If approved, this will be paid on 2 August 2024 to ordinary shareholders whose names appear on the register of members at the close of business on 21 June 2024. The Group continues to operate a Dividend Reinvestment Plan, allowing eligible shareholders to reinvest their dividends into GBG shares.

In proposing the FY24 final dividend amounting to £10.6 million, the Directors have assessed each of the components of equity at 31 March 2024 and assessed how much of each component is considered distributable in accordance with applicable guidance. The Company has assessed that £86,739,000 of Merger Reserve recognised upon the acquisition of Acuant Intermediate Holding Corp is considered to be a realised profit, as a realised loss has been recognised on the impairment of the related asset – being the investment in GBG (US) Holdings LLC.

Therefore, the Directors consider that there are sufficient distributable reserves available at 31 March 2024 for the declaration of this dividend.

"Operating cash conversion has returned to a level more consistent with previous years.

Treasury policy and financial risk

The Group's treasury operation is managed by a Treasury Committee within formally defined policies and reviewed by the Board. The Treasury Committee meets on a regular basis to review cash flow forecasts, covenant compliance, exposure to interest rate and foreign currency movements and make recommendations to the Board based on these reviews.

The Treasury Committee receives weekly cash information to monitor liquidity across the Group and ensure that significant cash outflows, such as acquisition payments, dividends and loan repayments, could be made without exposing the Group to undue risk.

The Group finances its activities principally with cash, short-term deposits and borrowings but has the ability to draw down up to £72.8 million of further funding from a committed revolving credit facility. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operating activities. Surplus funds of the Group are used to repay the RCF, whilst ensuring that a suitable operational level of cash is retained.

The Group is exposed to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk which are described in note 28 to the accounts. It is not the Group's policy to engage in speculative activity or to use complex financial instruments.

Approved by the Board on 10 June 2024

David Ward

Chief Financial Officer
10 June 2024

Principal risks and uncertainties

Risk management overview

GBG's approach to risk management is described in GBG's Risk Management Framework ('RMF') document. The framework is owned by the Board, applies globally and is aligned to external risk management best practice. The framework is reviewed and signed off by the Board at least annually.

'Risk management is fundamental to enabling safe delivery of GBG's business strategy and achievement of our purpose.'
GBG's risk strategy recognises that trust is built by proactively identifying and managing the risks that exist as a natural consequence of doing business. Key to GBG's risk strategy is the nurturing of a positive risk culture. Business processes, training and communications ensure all team members at GBG understand their role when it comes to managing risk.

'GBG's risk management processes are continually assessed and matured.'
GBG's Chief Regulation Officer ('CRO'), together with GBG's Global CISO & Risk Manager, provide independent updates to the Board and Audit & Risk Committee on the effectiveness of the RMF.

Both the CRO and CISO & Risk Manager have direct access to the Chair of the Board and the Chair of the Audit & Risk Committee and attend the Audit & Risk Committee meetings to provide their independent view about the management of risk.

Overall, as reported to the Board, the RMF is considered effective. Enhancements implemented in this reporting period include:

- establishing a new Executive Business Risk Committee;
- enhanced risk reporting;
- key risk indicators for top risks;
- simplified and updated risk registers;
- updated risk policies;
- scenario assessment;
- improved risk training; and
- continued risk assessment activity.

External risk environment

External global events which have the potential to adversely impact GBG are monitored closely:

Middle East conflict
GBG does not have any operations impacted directly by the conflict in the Middle East. A small technical GBG team is based in Israel and have access to personal support if required. As with any global technology company it is the potential for escalation with resultant impact on political and economic stability which is the main concern.

Conflict in Ukraine
GBG's exposure to the impacted regions remains negligible. Recognising the potential for further risks to arise, controls remain tight, and there continues to be no appetite to do business with Russian-based entities.

External economic conditions
The global economy continues to create challenging conditions for our customers and our team members. Interest rates remain high, inflation and high energy prices continue to have an adverse impact on real incomes and exchange rates continue to fluctuate. However, impacts have stabilised, as is evident in GBG's risk profile.

Climate change
Climate change poses an increasing risk to businesses worldwide. Extreme weather events, rising sea levels, and changing regulatory landscapes can disrupt operations. Given the nature of GBG's business activities, this is not currently considered a material risk to GBG, however this situation is assessed regularly.

Artificial Intelligence (AI)
At GBG we are creatively incorporating AI, while diligently managing the potential risks. AI has the potential to revolutionise our products and our ways of working. It presents exciting opportunities for GBG to automate workflows, enhance efficiency, and improve GBG products and services. Alongside these benefits, there are significant risks to consider and we are proactively identifying these risks and finding solutions to enable safe AI use within GBG.

Principal risks and uncertainties

The key elements of GBG's risk management framework are as follows:

1 Risk culture

Risk culture has a significant impact on GBG's ability to manage risk and helps make sure activity which is outside of risk appetite is not undertaken. GBG's Executive Team is responsible for establishing, communicating and promoting the Board's expected risk culture, which aligns with GBG's strategy, objectives and risk management principles. At GBG, a positive proactive risk management culture is expected and embedded within our values and behaviours.

2 Risk strategy and risk appetite

GBG's risk strategy is embedded within the Company's objectives and strategic aims. GBG's risk strategy is to proactively identify, measure and report the risks that exist as a natural consequence of doing business. GBG's risk management strategy includes investing in appropriate levels of control to keep GBG secure, support sustainable business growth and minimise losses.

Risk appetite is defined as 'the amount and type of risk that we are prepared to seek, accept or tolerate.' The risk appetite framework is built around the principle of setting the risk appetite in line with business strategy and aligned to controlling key risks. The Board approves appetite statements which are then translated into policy and process. We use key risk indicators to measure risk appetite performance against agreed thresholds.

3 Roles and responsibilities

The Board

The Board reviews the recommendations made to it by the Audit & Risk Committee and oversees strategic risk through our strategic planning cycle. During the year, the Board is also updated on a range of risk topics. These have included:

- monitoring and reviewing Group strategy;
- new product and technology updates;
- going concern reviews;
- information security plans;
- people initiatives;
- relationships with investors;
- governance and regulatory developments;
- economic conditions; and
- anti-bribery and corruption risk.

The Board reviews other risk areas including remuneration policy at the Remuneration Committee succession planning at the Nomination Committee and environmental, social and governance risks at the ESG Committee.

Audit & Risk Committee

The Committee assesses and monitors progress in managing GBG's key risks and has responsibility to review the effectiveness of the RMF making recommendations to the Board about any changes that may be required. The Committee agrees the internal and external audit plans.

The Executive Committee

As well as owning GBG's key risks, the Executive Committee members are responsible for promoting the Board's risk culture and reviewing and monitoring how much risk GBG is willing to tolerate (as set by the Board and within Board's risk appetite).

Business Risk Committee

This Business Risk Committee focuses on risk management performance, reviewing material new risks, key risk indicators, the root cause of any material incidents as well as tracking the completion of actions raised from audits and assessing risk readiness for new product launches or significant change initiatives.

Specialist risk management teams

Specialist teams help manage GBG's key risks. In information security, compliance, legal and risk, experts are responsible for Group policy and help everyone at GBG understand their role in the identification, assessment and management of key risks and issues.

Auditors

GBG adopts the 'three lines model'. Internal audit activity is coordinated by GBG's Chief Regulation Officer. Audits are conducted to assess controls over key risks e.g. Information Security. Internal audits are either led by in-house teams or, where specialist skills are required, independent third-party auditors. Findings and recommendations are reported to the Audit & Risk Committee. Further assurance is obtained from external independent bodies who conduct periodic reviews in order for GBG to maintain certain accreditations. Whilst external bodies may not have the familiarity with GBG that the internal audit has, they bring a valuable perspective.

Principal risks and uncertainties continued

4 Risk processes

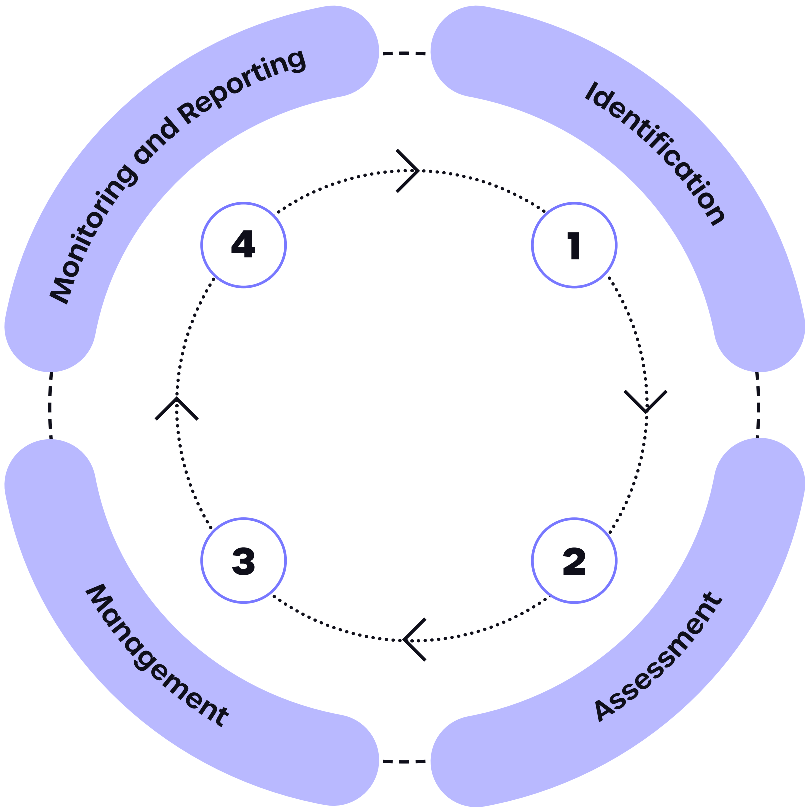
GBG has a four-stage process for managing risk. This involves:

1
Identification
Identifying the risks that could occur and building a 'risk taxonomy' so we have a common language for thinking about risk.

2
Assessment
Implementing control improvement plans and escalating where required.

3
Management
Assessing the level of risk considering the impact and likelihood of a risk, after consideration of controls effectiveness.

4
Monitoring and Reporting
Reporting the level of risk and quality of controls.



Risk policies
GBG's policy framework is global and sets the standards and expectations that must be observed when working and doing business across the various jurisdictions where we operate. Policies align with the top risks and, where necessary, team members are required to attest to having read and understood the policy.

Risk training
All team members participate in regular training on key risk topics. Everyone is reminded routinely of the importance of their role in managing risk in GBG. Where necessary, team members are required to complete online assessments to make sure they have understood what they have learnt and are meeting regulatory expectations.

Risk incident management
Mechanisms are in place to report and manage internal and external incidents which impact or could impact GBG adversely. Business continuity, disaster recovery and incident management plans are in place and periodically tested. We closely monitor levels of business disruption and these remain low.

Principal risks and uncertainties continued

Risk Categories

GBG has identified five principal categories of risk that we face as a business.

Operational risks

The risks that affect GBG's ability to execute our strategy.

Board Risk Appetite Statement:
GBG has minimal appetite for operational disruption which could adversely impact our customers or reputation. We have low appetite for financial loss arising from inadequate systems, process, people or external events. We implement appropriate levels of control to maintain operational resilience while growing sustainably.

Privacy risks

Risks relating to failure to prepare for privacy changes which impact the business.

Board Risk Appetite Statement:
GBG expects to meet all relevant privacy rules and regulations in the countries within which GBG operates. We have no appetite for major breaches.

Financial risks

Risks relating to market, liquidity and credit risks.

Board Risk Appetite Statement:
GBG maintains a prudent liquidity profile to ensure we meet our short- and long-term commitments and a balance sheet structure that has stable sources of funding. We aim to deliver high quality consistent earnings and have low appetite for earnings shocks.

Strategic risks

Risks that affect or are created by GBG's strategic objectives.

Board Risk Appetite Statement:
We maintain appetite for growth from complementary, diverse sectors which provide good long-term investment returns. We offer our products at prices which appropriately balance risk, growth and reward.

Conduct risks

Risks relating to GBG's legal and regulatory compliance.

Board Risk Appetite Statement:
GBG aims to comply with all relevant regulations and laws in the jurisdictions within which we operate. We seek to maintain robust governance arrangements and meet ethical, environmental and societal expectations including transparent tax behaviour.

→ Read more on risk description, mitigation and progress on pages 41 to 45

Principal risks and uncertainties continued

GBG's principal risks

GBG's risk profile remains well controlled.

The latest principal residual risks are set out below together with a summary of the control measures and mitigations.

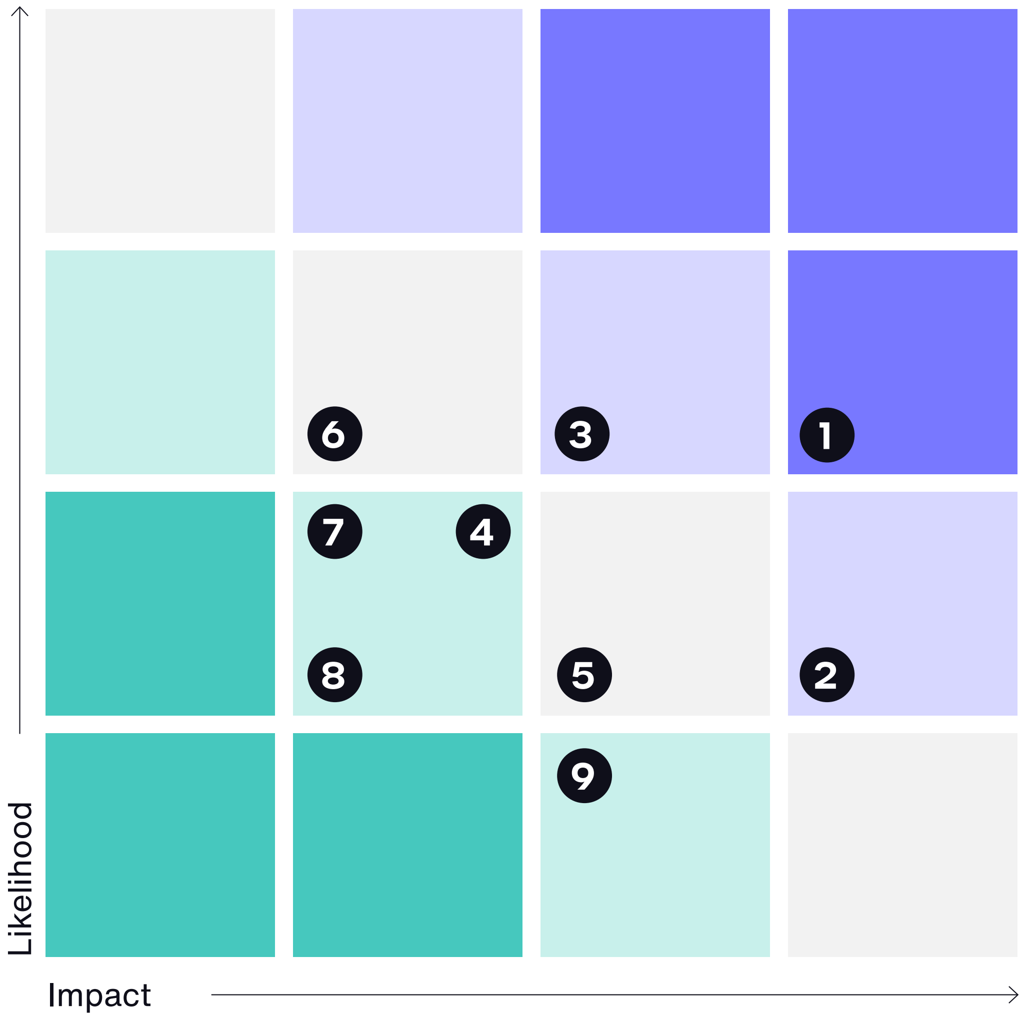
GBG risk profile

'GBG's risk profile remains stable and the top risks are under control'

GBG, like all businesses face risks and uncertainties. Our aim is to make sure that we identity potential risks and manage to acceptable levels. Overall, the risk profile is considered stable; this is evidenced by low levels of business disruption and few material incidents.

A 'top-down, bottom-up' approach is taken. Regular risk assessments are undertaken to create risk registers the output of which are reviewed by Executive Committee and the Audit & Risk Committee to validate and ratify the risk profile.

Risk heatmap – GBG's top risks



1. Customer
2. Information Security
3. Competition
4. People
5. Financial
6. Technology Assets and Service
7. Privacy Compliance
8. Legal
9. Operational Resilience

→ Read more on risk description, mitigation and progress on pages 41 to 45

Principal risks and uncertainties continued

Key
Increased Decreased ↔ Stable

Risk categories	Risk	Description	Mitigation	Progress
	1 **Customer** ↔	Risk of a reduction in revenue from existing customers caused by internal or external factors e.g. economic conditions impacting demand or failure to meet customer expectations.	• Customer needs-based, innovative product development and adding value to existing customer integrations. • Business plans focused on winning new business, retaining business, and broadening the range of products used by our existing customers. • Prioritisation to make sure investment is correctly targeted, without compromising the need for ongoing investment in the business to support growth. • Ongoing simplification of GBG's onboarding processes.	• GBG recognise there are many factors that can have an adverse impact on customer experience resulting in a reduction in the use of GBG products and services. Performance indicators are in place to measure these factors. • In addition to the close customer relationships that we maintain we proactively seek 'voice of customer' feedback so action can be taken on any weakness. • GBG's focus is on maintaining customer retention, delivering to their service expectations and continuing to expand and innovate our solutions to meet their needs.
	2 **Information Security** ↔	The risk of cyberattacks breaching controls, resulting in the loss or compromise in the confidentiality, integrity and/or availability of GBG information assets.	• GBG operates an Information Security Management System that provides a common baseline set of information security controls to protect GBG information assets wherever they are being used. • GBG had a Security Operations function with access to best of breed security tools. • Threat and vulnerability detection is in place to inform the risk position. • All team members receive information security training and must comply with this and all associated information security policies. • GBG meets and maintains international standards of certification including ISO27001, PCI-DSS and FedRAMP where appropriate. • GBG regularly assess the risk level of all GBG's critical suppliers.	• As for all businesses the risk of cyberattack is significant and continues to be treated as one of the main threats to GBG. GBG aims to set the highest standards of information security. To support this there is a programme of continuous control improvement to make sure GBG is truly secure and trusted. • A team of skilled security professionals is in place led by the Global Chief Information Security Officer and Risk Manager supported by regional security leadership. • GBG successfully maintained external certifications, where required. • Further investment has been made in systems and expertise, notably threat and vulnerability management. • Controls continue to be tested regularly and security event management remains strong as evidenced by no major incidents in this reporting period.

Principal risks and uncertainties continued

Key
Increased Decreased Stable

Risk categories	Risk	Description	Mitigation	Progress
	3 **Competition** (Stable)	Risk of being undercut on price, reducing margins, or competitors introducing new products which would make GBG uncompetitive. Linked to this is the risk that we fail to respond to meet opportunities when they arise, or we see unexpected shifts in customer or market demand.	• GBG works to identify and manage trends, threats and opportunities, pursuing a business strategy that seeks to build a strong reputation in the industry and ensure a sustainable future. • Competition factors are incorporated in a thorough strategic planning lifecycle, e.g. changes in competition, market trends, regulatory changes limiting or opening sources of data or creating market opportunity. • Our business development, product and strategy teams track the broad spectrum of privately held and publicly listed peers in our markets and this information influences the go-to-market strategy. • We seek to organically differentiate product capability adding data and functionality and deliver end-to-end propositions for customers covering the Identity lifecycle. • The product portfolio is continually enhanced, focusing on innovation through a mix of organic investment to fund development, partnering, acquisition and strategic recruitment. • There remains strong focus on extending GBG's reach in our core target markets such as the Americas, UK, EMEA, and APAC.	• In a fragmented market, GBG's acquisition strategy and product development has enabled geographic and market expansion increasing our competitive advantage in key markets where our scale is an advantage. This has built GBG into a profitable and cash-generative business that is one of the largest pure-play identity providers. • Although not a near-term priority for our capital allocation, we maintain active monitoring of acquisition opportunities which are continually being considered to further develop GBG's strategic aims and differentiate GBG from the competition.

Principal risks and uncertainties continued

Key
Increased Decreased Stable

Risk categories	Risk	Description	Mitigation	Progress
	4 **People** Decreased	There is a risk that GBG fails to attract and retain talented team members in a highly competitive market, resulting in key skills gaps and/or reducing our ability to grow.	• Key metrics are in place to monitor attrition rates, vacancy levels and employee engagement levels by location and business function to make sure appropriate corrective actions are in place. GBG continues to invest in and offer opportunities for team members' growth and development and maintains a focus on wellbeing. • Total reward packages are competitive and regularly benchmarked and reviewed. • Options are available to identify and retain top talent. GBG's approach to flexibility of working practices empowers all our team to manage their work commitments and create a personal flexibility as they require, enabling strong work/life balance. • The Board's effectiveness and skill set is monitored, recruiting additional members where necessary. This helps with succession planning, supplementing the Board's skill set and ensures GBG maintains strong, independent Non-Executive Directors.	• Like many organisations, GBG operates in a competitive market. • The GBG annual team member survey of people engagement continues to demonstrate high levels of engagement right across the Group with 90% of team members saying they would recommend GBG as a great place to work. • Year-on-year attrition levels are reducing. Vacancies are closely managed to ensure the right team members are in the right roles to enable the individual's success and that of GBG. This has led to us reducing the People related risk. • Inclusion and Diversity data collection is undertaken enabling affirmative action where required.
	5 **Financial** Stable	Risk of losses arising from movements in market variables (e.g. FX and interest rates) or loss through failures in credit management processes or failure to maintain liquidity.	• Financial Key Performance Indicators are in place for all measures of financial performance, including net debt, level of overdue receivables and leverage and interest cover under our Revolving Credit Facility. • These metrics are routinely reported to the Executive Committee and Board to enable decision-making and broken down by business unit and region. • A Treasury Committee is in place to monitor and manage liquidity and funding, interest rate risk, foreign exchange (transaction and translation) counterparty credit risk and operational risk. • Group cash balances are reported on a weekly basis to support cash flow forecasting. As set out in the going concern statement in note 2.2, in the event of a forecast liquidity issue, the Group has a range of measures available to it to reduce cash outflows or access alternative sources of funding. • The management of operational risk will include the segregation of duties, maintenance of accurate records, reconciliation of key records, and close supervision of financial risk management activities by the Treasury Committee and Board.	• Financial risk remains well controlled. Financial risk KPIs remain within appetite and are monitored closely. • Whilst there is still volatility in the external environment, foreign exchange rates have not been subject to the same extreme fluctuations seen during FY23, and interest rates are currently forecast to reduce during FY25, having risen during FY24. • The Board reviewed overall financial risk and agreed that the risk remains relatively high but stable and under control. Detailed progress is covered in the financial sections of the Annual Report. • In October 2023, we agreed the second of two one-year extension options on our existing Revolving Credit Facility, so that the Group has access to a £175 million facility until July 2026 and £140 million until July 2027.

Principal risks and uncertainties continued

Key
Increased Decreased Stable

Risk categories	Risk	Description	Mitigation	Progress
	6 **Technology assets and services** (Stable)	Risk of loss, disruption or damage because of the failure or inflexibility of IT systems or IT services.	• Product and technology teams use methods, tools and skills that reinforce best-practice development approaches. • The prioritised product & technology development roadmaps ensure systems are maintained, performance is optimised and end-of-life IT is carefully managed. • Full lifecycle IT Service Management processes are in place including detailed procedures covering incident and problem management, change management, capacity management, access management and risk management.	• Investment to modernise customer-facing platforms continues, enabling the achievement of greater scale and reach. • New front-end platforms for the location business and fraud services and a new back-end platform for our identity solutions continue to be developed and embedded.
	7 **Privacy compliance** (Stable)	Risk of GBG global products and services being non-compliant with privacy rules and regulations.	• A dedicated legal and privacy global team is in place led by the Chief Regulation Officer and Chief Privacy Officer. • Working with business areas, this team are collectively responsible for monitoring changes to legislation, ensuring privacy compliance in GBG is 'by design', team members understand what is required, making sure effective controls are in place and that GBG delivers on our regulatory obligations for all stakeholders. • GBG also has access globally to a range of external professional advisors, seeks to maintain a positive relationship with regulators and undertakes continuous monitoring to ensure processes are effective and team members comply with privacy programme requirements.	• Internationally, privacy compliance rules and regulations continue to develop and data subjects are also becoming more aware of their rights. • For GBG, privacy compliance is a top risk because of the global nature of the business, use of customer and supplier data to provide services and the changes to products and services as we seek to innovate and grow. • GBG has a robust privacy programme that applies globally across GBG. • Internal privacy controls are well understood, embedded and robust. • Data ethics and standards is a core element of GBG's ESG strategy. • Investment in training will continue to ensure best practice is maintained in respect of data handling and privacy.

Principal risks and uncertainties continued

Key
Increased Decreased Stable

Risk categories	Risk	Description	Mitigation	Progress
	8 **Legal** Stable	Risk of disruption or adverse impacts due to unenforceable contracts, lawsuits, adverse judgements or other legal/regulatory proceedings.	• GBG has a global legal team who are led by the Chief Regulation Officer. • The legal team actively monitors emerging legal risks and new regulations, proactively advises on disputes and issues and regularly reviews GBG's contract templates to mitigate risk and simplify. • GBG instructs external counsel in each jurisdiction in which it operates to supplement internal legal expertise, as necessary.	• We continue to track the increasing number of new US state regulations. • Potential for US litigation/class action remains possible, even where there is no case to answer. • Whilst customers are increasingly demanding on contractual terms, legal risk has remained stable throughout this reporting period.
	9 **Operational Resilience** Stable	Risk of unplanned interruption impacting GBG ability to deliver critical operations.	• Full lifecycle IT Service Management processes are in place. • Global 24/7 operational support is in place for all our products and services. • Availability and reliability of all GBG's products and services are continuously monitored.	• Service availability has remained strong. • Any issues impacting service have been swiftly dealt with. • A new Global Head of Service & Operations has been appointed to continue to drive service and efficiency. • Further resilience has been achieved through product retirement and product modernisation initiatives e.g. moving our ID3 product to the Cloud with different regional availability zones and scale-up potential.

Principal risks and uncertainties continued

Emerging risks

As ever, the risk landscape continues to evolve. The assessment of major risks highlighted in this year's report recognises this fact. GBG continually scans the horizon for regulatory developments, market trends and changes in customer expectations. It is this ability to identify, assess and respond flexibly to these changes that will ensure the sustainability of the business.

In the last 12 months no new material risks had to be escalated to the Audit & Risk Committee as they remained within appetite.

Consideration is given to the impact of the external environment, especially political instability and economic factors like inflation and interest rates on GBG, on our customers and on GBG's team members.

When necessary, we conduct reviews to make sure our strategy is aligned to market and competitive developments. There is a role for GBG to guide our customers through changes and trends, particularly in regulation, that will impact their businesses.

AI creates opportunities for GBG, but also risks. AI developments, and the potential for fraud, could positively impact demand for some GBG services e.g. our products can and do detect 'Deep Fakes'. Building on our existing capabilities in machine learning, allows AI to be used and augment our current products and services.

GBG proactively plans to ensure its preparedness for the unexpected. Disclosure in the media of cyberattacks causing loss or disruption in well-known businesses are a frequent occurrence. GBG always take the opportunity to review such events and to learn from the experience. The Board reviews external security events, if any, which are reported in monthly Board reporting. GBG continues to invest in cybersecurity controls.

The implications of Russia's ongoing invasion of Ukraine, the potential for another global pandemic, the evolving conflict in the Middle East, and other political instabilities, highlight the need to carefully consider our responses to potentially major events, and in this respect, GBG have tried and tested incident management plans in place.

Viability statement

Our business model and strategic priorities are key to the Board's assessment of the Group's prospects and determination about whether the Group can continue in operation and meet liabilities as they fall due. We continuously review these alongside forecasts and budgets to have a clear view, so far as is possible, on the Group's viability over the medium term.

The Board's assessment of viability is influenced by the current and projected performance of the business against financial and non-financial KPIs and an analysis of principal risks within the Group's risk assessment framework.

In particular, the assessment includes consideration of the potential impact of ongoing global conflicts such as those in Ukraine and the Middle East, scenario planning in the event of a change of government in the Group's key markets (with elections in the UK and US during FY25), the impact of the external economic environment, the impact of any merger, acquisition and market consolidation activity and the regulatory agenda.

Management currently forecasts a variety of different time horizons relevant to assessing our prospects as part of the business planning process and capital investment cycle. We use a detailed bottom-up budget model to forecast for a period of one year in advance and a top-down model for a period of five years.

We use a three-year timeline when considering viability, because this aligns with the expiry of our existing revolving credit facility which is due to expire in July 2027.

The principal risks and uncertainties that affect the Board's assessment of the Group's viability in this period are operational, conduct, strategic, privacy and financial risks. The Board considers the key mitigants:

- GBG's operations are spread across diverse sectors and increasingly global presence in regional markets with a history of political and economic stability
- a history of limited business disruption or major incidents due to investment in commensurate controls
- strong cash reserves and access to pools of liquidity
- continued customer demand for GBG's innovative and reliable products
- Board-approved prudent risk appetite
- being well placed to manage regulatory change

Based on the actions available to them, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment. We acknowledge that this assessment is subject to uncertainties outside of our control and accordingly, the viability of the Group cannot of course be completely guaranteed.

In October 2023, we agreed the second of two one-year extension options on our existing Revolving Credit Facility, so that the Group has access to a £175 million facility until July 2026 and £140 million until July 2027. Based on current forecasts we would expect to have fully repaid the current outstanding RCF facility within the viability period.

Going Concern

The Group's business activities, together with the factors likely to affect our future development, performance and position, are set out in the CEO's review on pages 9 to 12. The financial position of the Group, its cash flows and liquidity position are described in the Financial review on pages 32 to 35. Full details of the Group's going concern assessment is set out in note 2.2 in the consolidated financial statements on page 96.

Following consideration of the budget, downside and stress test scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence beyond the assessment period which covers through to 30 September 2025. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Letter from our Chair

Introduction to Governance

Dear Shareholder

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 March 2024. The Board's view of robust governance practices remains unchanged, ensuring that we operate at all times in a manner that is consistent with the highest corporate governance standards.

In our Corporate Governance Statement on pages 53 to 55 we describe in more detail the current governance arrangements at GBG and how we have applied the principles of the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code').

This year the Non-Executive Directors have spent a significant amount of time dedicated to GBG and I am grateful for their commitment. They have provided constructive challenge, strategic guidance, offered specialist advice and have held management to account. I firmly believe the Board and its Committees contain an appropriate combination of skills, experience, and knowledge and they continue to be effective at fulfilling our responsibilities to shareholders and stakeholders. I was encouraged by the results of this year's annual Board Evaluation, which showed year-on-year improvements in many areas. Further details on this year's Evaluation can be found in the Nomination Committee Report on pages 75 to 80.

Changes to the Board

During the year, we have continued to focus on Board succession to ensure that we have the appropriate balance of skills, experience and diversity in order to support the business.

After seven years with GBG, Chris Clark retired as Chief Executive Officer ('CEO') on 30 January 2024. I would like to thank Chris for his valued contribution to the Board over the last seven years and the significant impact he made as CEO. Ahead of his retirement the Board carefully considered its succession plan and, following a transparent process led by the Nomination Committee, Dev Dhiman was promoted to the Board as our new CEO.

On 29 April 2024 we announced that Natalie Gammon would be stepping down as Non-Executive Director and Chair of both Remuneration and ESG Committees after the AGM on 23 July 2024. On the same day we announced that, following a rigorous recruitment process, the Nomination Committee recommended to the Board that Michelle Senecal de Fonseca be appointed as her successor, as Chair of the Remuneration and ESG Committee.

Further details with regards to the process followed for both appointments to the Board are provided in the Nomination Committee Report on pages 75 to 80.

Environmental, Social and Governance ('ESG')

The Board's intention is to hand over the business to our successors in a better and more sustainable position for the future. We recognise the focus that is required on the contribution that a successful company can make to both the environment and society in general. We remain dedicated to ESG matters and significant progress has been made against our targets this year. More information on this is provided in the ESG Committee Report from Natalie Gammon on pages 81 and 82.

Annual General Meeting ('AGM')

AGM 2023

At the 2023 AGM, Resolution 6 (Report on Directors' Remuneration) received only 54% of votes in favour and therefore did not pass. At the time of the AGM the Remuneration Committee consulted and engaged with shareholders to understand and discuss their views with respect to their voting in respect of this resolution. The vote on the Directors Remuneration Report is an advisory vote, however the Remuneration Committee valued the feedback they received on the Company's remuneration arrangements and will continue to engage constructively with shareholders on future arrangements where appropriate to do so.

AGM 2024

The AGM will be held on 23 July 2024 which shareholders can attend in person. We consider the AGM to be an important event in our calendar and a significant opportunity for the Board to engage with our shareholders so we do hope that you will take this opportunity to join us and share your views with us.

This year at our AGM, we will be asking shareholders to vote on the proposal to cancel the entirety of GBG's share premium account. This will create distributable reserves that will be available to increase flexibility for the future payment by the Company of dividends to its shareholders and for any other general corporate purposes, subject always to the financial performance of the Group. Further details can be found in the Notice of AGM.

If shareholders do have any questions they would like to raise at the AGM, we encourage you to send an email ahead of the meeting to GBG's Governance Team (Governance@gbgplc.com).

Richard Longdon
Chair

10 June 2024

Board of Directors

Richard Longdon
Chair

Appointment date:
September 2022

Experience and skills:
Richard has had a highly successful career in the technology sector. He spent 33 years with AVEVA Group where he was Chief Executive Officer for 17 years and has held a number of Non-Executive Director and Chair roles since. Richard's previous Non-Executive positions with UK-listed businesses include roles as Chair of Ideagen Plc and Senior Independent Non-Executive board positions at Alfa Financial Plc and Fidessa Plc. He works with businesses in the private markets, and has previously served as a Non-Executive Chair at Process Systems Enterprise Ltd and Non-Executive Director at Prometheus Inc.

Current appointments:
Richard is serving as Chair of Causeway Technologies Ltd and Rovco Ltd, in addition to Non-Executive Board Director at Ideagen Ltd.

Committees:
A E N R

Dev Dhiman
Chief Executive Officer

Appointment date:
January 2024

Experience and skills:
Dev joined GBG in 2020 as Managing Director, Asia Pacific. Under his strong leadership the region experienced significant growth in terms of footprint, customers, products and team. Prior to joining GBG, Dev spent 12 years at Experian, where he held a variety of senior positions across their EMEA and APAC businesses. Dev brings significant international experience having operated and led teams in more than 30 markets. Dev trained as a Chartered Accountant with Deloitte where he spent 3 years and holds a Bachelor's degree in Economics from the University of Nottingham.

Current appointments:
Dev has no external appointments.

Committees:
E N

David Ward
Chief Financial Officer

Appointment date:
July 2021

Experience and skills:
David joined GBG as CFO in May 2021 and was appointed to the Board in July 2021. Prior to joining GBG, David spent 10 years (including 2 years as CFO) at AVEVA Group, the global Industrial Software Company. He led the Finance, Legal and Commercial Operations teams and was heavily involved in the M&A and Integration that delivered significant value to shareholders and lifted AVEVA to the FTSE 100. David trained as a Chartered Accountant with Ernst & Young where he spent 14 years. He holds a Bachelor's degree in Economics and Accounting and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Current appointments:
David has no external appointments.

Committees:
E

Liz Catchpole
Senior Independent Non-Executive Director

Appointment date:
September 2017

Experience and skills:
Liz has over 20 years Executive Board level experience. Her career started in insurance with a subsidiary of GE Capital where she worked for 17 years and was then CFO of Swiss Re Life and Health. Liz has over 10 years Non-Executive Board experience and has previously held a number of other Non-Executive appointments including FTSE listed bwin.party and British Gas, where she was also Audit Chair and until 31 December 2023 she was independent Non-Executive Director and Audit Chair at Investec Wealth. Liz is a Chartered Certified Accountant and holds an MBA from Cranfield University.

Current appointments:
Liz is serving as Independent Chair of tp bennett, a U.K. architectural and design practice and Independent Non-Executive Director and Audit Chair at Asta, the leading third-party managing agent at Lloyd's of London.

Committees:
A E N R

Committee key

A Audit & Risk Committee
E ESG Committee
N Nomination Committee
R Remuneration Committee
Chair

Board of Directors

Natalie Gammon

Non-Executive Director

Appointment date:
November 2019

Experience and skills:
Natalie has over 20 years of global technology, commercial and operational experience with a demonstrable track record of successful digital, strategic and transformational change programmes in both private equity and blue-chip companies. Natalie also undertakes an advisory role at a number of technology start-ups. Natalie was previously Chief Cloud Officer for Finastra, a member of the Audit, Risk Remuneration and Nomination Committees at Masthaven Bank and more recently, an independent member of the Audit Committee of the National Trust.

Current appointments:
Natalie has no key external appointments.

Committees:
A E N R

Bhav Singh

Non-Executive Director

Appointment date:
November 2021

Experience and skills:
Bhav is the founder and Group Chief Executive Officer of Sandbox Group, a leading digital learning company. Prior to founding Sandbox in 2015, Bhav built and scaled high growth businesses as President and Chief Executive Officer of Pearson English and at Paramount Global (previously ViacomCBS) as Managing Director and Executive Vice President of the emerging markets group. Bhav has also held senior roles across digital, general management and business development with Manchester United, IMG and Discovery Communications.

Current appointments:
Bhav is Chief Executive Officer of Sandbox Group and serves as Non-Executive Director at BBC Commercial. He is a member of the World Economic Forum as a Young Global Leader.

Committees:
A E N R

Michelle Senecal de Fonseca

Non-Executive Director

Appointment date:
May 2024

Experience and skills:
Michelle has over 27 years of experience in the international telecommunications and technology sectors. Her executive career has included being the Global Director of Cloud and Hosting Services at Vodafone and Global Vice President, Cloud Innovation Strategic Partnerships at Citrix Systems. Michelle has previously worked at the European Bank for Reconstruction and Development where she managed the Telecom, Media and Technology Banking team. Michelle holds a Bachelor of Science degree in Business and Political Science from the University of Kansas and an MBA from the Thunderbird School of Global Management.

Current appointments:
Michelle is a Non-Executive Director at Alphawave IP Group plc, FDM Group plc and Redcentric plc, where she also serves as Chair of the Remuneration Committee. She is co-founder and Board member of the networking group Women in Telecoms and Technology, a UK not-for-profit organisation and also a global council member at Thunderbird School of Global Management in Phoenix, Arizona.

Committees:
A E N R

Annabelle Burton

Group Company Secretary

Appointment date:
March 2021

Experience and skills:
Annabelle has 20 years experience in governance, compliance and company law. Annabelle originally joined GBG's Governance Team in 2007 and has held a number of roles since this time both within GBG and externally. Annabelle has a passion for governance and a pragmatic approach to how the Governance Team supports the wider business. She is a Fellow of the Chartered Governance Institute (FCG) and holds a Bachelor of Laws degree. Annabelle is Secretary to all Committees.

Changes to the Board

Chris Clark

Outgoing Chief Executive Officer

Chris joined GBG as Chief Executive Officer in April 2017. Before joining GBG Chris was Managing Director at Experian for five years, and previously worked at BT for 20 years. Chris has lived and worked in the USA, Europe and Asia, as well as the UK and has significant international experience. Chris resigned from the Board on 30 January 2024.

E N

Committee key

A Audit & Risk Committee

E ESG Committee

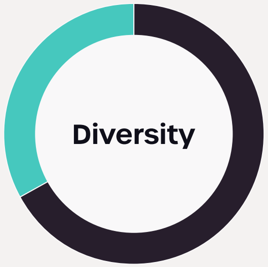
N Nomination Committee

R Remuneration Committee

Chair

Governance at a glance

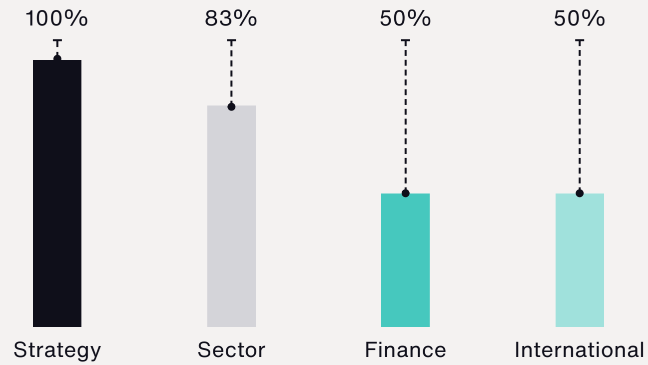
Board Composition
as at 31 March



- Male 67%
- Female 33%

- 0-2 years 66%
- 3-5 years 17%
- 6-10 years 17%

Relevant experience



Board and Committee Attendance

Board member	Board meetings	Committees			
		Audit & Risk	Remuneration	Nomination	ESG
Dev Dhiman[1]	3 11	N/A	N/A	2 4	2 3
David Ward	11 11	N/A	N/A	N/A	3 3
Richard Longdon	11 11	5 5	4 4	4 4	3 3
Liz Catchpole	11 11	5 5	4 4	4 4	3 3
Natalie Gammon	11 11	5 5	4 4	4 4	3 3
Bhav Singh[2]	9 11	5 5	4 4	4 4	2 3
Chris Clark[3]	8 11	N/A	N/A	N/A	1 3
		→ See pages 56 to 60	→ See pages 61 to 63	→ See pages 75 to 80	→ See pages 81 and 82

1. Dev joined the Board on 30 January 2024. He has attended all Board and Committee meetings since his appointment.
2. Bhav was unable to attend one scheduled Board and ESG Committee meeting, he sent apologies. He was also unable to attend one unscheduled Board meeting due to a prior commitment.
3. Chris attended all Board meetings until his resignation from CEO on 30 January 2024. He attended one of two Nomination Committee meetings scheduled prior to his resignation as one meeting related to his succession.

Key

- Number of meetings held
- Number of meetings attended
- Chair

Governance framework

The Board has a robust corporate governance framework, as illustrated below, with clearly defined responsibilities and accountabilities.

These are designed to safeguard and enhance long-term shareholder value and provide a platform to realise the Company's strategy.

↗ **The Terms of Reference for the Board and each Committee can be found on the website**

Board

Led by the Chair, the Board which is made up of a majority of independent Non-Executive Directors, provides leadership and is responsible for the overall management of GBG, its strategy, long-term objectives and risk management. It ensures the right structure is in place to deliver long-term value to shareholders and all stakeholders.

Board Committees

Supports the Board in its work with specific areas of review and oversight objectives and risk management. They ensure the right Company structure is in place to deliver long-term value to shareholders and other stakeholders.

Audit & Risk Committee
Oversees the Company's financial reporting and risk management processes.

→ **See pages 56 to 60**

Nomination Committee
Assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board.

→ **See pages 75 to 80**

Remuneration Committee
Determines and agrees the broad policy for the remuneration of the Executive Directors, Chair and other Senior Executives.

→ **See pages 61 to 63**

ESG Committee
Defines the Company's strategy relating to ESG matters and ensure the strategy remains effective and up-to-date, maintaining regular recommendations to the Board.

→ **See pages 81 and 82**

The Executive Committee

The CEO and CFO lead the team responsible for the day-to-day operational management of the business and overseeing the implementation of the strategy as delegated by the Board. They are supported, from time-to-time, by additional Committees made up of the Group's most senior leaders.

Executive Team
Responsible for overseeing the day-to-day running of the company; monitoring performance; prioritisation and allocation of resources; people, talent and culture.

Business Risk Committee
A GBG Executive led non-financial risk committee that facilitates Executive focus on the management of GBG's key non-financial risks.

Treasury Committee
A committee that manages GBG's financial risk to minimise the adverse effects of fluctuations in the financial markets, on the value of GBG's financial assets and liabilities.

Summary of Board activity

Strategy

Held our annual Board strategy sessions to discuss our ongoing vision, the direction of our business and our strategic priorities

Received and reviewed regular reports from the Executive Team on progress against strategic objectives, as well as risk management and operational matters

Reviewed key risks that may threaten our strategy, such as cyber risk and data privacy. Also considered climate risk and made sure appropriate action plans were in place

Received a number of presentations on our ESG strategy and the progress against it

Financial

Reviewed and approved the financial Budget

Considered the impact of macro uncertainty on the going concern status of the Group and conducted various stress tests against a number of scenarios to test resilience of the Group cash forecasts

Reviewed and approved the half and full year announcements and the Annual Report and Accounts

Approved the quantum of shares to be used for the PSP, RSP and Sharesave schemes

Approved the proposal to convert the Share Premium to distributable reserves

Received regular updates on meetings with investors

In common with other public companies, reviewed and responded to an FRC enquiry in relation to the 2023 Annual Report and Accounts

People

Considered and approved the CEO transition including approval of the appointment of Dev Dhiman to the Board

Updated on succession plans for senior leadership positions

Discussed and approved new share option awards including the performance share plan and restricted share plan

Discussed the results of our annual employee engagement survey (Q12) and put in place action plans to deal with any issues identified

Discussed the findings of our 2024 Gender Pay Gap Report

Governance

Reviewed regular updates from the Company Secretary on developments to Corporate Governance reporting

Conducted the annual evaluation of the Board and its Committees

Approved our 2023 Modern Slavery Statement

Received an update on AIM obligations and market developments from our nominated advisor

Received updates from our legal advisors on Director Duties and Responsibilities and updates to Corporate Governance regulation and best practice

Reviewed and approved updates to all Board policies

Corporate Governance statement

Since 2018 GBG has adopted and observed the governance principles set out by the Quoted Companies Alliance ('QCA') Corporate Governance Code (the 'QCA Code'). The Board believes that its adherence to the QCA Code has provided a strong foundation for delivering shareholder value.

We have set out this year's statement using the 10 principles from the QCA Code. The full disclosure of our Corporate Governance arrangements against the QCA Code can be found on our website.

↗ **Read GBG's full Corporate Governance Statement**

New QCA Code

In November 2023 the QCA launched an updated Corporate Governance Code (the '2023 Code'). While maintaining the core 10 corporate governance principles, the 2023 Code has been revised to align with evolving investor expectations. The 2023 Code will formally apply to financial years beginning on or after 1 April 2024, with the first disclosures required in the 2025 reporting season. We have performed a gap analysis of our current governance framework in comparison to the Principles outlined in the 2023 Code. GBG are largely compliant with these Principles and we will commence reporting in alignment with the 2023 Code in due course.

Principle	How we comply	Further reading
1 Establish a strategy and business model which promote long-term value for shareholders	Our strategy is designed to deliver long-term, sustainable growth in a dynamic and growing global industry. Our business model is centered around four key focus areas which will enable us to deliver on our purpose of 'building trust in a digital world'. The Chair and CEO work closely to ensure the direction is strong and messages are understood. The Board held its annual Board Strategy event over two days in November 2023 covering its key priorities with a focus on long-term strategic growth.	The Strategic Report on pages 3 to 46 sets out the Company's business model and strategy.
2 Seek to understand and meet shareholder needs and expectations	Communication with shareholders is given high priority by the Board. The Executive Directors and, where appropriate, other members of the Board communicate regularly with institutional investors and sell-side research analysts through press releases, general presentations at the time of the release of the annual and interim results and additional meetings throughout the year. Understanding what investors and sell-side research analysts think about GBG and, in turn, helping them understand our business, is a key consideration as we take strategic decisions and allocate investment to drive the business forward. We share feedback from these meetings with the Board. The Board considers this information to make sure there is a clear understanding of the views of shareholders.	More detail on how we engage with our shareholders can be found within the Stakeholder Engagement section on page 16.
3 Take into account wider stakeholder and social responsibilities and their implications for long-term success	Understanding the views and issues raised by our stakeholders forms a key part of the Board's decision-making process. The Company invests in and works consistently to develop and strengthen the relationships it has with all of its stakeholders, to understand their needs and requirements. The regular flow of information to the Board provides context and ensures that the Directors are made aware of the interests of our stakeholders and the key matters affecting them when Directors consider the Group's strategy and take decisions. To assist the Board, all papers requiring material decisions include clear explanation as to the expected impact on those stakeholders relevant to the decision, whether positive or negative.	How the Company obtains stakeholder feedback is contained in the Stakeholder engagement section on page 16. Approach to wider stakeholder social and environmental responsibilities is set out in our ESG Impact Report.

Corporate Governance statement continued

Principle	How we comply	Further reading
4 Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board recognises its responsibility for determining the nature and extent of the principal risks the Group has to consider in order to achieve its strategic objectives. GBG has an enterprise-wide risk management framework, embedded within business processes making sure everyone, across the whole Group, understands their role when it comes to managing risk. The Audit & Risk Committee reviews the suitability and effectiveness of risk management processes and internal controls on behalf of the Board. Regular assurance activities are conducted, both internally and externally.	Further details of the Group's approach to risk management, together with a full description of the key risks faced by the Group, are set out on pages 36 to 46.
5 Maintain the Board as a well-functioning, balanced team led by the Chair	On appointment, each Non-Executive Director receives a letter of appointment setting out, among other things, their term of appointment, the expected time commitment for their duties to GBG and details of any committee memberships. The Board has strong independent representation, a good balance of skills between the Executive and the Non-Executive Directors and a good balance of both gender and ethnicity. Directors are subject to re-election by shareholders. Executive Directors dedicate a full-time commitment to the Company. Non-Executive Directors allocate sufficient time to effectively discharge their responsibilities. For 2023 this included the preparation for, attendance at, and dealing with actions arising from all Board and Committee meetings. The Chair and Company Secretary keep Board processes under review to develop and formalise, including conducting detailed annual planning and agenda setting. This results in the Board and its Committees receiving high quality, accurate and timely information on a regular basis. The Board and its Committees are evaluated annually.	Detail on the Board's structure and composition can be found on page 51. For more detail on Board activity during the year, please see page 52. For a breakdown of Board and Committee attendance, please see page 50. For full details of the Annual Board Evaluation see the Nomination Committee Report on pages 75 to 80 and Principle 7 below.
6 Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities	All Directors are professionally active. Each has demonstrated that they possess the appropriate skills, capabilities and experience for the roles they perform, including as members of the various Board Committees. The skills and experience of the Board are reviewed annually to ensure the ongoing effectiveness of the Board and that we have the right combination of skills and knowledge. This begins with an induction for all new Directors which is tailored to meet any specific requirements. All Directors have access to the Company Secretary and are provided with access to key policies and up to date Terms of Reference for each Committee. From time-to-time, the Board invites its professional advisors to Board meetings for legal and regulatory updates. Each Director can discuss any development needs with the Chair at any time. All Directors are encouraged to strengthen and refresh their knowledge by attending any workshops, seminars and courses relevant to their respective roles.	Information on the activities of the Nomination Committee in terms of reviewing Board structure, size and composition and Director Inductions is on pages 75 to 80.
7 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board undertakes regular assessments of its effectiveness, ensuring alignment with the needs of the business. The Chair maintains ongoing communication with Board members to address any concerns. The Board carries out an externally facilitated Board Effectiveness Review every three years. This was last conducted in FY22 by Boardclic. The Board also conducts an internal review of its effectiveness during the intervening period via an online questionnaire.	Further information regarding the Board Evaluation process, along with its outcomes and recommendations, can be found in the Nomination Committee Report on pages 75 to 80.

Corporate Governance Statement continued

Principle	How we comply	Further reading
8 Promote a corporate culture that is based on ethical values and behaviours	The Board embraces its role in setting the high standard for corporate culture at GBG which focuses on ensuring the delivery of long-term value to shareholders whilst stressing the vital importance of engaging effectively with relevant stakeholders. GBG has also established a robust compliance framework to regulate its activities in respect of business conduct, including: modern slavery, anti-bribery and anti-corruption, data protection, whistleblowing, non-facilitation of tax evasion and closely monitors compliance with these. The Group has a Diversity and Inclusion Policy which the Board oversees adherence to. Through our 'Trust(ed)' programme, our leaders ensure that there is a culture of safe behaviour, by allowing an exchange of views in an open and honest environment.	More information on our culture, tone from the top and how this links to our business model can be found in our ESG Impact Report.
9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Our Board believes that good corporate governance is essential for building a successful and sustainable business in the long-term interest of all our stakeholders. The Board has a robust management framework with clearly defined responsibilities, it sets the direction for the Group through a formal schedule of matters reserved for it to decide on.	GBG's Governance Framework can be found on page 51.
10 Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	This Corporate Governance Statement sets out how the Board communicates to shareholders and other relevant stakeholders how the Company is governed. Shareholders are encouraged to arrange meetings with the Board should they wish to address any specific matters. We have a dedicated investor relations senior manager who can be contacted via mail_investor@gbgplc.com. The Board receives regular updates on the views of shareholders through reports from its brokers and from Directors following shareholder engagement. Analyst notes are reviewed and discussions held with the Company's brokers to maintain a broad understanding of varying investor views. We work closely with our customers, to understand the challenges they are experiencing and provide solutions that will help. For our people we run an engagement survey twice a year (the Q12 survey) to give all team members a voice and allow us to identify, listen and respond to any feedback that might affect engagement. Following the Q12 results, GBG's leadership team must champion action plans in each of their business areas for any improvements that need to happen.	Principle 2 above details how the Company maintains an active dialogue with its shareholders through a planned programme of investor relations activity. Examples of the impact we have had through dedicated customer engagement can be found on page 16. More information on the results of this year's Q12 surveys can be found in our ESG Impact Report.

Audit & Risk Committee

Liz Catchpole
Committee Chair

The Audit & Risk Committee is responsible for ensuring the financial integrity of the Group through the regular review of financial reporting, including reviewing the financial statements and other formal announcements and challenging and reviewing the significant judgements contained in these documents.

It confirms to the Board that all material financial updates are fair, balanced and understandable and complies with all applicable UK legislation and regulation as appropriate. It is also responsible for oversight of the risk management, related controls and compliance. In addition the Committee monitors the relationship with the external auditor, reviewing their effectiveness, scope, objectivity, independence and approving their remuneration and terms of engagement. The Committee ensures that whistleblowing processes are robust and any reports are properly investigated. All relevant matters arising are brought to the attention of the Board. The Committee met 5 times this year and attendance can be seen on page 50.

Overview

- Liz Catchpole has chaired the Committee since November 2017. She is a Chartered Certified Accountant and is considered by the Board to have recent and relevant financial experience, including her current position as Audit Chair of another board in the financial services sector
- All members of the Committee are Independent Non-Executive Directors and the Board is satisfied that the Committee as a whole has competence relevant to the sector
- By invitation, Audit Committee meetings are attended by the Executive Directors, Chief Regulation Officer ('CRO'), Company Secretary, Group CISO & Risk Manager, Group Finance Director, external auditor and other management as required
- Representatives from the external auditor, the CRO and the Group CISO & Risk Manager each have time with the Committee and the Company Secretary to raise freely any concerns they may have. They are also invited to attend every scheduled meeting of the Committee and have direct access to the Committee Chair
- The external auditor, PwC, has time on the day of each meeting with the Committee without management being present
- The Committee Chair holds meetings with PwC and management in preparation for each Committee meeting to ensure a full understanding of the matters to be discussed by the Committee

The Committee reviews its Terms of Reference annually and you can find them on the Group's website

Dear Shareholder
On behalf of your Board, I am pleased to present the Audit & Risk Committee Report for the year ended 31 March 2024.

The Audit Committee Membership & Experience

The Audit Committee is appointed by the Board. I Chair the Committee and the members are Natalie Gammon, Bhav Singh and Richard Longdon. On 1 May 2024 Michelle Senecal de Fonseca joined the Committee as an Independent Non-Executive Director. We welcome Michelle and thank Natalie for her contribution as she leaves GBG following this year's AGM.

We are all considered Independent Non-Executive Directors. Other members of the Board, along with senior management and the external audit partner, are regularly invited by the Chair to attend Committee meetings. The Board is confident that the Committee has sufficient recent financial experience, relevant to the sector in which the Group operates and appropriate access to Company insight and professional advice.

I am a Chartered Certified Accountant with an MBA and Chair the Audit Committee of another board. I also maintain an up-to-date understanding of financial and corporate governance best practice by attending regular training sessions. Natalie Gammon, Bhav Singh and Richard Longdon bring a wealth of experience gained in both their Executive and Non-Executive careers. If needed, the Committee can seek professional advice at the Company's expense, although we did not seek any such advice during the year.

Audit Quality Review

During the year, the Audit Quality Review ('AQR') team of the Financial Reporting Council ('FRC') reviewed EY's audit of the Group's 2023 Annual Report and Accounts as part of their annual inspection of audit firms.

The AQR routinely monitors the quality of audit work of Tier 1 UK audit firms through inspections of sample audits and related procedures at individual audit firms.

The AQR review was concluded in April 2024 and the final inspection report review has been shared with us by the FRC. The Committee considered the findings, discussed them with management, EY who were in their final year as auditors in 2023, and the newly appointed auditors PwC. The Committee is satisfied that the identified improvement areas, and the actions taken to incorporate these, have been captured in the audit work for the Group's 2024 financial statements.

Overall, the results of the review raised no issues which cast doubt on the fundamental quality of the Group's external audit and the Committee remains satisfied with the effectiveness of the external audit and at the 2023 AGM appointed PwC as external auditor.

FRC Corporate Reporting Review (CRR)

During the year the Group corresponded with the CRR team in connection with its review of our Annual Report and Accounts (ARA) for the year ended 31 March 2023. In common with other large public limited companies, the FRC had carried out a review in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures:

- The Audit Committee was involved in reviewing the Group's responses to the points raised by the CRR, and I, on behalf of the Audit Committee, also discussed the matter with EY, who were the Group's auditor for the FY23 ARA under review, and PwC as the Group's current auditor.

Audit & Risk Committee continued

- As a result of the review, potential updates and improvements to certain disclosures were recommended and these have been addressed in preparing the FY24 Annual Report and Accounts. These updates did not have an impact on the Consolidated Statement of Profit or Loss, Consolidated Balance Sheet or Consolidated Cash Flow Statement reporting in the 2023 Annual Report and Accounts.
- As explained in note C2.2 the Company Balance Sheet has been restated to increase the impairment to Company investments during the year ended 31 March 2023 following the inclusion of external and intercompany debts in assessing the recoverable amount of the parent's investment in the GBG (US) Holdings LLC subsidiary as part of the Company's year-end impairment assessment.

The FRC requested that in disclosing this engagement we note the limitations of their review, namely that it was based solely on its reading of the Annual Report and Accounts and did not benefit from a detailed knowledge of the business or an understanding of the underlying transactions entered into. It is also noted that its review provided no assurance that the ARA is correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The FRC closed the review process following the Company's response.

Annual Report and Financial Statements

The Audit & Risk Committee is responsible for making sure the financial performance of the Group is properly prepared, reviewed and reported. Our role includes ensuring the integrity of the financial statements including examining documentation relating to the Annual Report, Half Year Report, preliminary announcements and other related reports. We are responsible for reviewing internal control systems, risk management systems and the accounting principles, policies and practices adopted for preparing public financial information.

The Board has asked the Committee to confirm that in its opinion the Annual Report as a whole can be taken as fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position. To make this assessment, the Committee received copies of the Annual Report and financial statements to review during the drafting process to ensure that the key messages being presented in the Annual Report were aligned with the Company's position, performance and strategy. The Committee also reviewed the processes and controls that are the basis for its preparation.

We are satisfied that this Annual Report is fair, balanced and provides the information necessary for shareholders to assess the Group's position and performance, as well as its business model and strategy.

Committee focus during FY24

1 Financial statements and reports

Reviewed the Annual Report and Accounts, together with the full year results announcement and the half year results announcement, and received reports from the external auditor on the above.

Reviewed the effectiveness of the Group's internal controls and disclosures made in the Annual Report and Accounts.

Reviewed executive management's representation letter to the auditor, going concern reviews, fair, balanced and understandable criteria and significant areas of accounting estimates and judgement.

Reviewed the Group's cash flow forecasts, the Group's bank facilities and the Viability Statement.

Received updates from the Group's Head of Tax on compliance with global tax regulations.

Reviewed and approved correspondence with the Financial Reporting Council (FRC) following a review, in common with other public companies, from its Corporate Reporting Review team with respect to their review of the FY23 Annual Report and Accounts.

2 Internal control and risk management

Monitored and reviewed the effectiveness of risk management and internal control processes.

Reviewed the Group Risk Profile, which identifies, evaluates and sets out mitigation of risks.

Reviewed the principal risks and uncertainties disclosed in the Annual Report and Accounts.

3 Internal audit

Reviewed proposals for internal audits to be conducted during FY24.

Reviewed the audit plans, audit outcomes and monitored the progress of closing outstanding actions.

Maintained oversight of the internal audit work, undertaken by Grant Thornton, of the Company's Anti-Bribery and Anti-Corruption Policy.

4 External auditor and non-audit work

Recommended to the Board the appointment of PwC as new external auditor at the 2023 Annual General Meeting.

Reviewed, considered and agreed the scope of the audit work to be undertaken by the external auditor.

Agreed the terms of engagement and fees to be paid to the external auditor.

Reviewed and approved non-audit services and reviewed and non-audit fees.

Reviewed the FRC Audit Quality Inspection and Supervision Report with respect to the Group's external auditor.

Met with the FRC's Audit Quality Review team in respect of their review of EY's audit of the Company's FY23 Annual Report and Accounts.

5 Governance

Monitored the Group's Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Anti-Fraud Policy and the Group's Whistleblowing arrangements.

Met with the external auditor and the internal auditor without management being present.

Completed the annual evaluation of Committee performance.

Audit & Risk Committee continued

External audit

Audit Services

PwC has performed the role of GBG's external auditor for the first time during this financial year. The Committee has closely monitored progress against the agreed audit transition plan and is pleased that this process has gone smoothly. During the year, the Committee reviewed PwC's independence and performance and met with the audit partner regularly without management present. The Committee has adopted a broad framework to review the effectiveness of the Group's external audit process and audit quality which includes: assessment of the audit partner and the team; planning and scope of the audit; the execution of the audit and management of an effective audit process; communications by the auditors with the Committee; how the audit contributes insights and adds value; the quality of any formal audit reports; and a review of fees.

The auditor attended the full and half year Committee meetings and the audit planning Committee meeting. The auditor reported to the Committee on the results of the audit work, highlighting any issue which the audit work had discovered, or the Committee had previously identified as significant or material in the context of the financial statements. There were no adverse matters brought to the Committee's attention in respect of the FY24 audit, which were material and should be brought to shareholders' attention.

Non-audit services

The Company has a non-audit services policy in place to ensure that the provision of non-audit services by the external auditor does not impair its independence or objectivity. All non-audit services must be pre-approved by the Committee. A list of non-audit services is reviewed on an annual basis.

The Committee closely monitors non-audit services provided by the external auditor due to the potential impact high volumes of non-audit work can have on the independence of the external auditor and the quality of their audit. The Committee's approach is that non-audit services should not be performed by the external auditor where there is a viable and cost-effective alternative.

The only non-audit services PwC provided in the year were the review of the Group's half year results and agreed upon procedures regarding covenant compliance in accordance with the Group's banking facilities. PwC did not perform any other non-audit services during the year. We selected PwC for these tasks as they would normally be performed by the Company's external auditor as detailed in note 6 to the financial statements.

Auditor Independence

The Board ensures external advisors remain independent by having separate firms (non-PwC) carrying out financial due diligence and general advice relating to potential acquisitions and tax matters. PwC has confirmed that there are no relationships between themselves and the Group that could have a bearing on their independence. The Committee is satisfied that PwC remain independent.

Whistleblowing Policy

During the year, we carried out an annual review of our whistleblowing policy and made minor adaptations. We are satisfied that the policy remains appropriate for a Group of our size and for the geographies in which we operate. Concerns can be raised through a variety of channels and anyone who wishes to raise a concern has access to GBG's confidential and independent whistleblowing helpline.

We receive monthly reports from our external whistleblowing helpline provider and should an issue be raised, investigations are carried out independently with findings being reported directly to me as both Chair of the Audit & Risk Committee, and also as the Group's whistleblowing officer. They are also formally reported to the Audit & Risk Committee. In this financial year no reports have been raised through the whistleblowing helpline (FY23: three reports).

Internal Audit of GBG's Anti-Corruption and Anti-Bribery Policy

The Group has a formal Anti-Corruption and Anti-Bribery Policy, which sets out the responsibilities of all team members to observe and uphold a zero-tolerance position on bribery and corruption. It also exists to act as a source of information and guidance to help any team member recognise and deal with bribery and corruption issues.

This year we instructed Grant Thornton to facilitate an internal audit of the processes and controls related to GBG's Anti-Corruption and Anti-Bribery Policy and compliance with the UK Bribery Act. As part of this internal audit, Grant Thornton held meetings with Senior Management across each global region, as well as conducting a brief survey across 250 team members (c.17% of GBG team members) to access their understanding of GBG's Anti-Corruption and Anti-Bribery policy and avenues for reporting. Our internal management team had also self-identified a number of areas where improvements could be made.

The work did not reveal any significant failings but did result in some action plans to improve processes and controls which are now being implemented by management to enhance the control environment. The actions are tracked by the Committee, including the responsiveness of management to the findings and recommendations, and the progress of closing any overdue actions.

Internal Audit Updates

The Committee receives regular updates on internal audit activity relating to the control of key business risks which includes:

Internal risk based audits

This involves testing controls relating to the management of Royalty payments, Contractors, Reseller licensing, Data Audit Trails, Storage of Confidential Information, System Access, Data Access and the use of Demonstration Accounts.

Information security audits

These are conducted by GBG's Information Security team to support Cyber Security certifications at GBG's key locations. Externally appointed Information Security auditors have also assessed GBG's security arrangements throughout the year. In January this year, the British Standards Agency (BSI), after conducting their assessments, confirmed GBG meets the new information security management standard ISO27001:2022.

Privacy Audits

This involves reviewing key suppliers compliance with privacy rules and regulations.

Customer and Supplier Audits

From time-to-time, GBG's customers and suppliers request that audits are conducted on GBG. These are facilitated by our own internal teams who conduct their assessment on potential key risks such as privacy, security, and operational resilience.

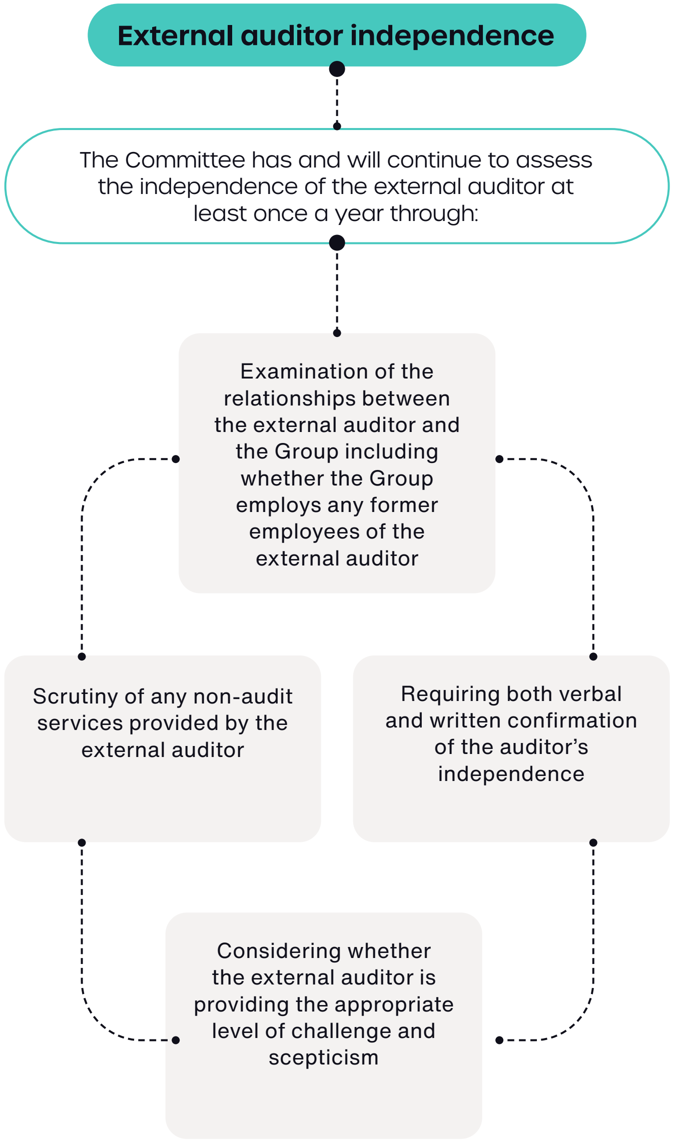
Audit & Risk Committee continued

Key areas of focus

The Committee together with the external auditor considered the matters set out below as significant in relation to the financial statements. These were discussed and reviewed with management and the external auditor; the Committee challenged judgements and sought clarification where necessary. The Committee received a report from the external auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.

Area of focus	Why was this a key area of focus?	How did the Committee respond?
Impairment of goodwill and intangible assets	The Group's policies on accounting for separately acquired intangible assets and goodwill on acquired businesses are set out in notes 14 and 15 to the consolidated financial statements. At 31 March 2024 intangible assets relating to goodwill and other intangible assets amounted to £742.6 million. Goodwill on acquisitions is initially recorded at fair value, and is subject to testing for impairment at each balance sheet date. For intangible assets, the Group is required to determine whether indicators of impairment exist and, if so, perform a full impairment review. As is customary, such testing involves estimation of the future cash flows attributable to the asset, or cash-generating unit of which it is part, and discounting these future cash flows to today's value.	The Chair reviewed management's papers and noted the sensitivity of the model to input variables. The Committee discussed with management the key assumptions and the basis upon which they had been set and, after challenge, concluded that they were appropriate. Specific consideration was given to the forecast cash flows used in the Identity – Americas group of cash-generating units due to the negative headroom at the half year and after careful review concluded that the resulting impairment charge was appropriate. The Committee then reviewed the disclosures in respect of the impairment charge to ensure they were fair and balanced.
Impairment of Company investment in GBG (US) Holdings LLC	At 31 March 2024 the Company held investments of £570.2 million in subsidiaries and investments held at fair value. Investments are assessed on an annual basis to consider if there are any indicators of impairment. Following the prior year adjustment to record an impairment against the investment of GBG (US) Holdings LLC, and the impairment recorded at a group level at the half year in the Identity - Americas CGU, a full impairment review was conducted on this investment.	The review and challenge on the investment impairment assessments were the same as for the goodwill and intangible assets assessment detailed above. The Committee concluded that the additional impairment of £67.9 million was appropriate, and that the disclosures were fair and balanced.
Going concern	The Board of Directors has a responsibility to assess whether there are any doubts about an entity's ability to continue as a going concern. In order to support the preparation of the financial statements on a going concern basis the Group has completed a comprehensive and robust assessment. This involves testing a number of assumptions regarding the future financial performance of the Group for 18 months from the balance sheet date.	The Committee reviewed management's papers, scenario modelling and disclosures regarding going concern, including the key assumptions used and the other relevant factors surrounding going concern. The Committee has also considered reasonable sensitivities including the potential impact from the principal risks and concluded that these support the preparation of the financial statements on a going concern basis.
Revenue recognition	Revenue recognition is always considered a key accounting area of focus, due to the size of the revenue number relative to the overall accounts, and the number of judgements involved as set out in note 2.	The Committee assessed management's analysis of contracts under IFRS 15 and, after challenge, concluded that revenue has been properly recorded in the period in accordance with accounting standards.

Audit & Risk Committee continued



Internal Control and Risk Management

The Board is responsible for the effectiveness of the Group's system of internal control, which has been designed and implemented to meet the requirements of the Group and the risks to which it is exposed. During the year, the Committee has received updates from the Chief Regulation Officer and the Group CISO & Risk Manager, who together lead and monitor our risk processes. Below details the Group's internal control environment, how risk is managed, and the Committee's review of the effectiveness of the risk management and internal control systems.

Board-level reporting on risk management and internal control

In seeking to achieve the Group's business objectives, we face a number of risks, as defined on pages 36 to 46. The following key elements comprise the internal control environment, which has been designed to identify, evaluate and manage these risks in line with our risk appetite, and to ensure accurate and timely reporting of financial data for the Company and the Group:

(1) an appropriate organisational structure with clear lines of responsibility, including effective risk management;

(2) an experienced and qualified finance function, which regularly assesses the possible financial impact of the risks facing the Group;

(3) key control procedures as defined in our risk framework;

(4) delegation of authority devolved from the Board which sets the approval limits for key business transactions and decisions;

(5) a robust financial control, budgeting and forecasting system, which includes regular monitoring at Board level;

(6) procedures by which the consolidated financial statements are prepared, which monitor key financial reporting risks arising from changes in the business or accounting standards; and

(7) established policies and procedures which reinforce the need for all team members to adhere to minimum standards, in accordance with law and regulation.

Future focus for the Audit Committee

The key focus for the Committee in the year ahead will include:

- Group transformation activities, including impacts on financial reporting, risk management and internal controls;
- Continuing the progress made on developing our Risk Management Framework;
- Overseeing and challenging risk management performance to ensure GBG continues to operate in line with the Board's stated risk appetite;
- The Committee will continue to plan and develop the internal audit activities and identify areas for review. The Group CISO & Risk Manager will lead this using co-sourced external support where appropriate to do so, but we also intend to hire for a new internal role to conduct additional internal audits and risk assessment activities;
- The Board considers it important to ensure that all available guidance and regulations are appropriately considered to maintain strong financial reporting and corporate governance systems; and
- As a Committee, we will also continue to focus on the potential future regulatory changes and emerging best practice, including in respect of the development of an assurance policy and the increasing focus on assurance around sustainability reporting.

Annual Committee evaluation

During the year, the Board conducted an internally facilitated evaluation of the performance of the Board and its Committees. Further details can be found in the Nomination Committee report on pages 76 to 77. This process concluded that the Audit and Risk Committee had fulfilled its role effectively and did not identify any significant development points requiring action.

Liz Catchpole
Audit & Risk Committee Chair

10 June 2024

Remuneration Committee

Natalie Gammon
Committee Chair

The Remuneration Committee is responsible for determining and recommending to the Board the policy for remuneration of the Executive Directors and, in consultation with the CEO, for determining the remuneration packages of members of the Executive Team.

The work of the Committee includes reviews of share incentive plans and performance-related pay schemes and their associated targets, and for making recommendations to the Board in connection with them. No Director or other senior executive is involved in any decisions as to their own remuneration. The Committee is authorised to seek outside legal or other independent professional advice as it sees fit.

The Committee met 4 times this year in response to a number of important decisions covering executive succession. Attendance can be seen on page 50.

Overview
- Natalie Gammon has chaired the Committee since August 2020.
- Natalie will step down as Committee Chair on 23 July 2024 with Michelle Senecal de Fonseca being appointed and taking over as Remuneration Committee Chair from this date.
- All members of the Committee are Independent Non-Executive Directors.
- By invitation of the Committee, meetings are attended by the Executive Directors, the Chief People Officer, Company Secretary, Group Finance Director and the external adviser to the Committee.

The Committee reviews its Terms of Reference annually and you can find them on the Group's website

"The Committee has remained focused this year on ensuring that our performance targets continue to support the growth of the business.

Introduction from the Chair of the Remuneration Committee

Dear Shareholder
I am pleased to present our Directors' Remuneration Report for the year ended 31 March 2024.

As an AIM-listed entity, the Group is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, nor the principles in respect of Directors' remuneration in the UK Corporate Governance Code 2018. Nevertheless, the Board recognises the importance of providing shareholders with appropriate information with respect to Executive remuneration. The aim of this report is to provide shareholders with information to understand our remuneration strategy and its linkage to the Group's financial performance. The report consists of three sections: this introduction, the Directors' remuneration policy and an annual report on remuneration. As an AIM-quoted Company, we have disclosed the information required to fulfil the requirements of AIM Rule 19.

The Committee is primarily responsible for determining and recommending to the Board the policy for the Executive Directors' remuneration and employment terms. The Committee is also responsible for reviewing (and making recommendations to the Board about) share incentive plans and performance-related pay schemes and their associated targets, as well as employee benefit structures across the Group. In addition, the Committee also monitors remuneration structures below Board level and considers proposals and remuneration packages when bringing key talent into the Group. Where appropriate we seek advice from our external consultants, Deloitte LLP. Deloitte LLP is a member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Ethics in relation to executive remuneration consulting in the UK.

The remuneration policy is presented as a table to make it clear and simple which is in line with best practice amongst AIM companies. GBG's remuneration policy is fundamental to the delivery of the Group's ongoing strategic objectives and provides key incentives and support for sustainable long-term value creation. We firmly believe that our remuneration policy effectively rewards and incentivises our Executive Directors and senior management. It also makes sure we provide fair pay, as well as supporting and promoting all our team members' wellbeing and engagement. We align our remuneration with the Group's strategic aims and consider how we distribute incentives across all GBG team members. In this way, we make certain that these incentives also create long-term value for our stakeholders.

Company performance and incentive outcomes for FY24

The financial performance for GBG for the year ended 31 March 2024 is set out on pages 32 to 35. We had a strong focus on simplification and cost-effectiveness and as a result have delivered structural savings that we expect will benefit us into the future. Our continued focus on growth initiatives led to us achieving the acceleration in year-on-year growth in quarter four that we had expected and built into our plan. This improved revenue growth of approximately 5.0%, on a constant currency basis, was primarily driven by an acceleration in the Identity segment, as a result of improving trends in the Americas and EMEA. This gives us positive momentum going into the new financial year. In summary the Group achieved the following results for the year:

- Group revenue £277.3m;
- Adjusted Operating Profit £61.2m; and
- Adjusted Basic Earnings per share (EPS) 15.4p.

Remuneration Committee continued

At least 80% of the Executive Directors' annual bonus is based on EPS performance and the remainder on strategic objectives including ESG as set out on page 70. As noted above, the adjusted EPS performance was 15.4p and consequently 48.0% of this element vested. 50.0% of the bonus maximum attributable to strategic and ESG objectives were achieved.

In July 2021 share options awards were granted under the share matching plan to the CEO and CFO. The performance criteria for these share awards were based on EPS and TSR performance for the three-year period ending 31 March 2024. EPS performance targets were not met and TSR performance was below median which resulted in 0% of the awards vesting. Full details of the performance targets and outcome is reported on page 70.

In line with good practice, the Remuneration Committee reviewed the incentive outcomes and considered this reflective of the performance of the Company, shareholder experience and not warranting any discretionary adjustment against the formulaic outcomes.

Remuneration for Executive Directors

During the year Chris Clark and David Ward elected not to take a salary increase. Their salaries for the year therefore remained at £529,515 and £393,750 respectively.

Upon appointment to CEO, Dev Dhiman's salary was set at £425,000, significantly below that of his predecessor and below the current market rate for a company of our size. The Committee considered that this was appropriate for now, taking into account that this is Dev's first board level role. The Committee intends to increase the base salary to a market competitive rate over time. In line with best practice, the Committee intends to phase this increase over three years and any increase will be subject to his performance in the role.

In order to undertake the role of CEO, Dev relocated from Singapore to the UK. The reimbursement of relocation expenses reflects the reimbursement of reasonable expenses in line with market practice, and is consistent with our approach for other employees in similar circumstances and the Directors' Remuneration Policy. The cost of this was £59,831.

For FY25 the annual bonus will be 130% of salary for both the CEO and the CFO. The performance measures will be based on at least 80% Adjusted Operating Profit and the remainder based on individual KPIs aligned to strategic objectives and ESG.

Committee focus during FY24

The Committee has discharged its responsibilities throughout the year by:

- Considering and reviewing feedback from shareholders following the AGM outcome in 2023, as a result we had extensive dialogue with the governance teams at a number of our top institutional investors ahead of the AGM
- Considering and approving Executive Directors' salaries and the Chair's fee
- Reviewing and approving the remuneration package for the newly appointed Chief Executive Officer
- Reviewing and approving the retirement arrangements for the former Chief Executive Officer
- Approving Executive bonus outturns for FY23
- Considering and approving the vesting share awards and exercises for Executive Directors
- Reviewing and approving long-term incentive grants and associated performance conditions for senior management under the PSP and RSP
- Considering and approving the grant of awards under the Save as You Earn Scheme
- Considering and approving appropriate performance measures for the annual bonus scheme for Executive Directors ensuring alignment to KPIs and the Group's strategy
- Reviewing and approving the Directors' Remuneration Report for FY23
- Reviewing remuneration arrangements for the wider workforce and alignment to the arrangements for senior management
- Reviewing the gender pay and ethnicity pay gap analysis results and agreeing corresponding actions

Remuneration Committee continued

Previously the financial measure for the bonus was EPS but from FY25 this will move to Adjusted Operating Profit and align with the bonus measures used for team members and also to more standard market practice. The Committee also intends to maintain the PSP awards for FY25 at 225% of base salary for the CEO and 175% of salary for the CFO. To increase the executive's alignment with shareholders and enhance the focus on driving shareholder value, the Committee is proposing to increase the weighting on TSR from 25% to 50%. For FY25, 50% of the awards will be based on TSR vs. the FTSE 250 and 50% based on EPS. Further details of the FY25 incentives can be found on pages 65 and 66.

Workforce and fair pay

Our reward philosophy is to make sure our team members are fairly rewarded for the contribution they make. We have continued to conduct market evaluation and pay benchmarking exercises across all of our team members, to make sure our pay practices are competitive, fair and consistent.

This year we maintained our previous practice of reviewing team member pay at the year end, but we evolved our practice to a differentiated approach which takes account of local market conditions, individual performance and any in-year rises that may have already taken place.

We also continue to operate a policy of hybrid and flexible working. This means that we continue to invest in our GBG offices as we recognise that many team members do enjoy the traditional working environment. We believe that by supporting our team members in this way we have a more engaged and motivated workforce. We acknowledge that providing good collaborative workspaces for our teams to meet, along with flexible working policies does help to attract and retain team members.

Leaving arrangements for Chris Clark

Chris Clark stepped down as CEO of the Board on 30 January 2024, and remains an employee to assist with the transition to the new CEO until 31 July 2024. Under the terms of his exit:

- Until he leaves the business Chris's salary and benefits will continue in the usual way.
- As he remained in employment for the full financial year, a bonus will be payable to Chris in relation to the Company's FY24 (ending 31 March 2024) financial year, this will be calculated in accordance with the rules of the bonus scheme and will be paid in or around June 2024.
- No bonus will be payable to Chris for any subsequent financial year, including for time served from 1 April 2024 to 31 July 2024.
- Chris will be treated as a 'Good Leaver' under the rules of both the Company's Share Matching Plan granted in 2021 and the Performance Share Plan granted in 2022 and 2023.
- The Awards will vest at the normal vesting dates, subject to the relevant plan rules, achievement of the relevant performance conditions and shall be exercisable on a pro-rated basis, calculated up to the period of time served from the date of grant to the 31 July 2024.
- Chris was not eligible for an LTIP award for 2024.
- No other payments are due to be paid to Chris.

The relevant remuneration details relating to Chris are included throughout this Directors' Remuneration Report for the year ending 31 March 2024.

Committee evaluation

The Committee's performance was evaluated during the year with no areas of focus to report. Further information on this year's evaluation can be found in the Nomination Committee Report on pages 75 to 80.

AGM Voting

At the 2023 AGM the advisory vote on the Directors' Remuneration Report did not receive the required majority number of votes to pass. Prior to the AGM the Remuneration Committee conducted an extensive consultation with the Company's largest shareholders, however, the resolution only received support from 54% of the votes cast. The Remuneration Committee recognises the reasons behind the level of support, in particular, the exercise of discretion to vest David Ward's options granted to compensate for earnings forfeited on leaving his previous employer. The Remuneration Committee is committed to seeking the views of our significant shareholders if and when we plan any major policy changes and decisions, and the Chair continues to be available for contact with institutional investors concerning the Company's approach to remuneration.

Looking ahead to FY25

GBG has always recognised the need to report in an open and transparent manner and align with shareholder and stakeholder expectations. The policy table on pages 65 and 66 sets out how annual bonus and long-term incentives operate under the remuneration policy with some information on the historic parameters. We welcome dialogue with shareholders and the Directors' Remuneration Report will be put to an advisory vote at the forthcoming 2024 AGM.

We hope that you will find this report to be informative and transparent and we look forward to receiving your support. We are committed to and encourage open dialogue with our shareholders. If you have any questions on this report or our approach to remuneration more generally, please feel free to contact me via the Company Secretary.

Natalie Gammon
Remuneration Committee Chair

10 June 2024

Remuneration policy

Executive Directors' remuneration policy

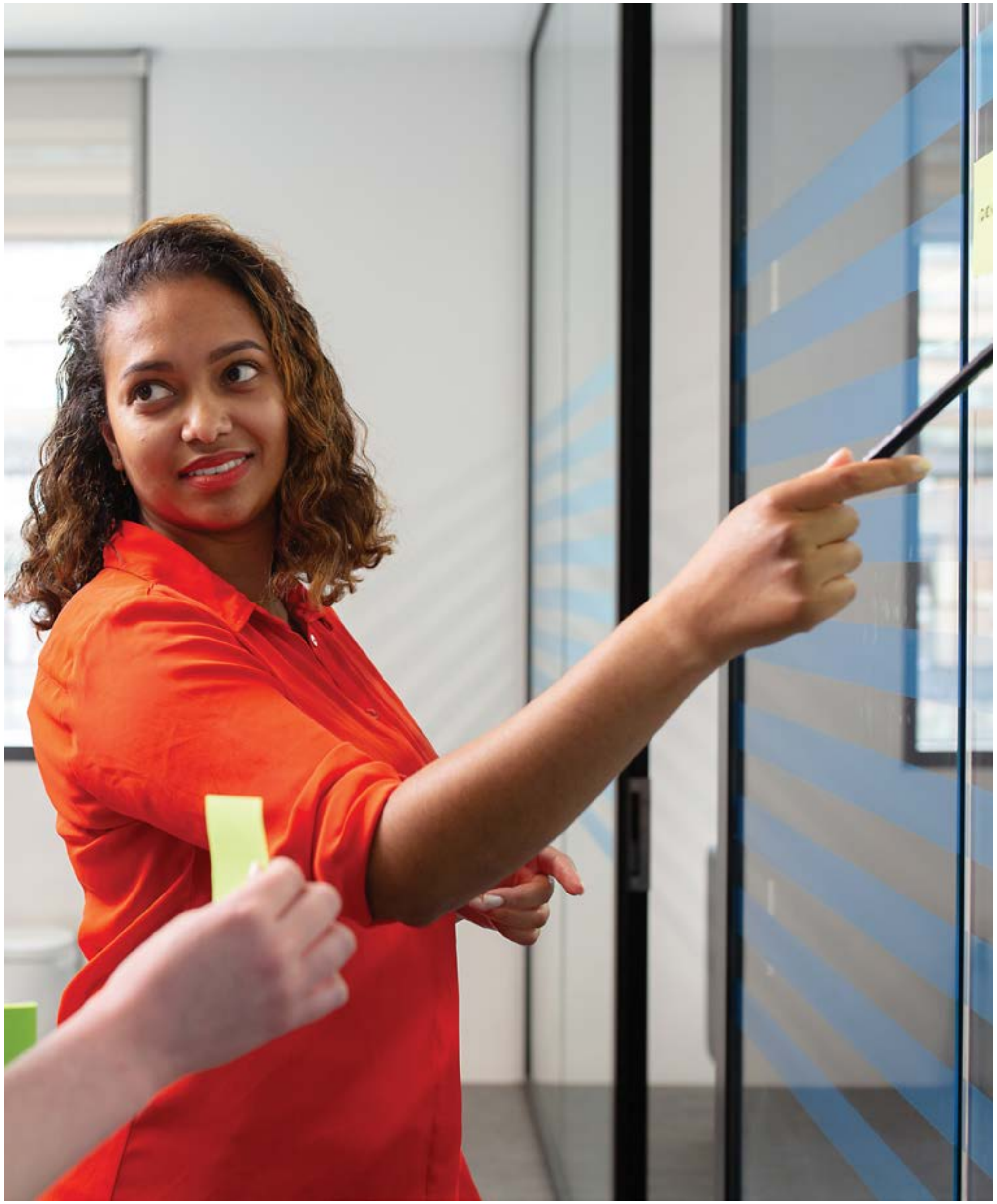
Our remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement our business strategy to optimise long-term value for our stakeholders. We conducted an annual review of our remuneration policy with our external advisors, to ensure that it remains aligned to GBG's growth ambitions and the current marketplace, whilst still conforming to best-practice standards. We will continue to review on an ongoing basis based on the following key principles:

- The total reward level is competitive enough to attract and retain high-calibre executives
- Executives earn total incentive-based rewards by meeting demanding performance standards consistent with shareholder interests
- The Committee will structure incentive plans, performance measures and targets to operate soundly throughout the business cycle
- The Committee will prudently design long-term incentives, so these do not expose shareholders to unreasonable financial risk
- In considering the market positioning of reward elements, the Committee will consider the performance of the Group and of each Executive Director
- Reward practice will conform to best practice standards as far as reasonably practicable
- The importance of aligning the Company's strategy with its Sustainability Framework

When formulating the scale and structure of remuneration levels the Remuneration Committee considers market rates, drawn from external market data, for the remuneration level offered to Directors of comparable type and seniority in other companies whose activities are similar to GBG. In addition, we also consider the pay and employment conditions of our team members when determining Directors' remuneration. No Director was involved in deciding the level and composition of their own remuneration.

Each Executive Director's remuneration package consists of basic salary, annual bonus, long-term incentives, benefits including: health and car benefits, prolonged disability insurance and pension contributions. We maintain an appropriate balance between the fixed and performance-related remuneration elements. The details of individual components of the remuneration packages and service contracts are outlined in the table on page 69.

Bonus and share option awards to Executive Directors are subject to clawback and malus provisions. In addition, Executive Directors are required within five years of their appointment to build and subsequently maintain, a minimum level of share ownership in GBG shares. Details of the minimum shareholding policy are also outlined in the table.



Remuneration Policy continued

FY25 Remuneration Policy

This part of the report sets out the Executive Directors' remuneration policy, including detail on each element of remuneration and how it operates.

Element/Link to Remuneration Strategy	Key features/operation	Potential Value	Performance Metrics
Base salary To attract and retain high-calibre executives. Positioned competitively in line with the market.	Reviewed annually, changes normally effective from 1 April. Executive Director's experience, responsibilities and performance taken into consideration. Performance is assessed both from an individual and business perspective. Independently benchmarked from time-to-time against comparable roles at premium listed and AIM traded companies of a similar size and complexity.	Any increase will usually correspond to or, where appropriate, be less than the level of increase applied across the Company. However, increases may be awarded which are different to the general increases for the wider population where appropriate. This includes the ability to award higher increases in appropriate circumstances, such as: • on promotion or in the event of an increase in scope of the individual's role or responsibilities; • where an individual has been appointed to the Board at a lower than typical market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a typical market level as the individual gains experience; • change in size and/or complexity of the Group; and/or • significant market movement. Increases may be implemented over such time period as the Committee deems appropriate.	None
Benefits To provide an attractive package alongside basic salary to attract and retain executives.	Benefits include but are not limited to private medical insurance and dental insurance. The Company provides cash in lieu of any car benefits.	The potential value of medical insurance benefits is limited by the terms of the policy. The cash in lieu of car benefits for the Executive Directors, effective 1 April 2024 are: CEO: £12,000 CFO: £12,000	None
Pensions To provide market competitive arrangements.	The Company contributes to executives' existing personal pension schemes. Cash payments in lieu of pension is available in the event an executive has exceeded their personal pension allowance.	CEO: 5% of basic salary CFO: 5% on basic salary	None

Remuneration policy continued

Element/Link to Remuneration Strategy	Key features/operation	Potential Value	Performance Metrics
Performance related bonus To incentivise achievement of Company profit targets and other near-term strategic objectives.	Based on performance against targets related to financial and individual KPIs agreed at the start of the year.	Maximum of up to 150% of salary. For FY25 the maximum will be: CEO 130% of salary CFO 130% of salary	Based on a mix of financial and non-financial targets, with the majority based on financial targets. The measures for FY25 are based on at least 80% Adjusted Operating Profit and the remainder based on individual KPIs aligned to strategic objectives and ESG (more details in the Annual Report on Remuneration).
Long-term incentives To align executives to the interests of shareholders and to incentivise long-term financial performance. Incentivises executives to achieve the Company's long-term strategy and create sustainable stakeholder value and create sustainable stakeholder value.	Performance Share Plan (PSP) – Awards are subject to a performance period of normally no less than three years and may be subject to long-term financial performance. Where a PSP Award has vested (or an option has been exercised), the Committee may apply clawback to all or a proportion of shares.	Maximum PSP awards of up to 225% of salary (and 400% of salary in exceptional circumstances). For FY25, the awards levels will be: CEO – 225% of salary CFO – 175% of salary	Performance targets are normally set annually, measured over three consecutive financial years and the Committee ensures they are appropriately stretching. Performance measures may be based on financial, share price-related or strategic performance measures. For FY25 the performance conditions are based 50% on EPS and 50% on total shareholder return ("TSR") relative to the FTSE 250. Further details of the performance conditions are set out on page 74 of the Annual Report on Remuneration.
Shareholding guideline Aligns with shareholder interests.	Target value to be achieved over five years: CEO – 200% of salary CFO – 200% of salary Until the shareholding guideline has been achieved, executives must retain all vested LTIP awards beyond those needing to be sold to cover tax liabilities and exercise costs.	N/A	N/A

Remuneration Policy continued

Consideration of employment conditions elsewhere in the Group

The Committee considers pay and employment conditions of team members throughout the Group when determining Executive remuneration.

The Committee considers the relationship between Executive Director rewards and broader changes to UK team members' remuneration. While the Company does not formally consult with team members as part of the process, the Board seeks feedback from employee surveys and takes a general view on employee remuneration into account when determining executive remuneration.

Shareholder consultation

We welcome dialogue with our shareholders over matters of remuneration. During FY24 we had extensive dialogue with the governance teams at a number of our top institutional investors ahead of 2023 AGM. We also seek the views of our significant shareholders if and when we plan any major policy changes and decisions. The Chair of the Remuneration Committee is available for contact with institutional investors concerning the Company's approach to remuneration. The Annual Report on Remuneration will be put to an advisory vote at the upcoming AGM.

Non-Executive Directors

The Chair and the other Non-Executive Directors' remuneration comprise only of fees. The Board approves the Chair's fee on the recommendation of the Remuneration Committee. The Board approved the other Non-Executives' fees on the recommendation of the Chair and CEO. The Non-Executive Directors are not involved in any decisions about their own remuneration. Non-Executive Directors receive a base fee and can earn extra fees for holding the position of Committee Chair or Senior Independent Director.

Non-Executive Director fees were reviewed by the Board during the year, in addition a benchmarking exercise has been conducted. The Non-Executive Directors will receive a fee increase for FY25.

Remuneration policy continued

Loss of office

The Remuneration Committee considers the individual circumstances in cases of early termination and manages these cases in line with policy, however the Committee also reserves the right to assess the appropriate remuneration conditions for the specific circumstances. The following sets out the Company's policy, in normal circumstances, with regard to exit payments for each remuneration element for Executive Directors.

- Basic salary: This will be paid over the contractual notice period, however, the Company has the discretion to make a lump sum payment for termination in lieu of notice.
- Benefits and Pension contributions: These will normally continue to be provided over the notice period; however, the Company has the discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period.
- Annual Bonus: The payment of any annual bonus would be entirely at the discretion of the Remuneration Committee and if made would normally be pro-rated to the time of active service in the year that employment ceased, paid at the normal time and be subject to the original performance conditions and policy on deferral (unless the Remuneration Committee determines otherwise). In such circumstances the decision of the Committee would take into consideration the financial performance of the Company, the performance of the individual, and the circumstances of the termination of employment.
- Share Option Awards: The vesting of any share option awards would be entirely at the discretion of the Remuneration Committee and would lapse at the cessation of employment unless considered a 'Good Leaver'. If 'Good Leaver' status was to be applied the awards would vest at the normal vesting dates (unless the Remuneration Committee determines otherwise), subject to the relevant plan rules, achievement of the relevant performance conditions and be exercisable on a pro-rated basis, calculated up to the period of time served from the date of grant to the date of the termination of employment.

Service contracts

The service contracts and letters of appointment of the Directors include the following terms:

Executive Directors	Date of contract	Unexpired term or rolling contract	Notice period (months)
Chris Clark	1 April 2017	Rolling contract[1]	6
David Ward	27 January 2021	Rolling contract	6
Dev Dhiman	30 January 2024	Rolling contract	12
Non-Executive Directors	**Date of contract**	**Unexpired term or rolling contract as at 31 March**	**Notice period (months)**
Richard Longdon	1 September 2022	18	6
Liz Catchpole	1 September 2023	30	1
Natalie Gammon[2]	19 November 2023	8	1
Bhav Singh	1 November 2023	8	1

1 Having served his six month notice Chris Clark's service contract will terminate on 31 July 2024.
2 Natalie Gammon provided one month notice will step down from the Board on 23 July 2024.

Annual report on remuneration

Introduction
This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company, for the period ended 31 March 2024.

Single Total Figure of Remuneration for Executive Directors

	Salaries/fees £'000		Cash in lieu of benefits in kind £'000		Benefits in kind £'000		Bonuses £'000		LTIPs		Pension[3] £'000		Other		Total £'000		Fixed		Variable	
	FY24	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23
Chris Clark	530	530	12	12	2	2	389	0	0	0	93	93	0	0	1,026	637	637	637	389	0
Dev Dhiman[2]	74	0	2	0	0	0	44	0	0	0	4	0	60*	0	184	0	80	0	104	0
David Ward	394	394	12	12	2	2	250	0	129	234	19	19	0	0	806	661	427	427	379	234
Nick Brown[1]	188	309	6	12	1	2	98	0	0	0	19	39	143	0	455	362	214	362	241	0
Richard Longdon	200	117	0	0	0	0	0	0	0	0	0	0	0	0	200	117	200	117	0	0
Liz Catchpole	79	79	0	0	0	0	0	0	0	0	0	0	5[4]	0	84	79	79	79	5[4]	0
Natalie Gammon	69	69	0	0	0	0	0	0	0	0	0	0	0	0	69	69	69	69	0	0
Bhav Singh	59	59	0	0	0	0	0	0	0	0	0	0	0	0	59	59	59	59	0	0

* Relocation expenses.

1. Nick Brown stepped down from the Board on 31 March 2023. He continued to receive salary and benefits up to 30 September 2023 - for reporting purposes these are included in the figures above. He received a payment of £142,562 (rounded to £143,000 in the table above) for compensation for loss of office which is included within 'Other'.
2. Dev Dhiman's salary details are from when he was appointed CEO on 30 January 2024.
3. Contribution to the executive's existing personal pension schemes and/or cash payment in lieu of pension in the event an executive has exceeded their personal pension allowance.
4. Liz Catchpole received a one off additional fee of £4,500 (rounded to £5,000 in the table above) during the year to reflect the work she was required to undertake in her role as Audit Committee Chair, as part of the FRC corporate reporting review process and Audit Quality Review

Annual report on remuneration continued

Annual bonuses

The details of the Executive Bonus Scheme for FY24 are set out below and includes details of the annual bonus targets, threshold and maximum levels and the bonuses paid to each Executive Director. The maximum annual bonus for the year was 150% of base salary for the CEO and 130% of base salary for the CFO. For FY24 Dev Dhiman's maximum bonus was 130% of base salary. Bonuses were earned based on the achievement of a range of financial and non-financial targets as follows:

- EPS growth targets where the maximum pay-out for the achieving the target was capped at 120% of base salary for the former CEO and 110% of base salary for the CFO and new CEO;
- Achieving non-financial key performance indicators ('KPIs'), aligned to our strategic objectives (where the maximum pay-out is capped at 22.5% of base salary for the former CEO and 15% of base salary for the CFO and new CEO) and covering:
  - Improvements in employee engagement;
  - Increasing GBG's Net Promoter Scores ('NPS');
  - Increasing level of organic growth; and
- Maintaining focus on ESG improvements and communication (where the maximum pay-out is capped at 7.5% of base salary for the former CEO and 5% of base salary for the CFO and new CEO).

Remuneration target breakdown

1. Relates to former CEO Chris Clark.

	EPS growth									
	Budget % of salary	Max % of salary	Achievement of KPIs % of salary	Achievement of ESG % of salary	Total max bonus % of salary	EPS target achieved % of salary	KPI target achieved % of salary	ESG target achieved % of salary	Bonus awarded	
									% of salary	£'000
Chris Clark	48%	120%	22.5%	7.5%	150%	58.4%	7.5%	7.5%	73.4%	388,588
David Ward	44%	110%	15%	5%	130%	53.5%	5%	5%	63.5%	250,111
Dev Dhiman*	44%	110%	15%	5%	130%	53.5%	5%	5%	63.5%	44,377

• Dev's bonus was pro-rated for his time served as CEO from 30 January 2024 to 31 March 2024.

Annual Report on Remuneration continued

Long-term incentive awards – grants made during the year

Chris Clark and David Ward received share awards of 390,421 (225% of salary) and 225,804 (175% of salary) share options respectively on 26 June 2023. Dev Dhiman, who was not at Executive Director at the time received 95,759 (90% of salary) share options on the same date.

The performance conditions were as set out below:

EPS CAGR – 75% of the awards

- 25% will vest if 4% EPS CAGR is achieved
- 100% will vest is 14% EPS CAGR is achieved (with straight-line vesting between these points)

GBG's TSR relative to the constituent of the FTSE 250 – 25% of the awards

- 25% will vest if median TSR is achieved
- 100% will vest if upper quartile TSR is achieved (with straight-line vesting between these points)

Upon appointment to the Board, on 30 January 2024, Dev received an option over 150,000 shares in the capital of the Company (the value of this award was £420,600 based on a closing share price of 280.4p on that day).

This award reflected his appointment to the Board and the CEO role, and will vest following the FY26 Full Year Results Announcement, subject to the achievement of a stretching FY26 operating profit budget. Details of the operating profit target and performance against this target will be disclosed in the Directors' Remuneration Report for FY26.

Prior to his promotion to CEO, Dev also received his normal long-term incentive awards (consisting of a PSP and RSP award, which was consistent with that received by his peers when in his former role).

His total long-term incentive award for FY24 (the normal award and the award on appointment to CEO) equates to circa 175% of salary in line with the total long-term incentive quantum for the CEO. The Committee considers that this award is appropriate to incentive Dev to deliver our strategy and enhance his alignment to shareholders and to ensure that his reward opportunity over the next few years is commensurate with the scope and responsibility of the CEO role. For FY25 the Committee has proposed to increase Dev's long-term incentive award to 225% of salary, which is the same level as the previous CEO.

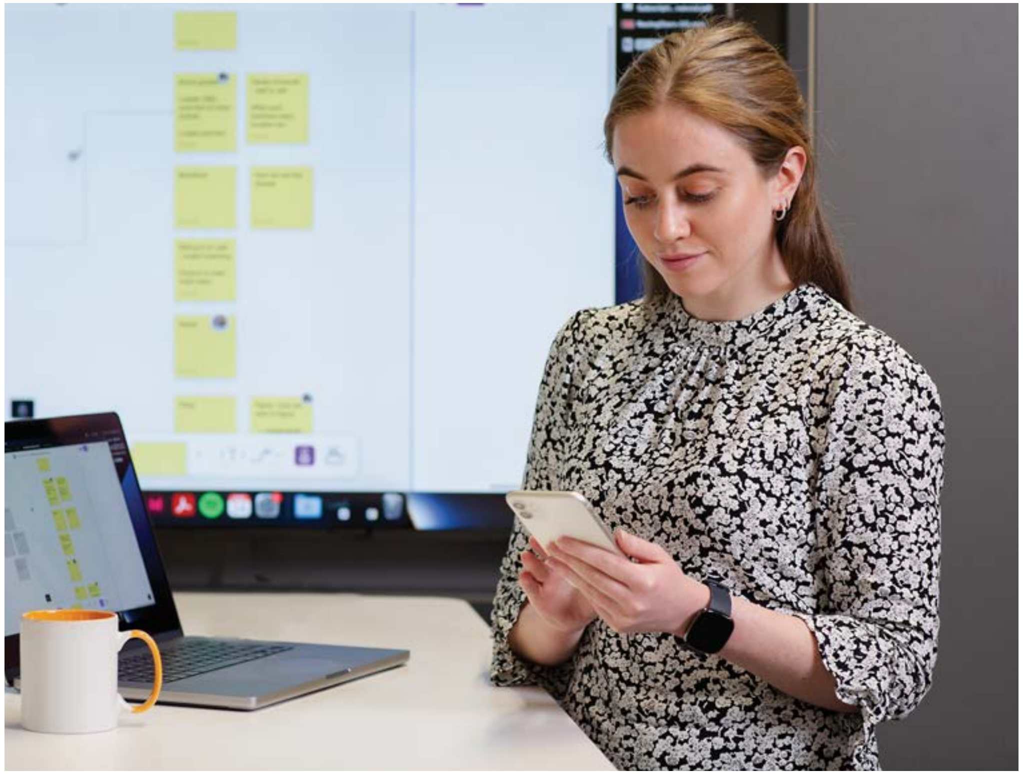
Long-term incentive awards – vesting and exercises

As part of David Ward's remuneration on joining, he received an option over 150,000 ordinary shares in the capital of the Company as compensation to match the earnings and incentives forfeited on leaving his previous employer (the 'Compensatory Options').

The Compensatory Options were issued at an exercise price of 2.5 pence per ordinary share to vest in three equal tranches on the anniversary from the Date of Grant provided he still holds the position of CFO of GBG on the respective dates. The first tranche vested on 17 May 2022 (first anniversary) and as these were not subject to performance conditions, other than continued employment, As disclosed last year, the Committee used their discretion to disapply the performance conditions applying to the second and third tranches of the Compensatory Options to align with the original intention of the awards.

The second and third tranches vested in full on the 17 May 2023 and 17 May 2024 respectively. The Compensatory Options are valid for a period of 12 months from the vesting date.

Chris Clark and David Ward received share matching awards of 222,662 and 18,442 shares respectively on 6 July 2021 following their investment in acquiring shares in the Group. The amount of their investment was grossed up for income taxes and the match rate of 3.0x and 2.25x deemed investment applied respectively. 75% of the share matching awards were subject to an absolute EPS target for FY24 and 25% to TSR vesting requirements. For the Adjusted EPS element, 50% of the award would vest if the Adjusted EPS target was achieved in FY24, with full vesting being applied only if Adjusted EPS was a further 10% higher than the target. In terms of the portion of the reward subject to the TSR measure, 25% of the award vests at median performance against the peer group (FTSE 250) and 100% of award vests at upper quartile, i.e. the 75th percentile.



Based on the FY24 final results neither the Adjusted EPS target or minimum TSR performance were achieved and therefore the awards have not vested.

At 31 March 2024, GBG's quoted share price on the London Stock Exchange was 272.4p and the lowest and highest prices during the year ended 31 March 2024 were 208.4p and 372.2p on 29 September 2023 and 3 May 2023, respectively.

Annual report on remuneration continued

	Share Option Scheme	At 31 March 2023	Granted during financial year	Exercised during financial year	Lapsed during financial year	At 31 March 2024	Option exercise price (p)	Date exercisable
Chris Clark	SMP	173,267	–	–	173,267	–	2.50	2023-24
	SMP	222,662	–	–	–	222,662	2.50	2024-25
	PSP	255,120	–	–	–	255,120	2.50	2025-26
	PSP	–	390,421	–	–	390,421	2.50	2026-27
		651,049	**390,421**	–	**173,267**	**868,203**		
David Ward	LTIP	50,000	–	50,000	–	–	2.50	2023-24
	LTIP	50,000	–	–	–	50,000	2.50	2024-25
	SMP	18,442	–	–	–	18,442	2.50	2024-25
	PSP	147,551		–	–	147,551	2.50	2025-26
	PSP	–	225,804	–	–	225,804	2.50	2026 -27
		265,993	**225,804**	**50,000**	–	**441,797**		
Dev Dhiman	LTIP	29,898	–	–	22,401	7,467	2.50	2023-24
	LTIP	21,192	–	–	21,192	–	2.50	2024-25
	PSP	80,222	–	–	–	80,222	2.50	2025-26
	RSP	–	31,920	–	–	31,920	2.50	2026-27
	PSP	–	63,839	–	–	63,839	2.50	2026-27
	PSP	–	150,000	–	–	150,000	2.50	2026-27
		131,282	**245,759**			**333,448**		

Annual Report on Remuneration continued

Directors' interests

Set out below are the beneficial interests of the Directors and their families in the Group's share capital at the beginning and end of the year.

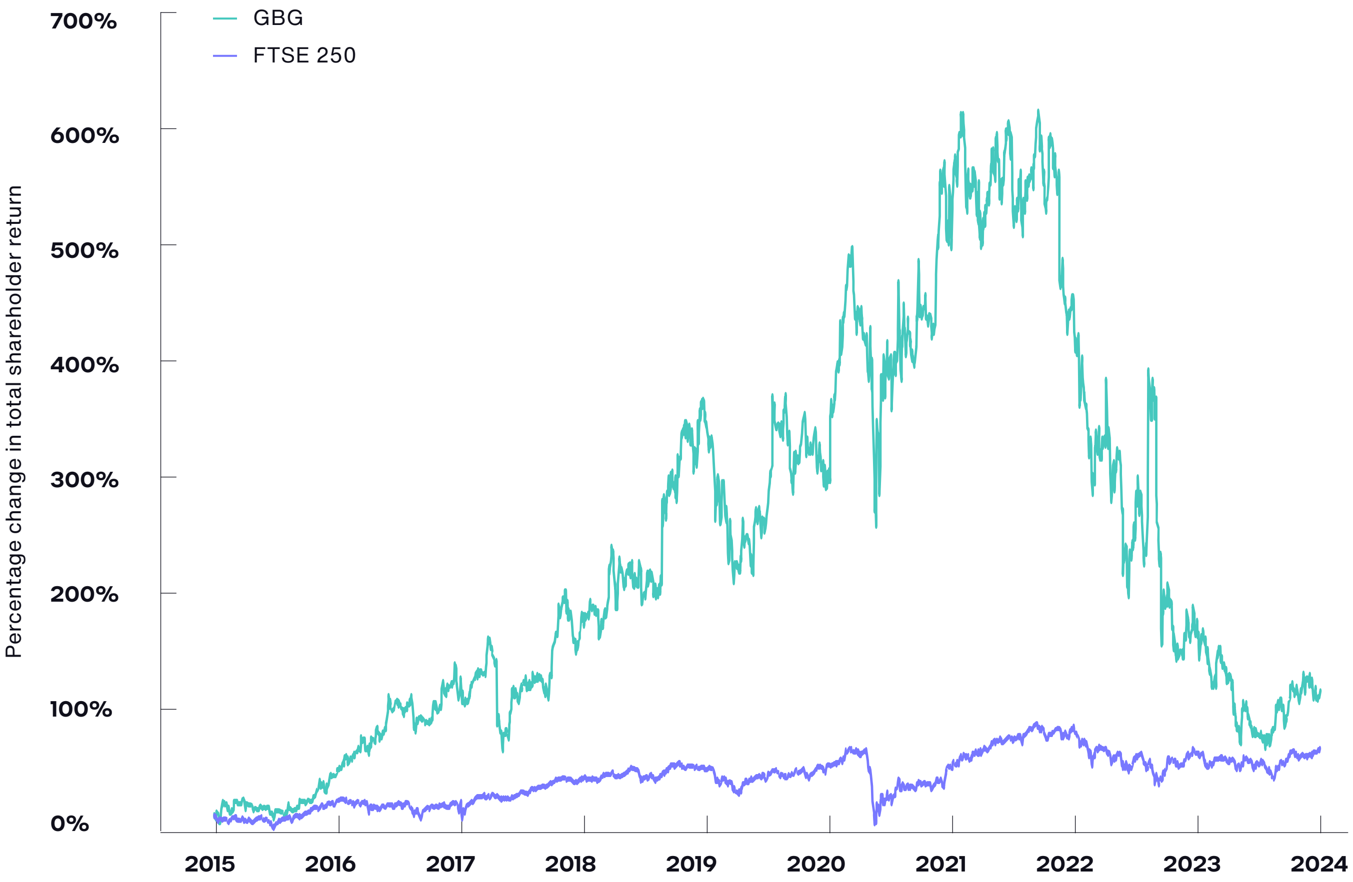
Ordinary shares of 2.5p	31 March 2024	1 April 2023
Richard Longdon	29,876	29,876
Chris Clark	362,173	362,173
David Ward	97,000	55,000
Dev Dhiman	–	–
Liz Catchpole	20,665	20,665
Natalie Gammon	5,872	5,872
Bhav Singh	–	–

There have been no other changes to Directors' interests in the Group's shares from the end of the year to 10 June 2024. The Register of Directors' Interests contains full details of the Directors' interests in the Group's shares and is open to inspection.

In accordance with the calculations set out in GBG's Shareholding Policy, based on the closing share price at 7 June 2024 of 343p, the value of Dev Dhiman and David Ward's shareholding represented nil% and 84% of their salaries respectively. As mentioned previously Executive Directors are expected to meet our shareholding guidelines within five years of appointment, David Ward has three years of service, Dev Dhiman has less than one year.

Total shareholder return graph

The graph below shows the percentage change in total shareholder return for each of the last 10 financial years compared to the FTSE 250. The FTSE 250 was selected as it represents a broad equity index in which the Group can be compared against.



Annual report on remuneration continued

Remuneration in 2024-25

Salary	In line with the wider workforce Dev Dhiman and David Ward received a salary increase of 4%. Salaries from 1 April 2024 will be as follows: CEO: £442,000 CFO: £409,500 The Remuneration Committee will continue to monitor the remuneration of Executive Directors of other companies in the technology sector and other listed companies with similar market capitalisation to ensure that the Executive Directors remain sufficiently rewarded to promote long-term success.
Benefits	There will be no change to the Executive Directors' benefits for the year commencing 1 April 2024.
Annual bonus	We will operate the annual bonus for FY25 within the policy disclosed in this report. The principles of bonus criteria which we will apply to each Executive Director during the year ending 31 March 2025 will be similar to those applied during the year ended 31 March 2024 with the exception of changing the financial measure to Adjusted Operating Profit instead of EPS. The maximum annual bonus for the CEO and CFO will be 130% of base salary. The annual bonus will be based at least 80% on Adjusted Operating Profit targets and the remainder on individual strategic objectives including ESG. We will not disclose the targets for the annual bonus for 2024-2025 in this report as that information is deemed commercially sensitive and may be interpreted as forecast. However, details of the targets will be disclosed retrospectively in the 2025 Annual Report.
Performance share plan	The Committee intends to make a further award to Executive Directors in line with the PSP outlined in the share plan Policy. The Committee will determine the levels, performance conditions, weighting and growth targets to be applied at the time of award and fully disclose them in the FY25 Annual Report. The CEO will be granted an award over 225% of base salary and the CFO will be granted an award over 175% of base salary. Awards will be based 50% on EPS performance with 25% vesting for growth of 4% per annum and maximum vesting for 14% growth per annum. A further 50% of the award will vest based on relative TSR performance vs. the FTSE 250 with 25% vesting for median performance and maximum vesting for upper quartile performance. These PSP Awards will take the form of nominal cost options. A holding period may apply to any shares acquired pursuant to a PSP Award. Any such holding period would normally apply for two years from the date of vesting.
Non-Executive remuneration	NED fees were reviewed by the Board (excluding the Non-Executive Directors) during the year. In line with the wider workforce the NEDs received a salary increase of 4%. The base fees for GBG's three NEDs will therefore increase to £61,698. The additional fees for the Senior Independent Director of £10,000 will remain the same, the Committee Chair fees will increase with the Audit & Risk Committee Chair fee to be increased to £20,000 (FY24: £10,000), Remuneration Committee Chair fee to be increased to £15,000 (FY24: £10,000) and the ESG Committee Chair fee to be set at £5,000 (FY24: £nil). The Chair fee was also reviewed by the Remuneration Committee during the year. In line with the wider workforce the Chair received a salary increase of 4%. The Chair fee will therefore increase to £208,000.

Nomination Committee

Richard Longdon
Committee Chair
10 June 2024

The Nomination Committee is responsible for overseeing succession planning for the Board and senior management and assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Board committees.

The purpose of this report is to highlight the role that the Nomination Committee has in monitoring the Board's balance of skills, knowledge and experience and to ensure that there are robust succession plans in place.

The Committee met 5 times this year as a number of important decisions were required to be made covering executive succession and to support our progressive approach to ongoing Board refreshment. Attendance can be seen on page 50.

Overview
- A majority of the members of the Committee are Independent Non-Executive Directors
- The Company Secretary attends all meetings of the Committee and is responsible for engaging with executive search recruitment advisors as and when needed
- Neither the Chair nor the CEO would participate in the recruitment of their own successor
- The Committee Chair reports material findings and recommendations at the next Board meeting and copies of the minutes of meetings are circulated, where appropriate, to all Directors of the Board

The Committee reviews its Terms of Reference annually and you can find them on the Group's website

Dear Shareholder
On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 31 March 2024.

The role of the Committee

The Committee's primary role and responsibilities are to:

- make sure that appropriate procedures are in place to nominate and select candidates for appointment to the Board, particularly in terms of the balance of the Board's skills, experience, independence, knowledge and diversity;
- make recommendations to the Board about new appointments, re-electing Directors, succession planning and Board composition, particularly the benefits of diversity on the Board, including gender diversity;
- ensure that a regular, thorough and unbiased evaluation is undertaken of the structure, size, composition, balance of skills, knowledge and experience of the Board and its Committees; and
- ensure the Company's adherence to applicable legal, regulatory and corporate governance requirements in relation to the above are fully complied with.

This financial year the Committee has spent a significant amount of time dedicated to Board succession planning, including the Chief Executive Officer (CEO) succession, which is covered in further detail later in this report. The Committee also considered the appointment of a new Non-Executive Director who joined the Board in early May 2024. Although the CEO appointment has been the most significant decision taken this year, the Committee has also maintained an oversight of the senior leadership talent pipeline including maintaining dialogue with the Executive Directors on succession plans for key roles throughout the business, development of our emerging leaders and ongoing Board refreshment plans.

Committee focus during FY24

During the year, the Committee have focused on the following areas:

- assessed the composition of the Board, including in relation to Committee membership
- conducted a qualitative and quantitative Board Evaluation in February 2024, a summary of the results can be found on page 76
- recommended Dev Dhiman's appointment as the new CEO following a thorough process, as successor to Chris Clark
- evaluation of potential independent Non-Executive Director candidates, resulting in the appointment of Michelle Senecal de Fonseca as independent Non-Executive Director with effect from 1 May 2024
- considered and approved the annual Nomination Committee Report, contained within the Annual Report and Accounts
- recommended to the Board the re-election of all directors at the 2024 AGM

Nomination Committee continued

Evaluation of the composition, structure and functioning of the Board

The Committee continues to monitor the balance of skills and experience on the Board as well as its independence, knowledge and diversity. This year, we carried out an internal evaluation of the Board via an online questionnaire, following a set of predetermined questions and completed through Boardclic's software platform. Boardclic is an independent third-party organisation which specialises in Board evaluations and holds no connection with the Company or any individual director.

As reported in previous years, the questions contained within the last two internal questionnaires remained consistent. This was an intentional decision taken by the Board to enable improvements, or any areas of concern, to be monitored year-on-year, covering the following six key aspects of the Board's performance:

- Value creation and strategy
- Board agenda
- Talent and culture
- Board composition
- Chair performance
- Reporting and risk

The questionnaire also considered the Board's views on the material ESG issues facing the Company and included a review of the effectiveness of all Board Committees.

The questionnaire was completed by all Directors during February 2024. The results were collated using the presentation tools within Boardclic's software platform and this output formed the basis of a report compiled for the Chair, which was then discussed by the whole Board in March 2024. The evaluation was completed slightly later than usual given the Board's focus on the appointment of a new CEO earlier in the financial year.

This is the last internal questionnaire of the three-year Board Evaluation cycle that GBG have chosen to adopt. The last time the Board were externally evaluated was during FY22. Next year we will undertake an external evaluation and report on findings in our FY25 Annual Report.

Evaluation Process

January 2024

The Board confirmed that they were happy with the proposed format of the FY24 evaluation.

February 2024

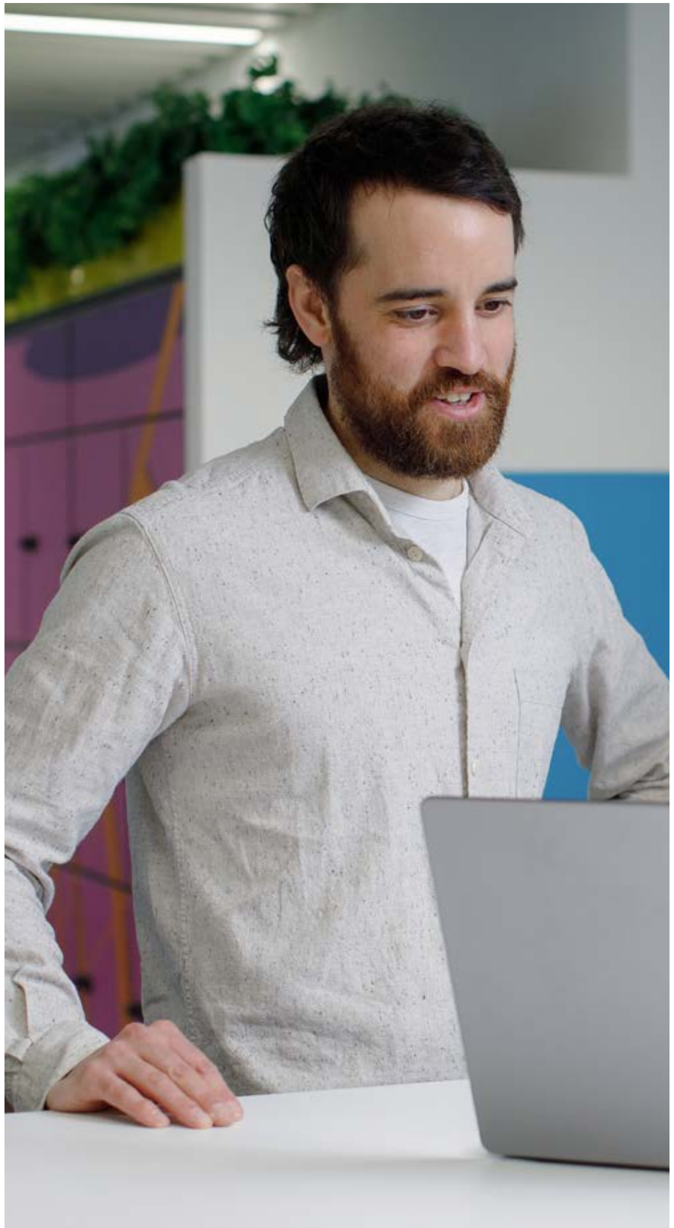
Each Director completed an online questionnaire in relation to six key aspects of the Board and its performance. Committee members received evaluation for the committees they were members of.

March 2024

A final report was compiled and shared with the Board for review. This was then discussed at the Board meeting in March 2024.

Looking ahead to FY25

Several areas of focus for FY25 were agreed and progress will be monitored during the year. Areas of focus are set out on the following page.



Nomination Committee continued

Progress against Findings of the 2023 Evaluation are set out below:

Area	Action	Progress made in FY24
Future Strategy	Understanding more about GBG's customer strategy in new sectors and geographies.	Board Strategy event, regular updates from members of the Executive Team have been presented to the Board during Board meetings throughout the year.
Talent	The Board to input into succession planning for senior leadership. Focus to be given to ensuring the correct level of incentivisation is in place for key talent.	There have been a number of senior internal promotions this year, the Board have been included to ensure the correct level of incentivisation was in place.
Board composition	To continue to assess and discuss the composition of the Board and what expertise may be required in the future.	Under continual review by the Nomination Committee, it was a consideration when recruiting the new CEO and new Non-Executive Director to the Board.
Areas of Focus for FY25 are as follows:		
Talent and culture	The senior leaders across the business to have more regular interactions with the Board.	
ESG	To raise the profile of ESG to Board discussion. Specifically so that the Board have greater understanding as to how GBG's activities make an impact.	
Risk Management	Ensure operational, compliance and information security risks are sufficiently discussed and understood. Ensure there is sufficient independent challenge to the business's risk management approach.	
Board composition	The suggestion of a non-UK Board member with relevant knowledge of the Americas market has been identified as an area of focus.	

Key

Investors | People | Customers | Suppliers | Environment

Nomination Committee continued

Succession and Talent Development

The Committee continues to develop Board succession plans, both to ensure that there is an ongoing review of the skills and experience on the Board and to maintain a stable leadership framework that can effectively support and challenge the Executive. The Committee must proactively manage changes and ensure there is clear alignment on the future leadership needs of the Company.

Training and development plans are provided to senior and emerging leaders across the Group in order to continue to develop the pipeline of internal talent for the future. In addition, the Committee considers emergency succession planning and is comfortable that a framework is in place should key management roles need to be covered on an interim basis. Board appointment criteria are considered automatically as part of the Committee's review of succession planning, and this was demonstrated during the year with the appointment of Dev Dhiman to the role of CEO.

The Committee also provides guidance and monitors succession plans, talent assessment and development plans below Board level. Recognising, developing and retaining talent within GBG are essential for the continued sustainability of the business. A number of key promotions and hires were made during the year to further strengthen our team profile.

During the year, the Group has appointed new Identity Fraud leaders with the internal promotion of Carol Chris to General Manager of the APAC region and Andy Chrascina as General Manager of the EMEA region:

- Carol joined GBG in 2019 as General Manager of Australia and New Zealand (ANZ), and her responsibilities have expanded as she's been tasked with leading the product function across the wider APAC region. Carol has contributed to the growth delivered by the ANZ business as it has delivered new product innovations to significantly strengthen our market position; and
- Andy joined GBG as Head of New Business in 2013. During that time he has significantly grown his career, expanding his responsibilities and contributing to our success, most recently as the Commercial Director for our Identity Fraud business in EMEA.

GBG understands the value of developing our people for future leadership roles. During the year, 130 team members were promoted or took on a new role. Our global mentoring scheme continues to allow team members to create new relationships, develop their skills and expand their networks across GBG.

The mentoring scheme has been pivotal in developing talent in the business. The Group's focus on talent development directly benefits the Committee's succession planning activities by ensuring a strong pipeline of internal candidates for senior leadership roles.

Induction and Training

A tailored induction programme is designed for each Director who joins the Board, whether that be an external or internal appointment. This ensures that each Director is equipped with the knowledge and materials necessary to perform their duties. Dev Dhiman was provided with a comprehensive induction upon his appointment as outlined in this report.

Dev Dhiman
CEO

CEO Induction

Following appointment, the Company provides Directors with a comprehensive and tailored induction programme. This typically includes visiting GBG's offices, meeting with all members of the Board and senior leaders from across the Group, as well as external advisers and stakeholders where appropriate.

Dev's first few weeks as CEO Designate included one-to-one briefings with individual members of the senior leadership team and town hall meetings with larger groups. He conducted these town hall meetings in person at most of our global office locations and hosted several virtual town hall sessions for those unable to attend in person.

Following these sessions, informal dinners were also held with the relevant management teams, to provide a more relaxed forum for them to interact.

Dev's schedule also included meetings with GBG's key stakeholders both via video conference as well as in-person meetings.

This included meetings with several key customers of the Group and the majority of our top shareholders, building on the half year results investor roadshow that he participated in following the announcement of his appointment in early November. He has also taken time to meet with all of GBG's key advisors including auditors, lawyers, nominated adviser and corporate brokers.

> **"Meeting with various key stakeholder groups as part of my induction has given me a good understanding of what we need to do in order to drive future success."**

Nomination Committee continued

Board Changes during the year

During the year, Chris Clark announced that he would be stepping down as CEO after leading the Group for seven years. As a result, and following a thorough process in line with the Company's succession plan, the Committee recommended to the Board that Dev Dhiman be appointed as his successor and accordingly, Dev was appointed as CEO and a member of the Board on 30 January 2024. Dev joined GBG in November 2020 as Managing Director, Asia Pacific, and during the CEO selection process, it was the clear view of the Committee that Dev's deep understanding of GBG, its markets and potential, made him the ideal leader to replace Chris and lead GBG through the next phase of its evolution. Chris stepped down as CEO, following an orderly handover period with Dev. Chris remains an employee of the Company and is available to the Board in an advisory capacity until 31 July 2024.

Natalie Gammon, Non-Executive Director and Chair of the Remuneration Committee announced her intention to step down from the Board immediately following the AGM on 23 July 2024, having served on the Board since 2019. As a result, a robust recruitment process took place during the year to appoint her successor. The Committee appointed Odgers Berndtson to assist in identifying potential candidates for this role. Specific recruitment criteria was provided, which included diversity considerations as well as specific skills, experience and industry expertise requirements. Following a thorough process Michelle Senecal de Fonseca was appointed as Non-Executive Director on 1 May 2024.

Recruitment process

1 Following Natalie Gammon indicating her intention to retire, the Committee, following a tender process, appointed Odgers Berndtson to identify potential candidates for a new Non-Executive Director and Chair of both the Remuneration and ESG committees.

2 Odgers Berndtson undertook an extensive search process using the brief provided by the Committee, reviewed CVs and interviewed a number of candidates.

3 On the authority of the Committee a sub-committee comprising Richard Longdon (Chair), Liz Catchpole (SID) and Dev Dhiman (CEO) was appointed to review the diverse longlist of candidates. The merits of all candidates on the longlist were discussed in detail by Odgers Berndtson and the sub-committee, including feedback from the interviews carried out.

4 Following this discussion, a shortlist of four candidates was prepared by Odgers Berndtson. Each candidate was interviewed by the sub-committee.

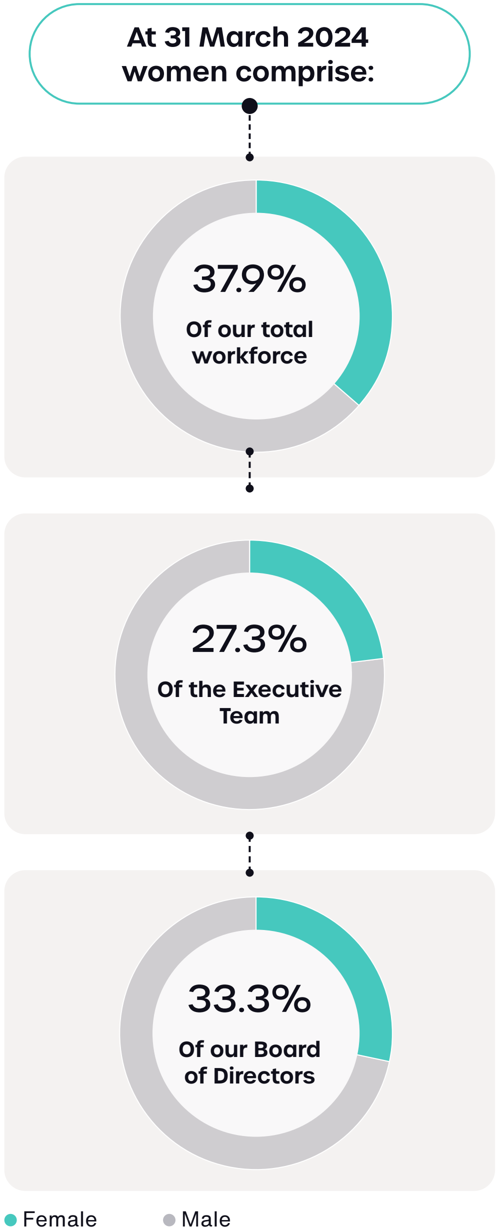
5 Following this process, the sub-committee recommended one candidate be interviewed by the other Committee members. As a result, all Committee members agreed that Michelle Senecal de Fonseca had the necessary attributes and skills that were being sought for the Non-Executive Director and Chair of Remuneration and ESG committees and recommended her appointment to the Board.

Executive Director recruitment

In accordance with the Company's well-established succession plan the Committee worked to identify a list of candidates from a list of potential internal successors. On the authority of the Nomination Committee, a sub-committee comprising the Chairman, Liz Catchpole and David Ward supported by the Chief People Officer, were appointed.

The sub-committee considered the candidates against a detailed brief for the role and criteria against which candidates would be assessed. The sub-committee concluded that given the high quality of internal candidates the appointment of an external search agency would not be required. Short-listed candidates were interviewed by the sub-committee and the merits of all candidates were discussed in detail including feedback from the interviews carried out by them, this was shared with all members of the Nomination Committee. As a result of this process, it was unanimously agreed that Dev Dhiman would be promoted to the role of CEO.

Nomination Committee continued



Inclusion, Diversity & Equality

Promoting diversity at GBG continues to be a key priority and we have made good progress during the year. The Group has a formal Inclusion, Diversity & Equality Policy, which applies to all team members and is of particular relevance to the Board, the Executive Team, People Managers and others concerned with attracting, retaining and developing talent or making employment decisions which affect others. The purpose of the policy is to communicate clearly the attitudes and behaviours that are acceptable, promote a safe physical and virtual environment for everyone and provide equal access to opportunities.

Last year, we set out our target of achieving 40% female senior team members by 2026, which aligns with the target set by the FTSE Women Leaders Review. As at 31 March 2024 women comprise 37.9% of our total workforce (2023: 36.8% which was rounded to 37%), 27.3% of the Executive Team (2023: 23.1%) and 33.3% of our Board of Directors (2023: 28.6% which was rounded to 29%). In line with the targets set out in the Parker Review, we have a Board member from a minority ethnic group.

The Group works actively, through our 'be/yourself' programme, to raise awareness of other important diversity characteristics such as age, neurodiversity, accessibility and sexual identities (LGBTQ+). The Champions of the programme produce regular content to support each area and further educate team members across GBG. This supports our intentions of continuing to develop our inclusive culture, so we become known as an employer of choice for all talented individuals. To find out more, please see our ESG Statement on page 24.

Independence

The Committee understands that independence is an essential factor in Non-Executive Director effectiveness and reviews the independence of its Non-Executive Directors regularly. The Non-Executive Directors are measured against the standards set out in the QCA Code on Director independence and are all considered independent.

Re-Election to the Board

The re-election of Directors is subject to their ongoing commitment to Board activities and satisfactory performance.

In line with best practice, all Directors (with the exception of Natalie Gammon who will be stepping down as director immediately after the AGM) will stand for re-election at the 2024 AGM and annually thereafter.

The Committee has confirmed to the Board that the contributions made by the Directors offering themselves for election at the AGM continue to benefit the Board and the Company.

Biographical information on each of the Directors can be found on pages 48 and 49.

Richard Longdon
Nomination Committee Chair

10 June 2024

Environment, Social and Governance (ESG) Committee

Natalie Gammon
Committee Chair
10 June 2024

The Group is fully committed to understanding and acting on ESG issues and the Committee's function is to ensure appropriate focus is given to environmental, social and governance factors by the Board and the Group as a whole.

The Committee ensures that sufficient time, at the most senior level, is dedicated to ESG-related risks and opportunities.

The Committee met three times this year, attendance can be found on page 50.

Overview

- Natalie Gammon has chaired the Committee since July 2021
- Natalie will step down as Committee Chair on 23 July 2024 with Michelle Senecal de Fonseca taking over as ESG Committee Chair from this date
- Membership of the Committee is made up of the full Board. The Company Secretary is Secretary to the Committee
- The CEO is responsible for communicating the Committee's priorities to the Group and implementing agreed actions
- Other regular attendees at meetings, at the invitation of the Committee, include the Director, ESG programme manager and members of the Diversity and Inclusion Team. None of these attendees are members of the Committee

I am pleased with the progress that has been made this year on our ESG commitments but the Committee recognises that there is still a lot more we can do.

The Committee reviews its Terms of Reference annually and you can find a copy on the Group's website

Further information on the Group's approach to ESG can be found in the ESG Impact Report

Dear Shareholder

I am pleased to present the Environmental, Social and Governance (ESG) Committee Report for the year ended 31 March 2024. This report sets out the role and composition of the Committee and provides information on our key areas of focus during the year. Please note that further information on the Group's approach to ESG, including our performance against targets and mandated environmental disclosures can be found on pages 23 to 29 with full disclosures contained within our separate ESG Impact Report.

The role of the Committee

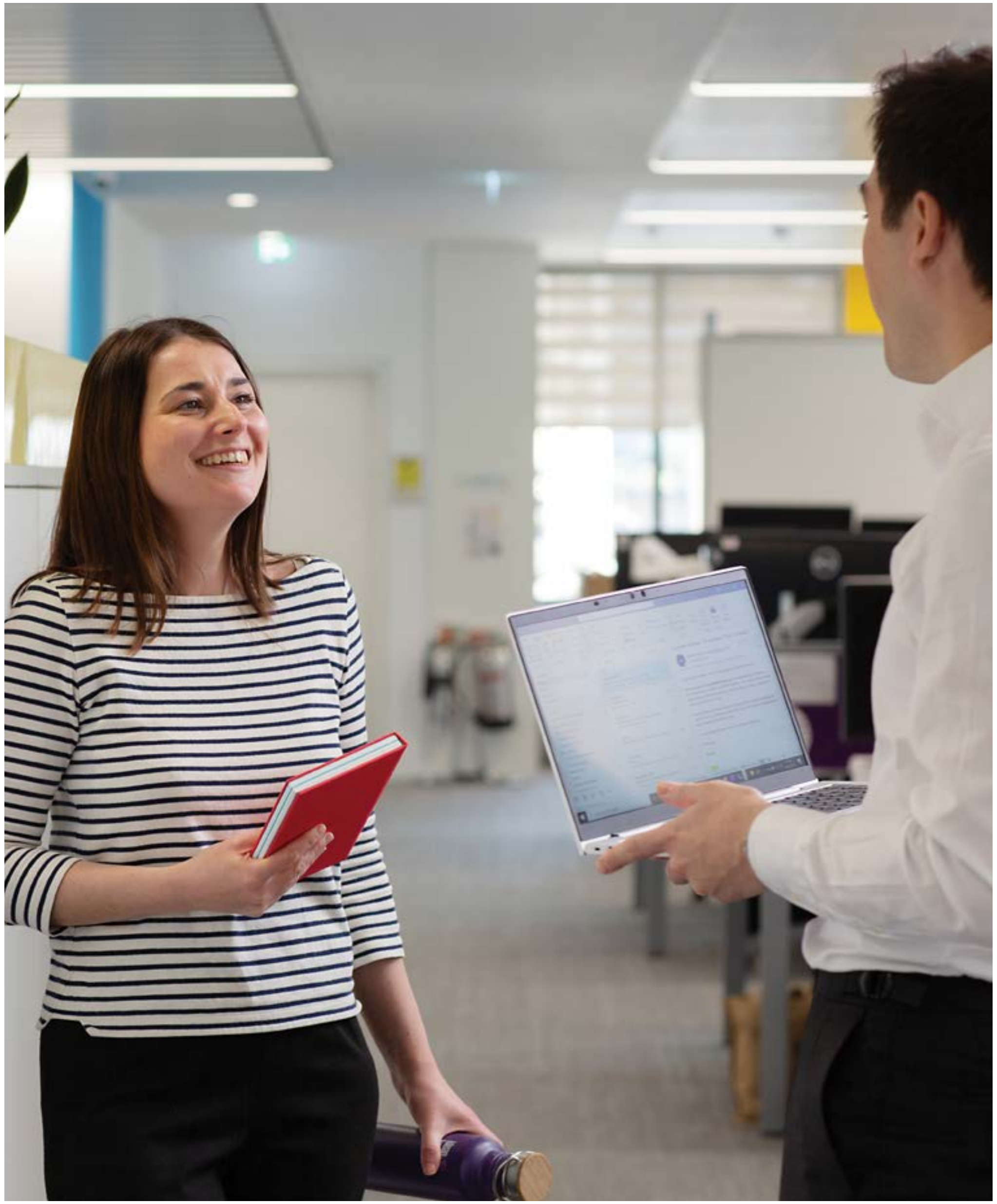
The role of the Committee is to oversee the development of the Group's ESG strategy, set clear ESG targets and continuously review and monitor progress against them. To achieve this the Committee has established policies and codes of practice to make sure that everyone, Group-wide, is aware of their ESG responsibilities to promote an evolving ESG culture throughout the organisation. In addition, the Committee is responsible for making sure that the Group is effectively monitoring ESG trends and remains compliant with applicable standards and legislative requirements, regular consideration is given to how these may impact the Group in terms of strategy and financial performance.

The Committee works in conjunction with the Audit & Risk Committee to oversee the identification and mitigation of risks relating to ESG matters, particularly relating to climate-related risks . The Committee is required to ensure that the Group provides appropriate information and is transparent in its reporting of ESG strategy, policies, activities and performance to all its key stakeholders. The Committee also ensures that the Group provides appropriate information and is transparent regarding its ESG-related policies with the investment community, particularly ethical/socially conscious investment funds, in whatever way is most effective; and reports to the Board on how the Committee has discharged its responsibilities throughout the year.

Engagement with stakeholders

The Committee is responsible for ensuring that the Group provides appropriate visibility of its ESG credentials to its relevant stakeholder groups, particularly the investment community. We are pleased to report that during the year the Company has received strong ratings from various ESG risk rating agencies including Morgan Stanley Capital International (MSCI) and Sustainalytics. We have also engaged individually with a number of larger shareholders whose ESG teams have reached out directly to us requesting specific information on a variety of ESG topics. This year we are pleased to be publishing a new standalone ESG Impact Report. This reflects the progress we have made over the last 12 months across all ESG initiatives, as well as collating key metrics. We continue to receive interest from team members and potential new recruits on ESG matters. Some larger customers also require detailed questionnaires to be completed to provide information on our approach to ESG. This can prove to be a differentiator on contract awards. We consider that we are currently well placed competitively but need to keep investing in this area.

Environment, Social and Governance (ESG) Committee continued



Future focus

Over the next 12 months the Committee's focus will be to:

- Continue to carefully monitor UK Government plans for creating a framework for UK Sustainability Disclosure Standards (SDS) based on the ISSB Standards
- Work towards setting an externally validated, science-based net zero and near-term emissions target
- Improve the accuracy of our emissions measurement across the Group by collecting as much primary data as possible
- Further develop our social programmes relating to our team members and the broader community
- Promote and encourage voluntary participation in the Group-wide diversity data collection programme

We remain strongly committed to our ESG programme and the overarching principles of the UN Sustainable Development Goals. We will continue to develop GBG's credentials as an environmentally and socially conscious business with high standards of governance and will endeavour to transparently disclose our progress and performance to all our key stakeholders.

Natalie Gammon
Chair of the ESG Committee

10 June 2024

Committee focus during FY24

During the year, the Committee has focused on the following areas:

- Monitoring our progress against the social and environmental targets set during the previous financial year
- Agreeing to commit to setting an externally validated, science-based net zero and near term emissions target
- Managing our disclosures on climate-related risks and opportunities and the mitigating actions in place
- Understanding updates on new and potential regulatory developments
- Managing our approach to changing stakeholder demands across the ESG landscape and adapting policies where needed
- A review of the way we report on ESG, with the decision taken to have a standalone ESG Impact Report, including all details of ESG activities conducted by the Group throughout the year

Directors' report

The Directors present their report, together with the Group's audited financial statements for the year ended 31 March 2024.

Statutory information contained elsewhere in the Annual Report

In accordance with s414c of the Companies Act 2006, certain matters that would otherwise be required to be disclosed in the Directors' Report are included elsewhere in this document including in the Strategic Report (from pages 3 to 46), the Corporate Governance Statement (from pages 53 to 55) or as indicated below. All this information is incorporated into this Directors' report by reference. It is advisable to read these reports in conjunction with the Directors' Report.

- Strategic Report pages 3 to 46
- Corporate Governance Statement pages 53 to 55
- Financial Review pages 32 to 35
- Principal Risks & Uncertainties pages 36 to 46
- Going Concern & Viability page 46
- Section 172 Statement pages 21 and 22
- Remuneration Report pages 61 to 63
- ESG Report pages 23 to 29
- Financial Instruments pages 129 to 133
- Related Party Transactions page 136

Financial results and dividends

The Group's financial results, risk management objectives and policies are discussed in the Financial Review on pages 32 to 35 and within note 28. The Directors have recommended a final ordinary dividend of 4.20 pence per share (2023: 4.00 pence per share) amounting to £10.6 million (2023: £10.1 million).

If approved by shareholders at the Annual General Meeting ('AGM'), the final dividend will be paid on 2 August 2024 to ordinary shareholders whose names were on the Register of Members on 21 June 2024. A Dividend Reinvestment Plan ('DRIP') will be offered, allowing eligible shareholders to reinvest their dividends into GBG shares. Further information regarding the DRIP is set out on page 153.

Post-Balance Sheet Events

Details of events occurring after the end of the reporting period are contained in note 33 to the Group financial statements.

Branches

The Group, through various subsidiaries, operates its business through branches and offices in the UK and overseas. Further information on the Group's subsidiaries and branches can be found on note 19 on pages 121 to 124.

Substantial shareholders

In accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, we have been notified of above interests in the ordinary share capital, representing 3% or more of our issued share capital. Details of substantial shareholders are regularly published and updated on our website. The position as at 10 June 2024 is detailed in the substantial shareholder table on this page.

Substantial shareholder	No. of shares owned at 10 June 2024	Percentage of shares owned at 5 June 2024
Octopus Investments	16,655,507	6.59%
AXA Framlington Investment Managers	16,203,530	6.41%
Aegon Asset Management UK	12,903,802	5.11%
Janus Henderson Investors	10,264,382	4.06%
Sterling Strategic Value Fund	8,094,613	3.20%
NFU Mutual	7,751,325	3.07%

Share Capital

The share capital of the Company comprises ordinary shares at 2.5 pence per share. Details of the authorised and issued share capital of the Company and options over shares of the Company are set out in notes 22 and 30 to the financial statements.

Restrictions of Transfers

We are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and for voting rights. The only restrictions which may exist from time-to-time are those imposed by laws and regulations (for example, insider trading laws and market requirements relating to close periods) or pursuant to the internal policies of the Company whereby certain team members of the Company require the approval of the Company to deal in the Company's securities.

Ordinary Shares

At a General Meeting of the Company, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The Notice of the General Meeting specifies deadlines for exercising voting rights either by proxy notice or present in person or by proxy in relation to resolutions to be passed at the General Meeting. All proxy votes are counted and the results are released as an announcement to the London Stock Exchange after the meeting.

The Company's Articles of Association may only be amended in accordance with the provisions of the Companies Act 2006 by a special resolution at a General Meeting of the shareholders. This year the Board will not be recommending any changes.

Directors' report continued

Powers for the Company to buy back shares

The Company was authorised at the 2023 Annual General Meeting ('AGM') to purchase up to 25,251,022 of it's own ordinary shares of 2.5 pence. This authority expires on the earlier of 15 months from the passing of the resolution or the next AGM. Despite authority being granted by shareholders, the Company did not purchase any of its own shares under this authority during the year. It is the Directors' intention to seek renewal of this authority via special resolution at the 2024 AGM, details of which can be found within the Notice of AGM.

Employee Benefit Trust

GBG's Employee Benefit Trust was established in 2022 to facilitate satisfying the transfer of shares to employees within the Group upon the exercise of vested share options under the Group's various share option share plans. The trust holds a total of 316,774 ordinary shares in GB Group plc, representing 0.13% of the issued share capital at the date of this report.

Directors

Chris Clark retired from the Board as CEO on 30 January 2024 and Natalie Gammon will step down from the Board as Non-Executive Director on 23 July 2024. Dev Dhiman was appointed to the Board as Chris Clark's successor on 30 January 2024. Further information on his appointment can be found in the Nomination Committee Report. The Directors who have served during the year ended 31 March 2024 and details of their interests in the share capital and share options are set out in the Report on Directors' Remuneration on pages 69 to 74.

No Director had a material interest in any contract of significance, other than a service contract or contract for services, with the Company or any of its subsidiaries at any time during the year. Full biographies of each Director as at the date of this report are set out on pages 48 and 49.

Directors are reappointed by ordinary resolution at a General Meeting of the shareholders, following recommendation by the Nomination Committee in accordance with its Terms of Reference, as approved by the Board or by a member (or members). In addition, the Directors may appoint a Director to fill a vacancy or act as an additional Director, provided that the individual retires at the next Annual General Meeting (AGM) and, if they wish to continue, that they offer themselves for re-election. In line with best practice, all Directors (with the exception of Natalie Gammon who will be stepping down as director immediately after the AGM) will stand for re-election at the 2024 AGM and annually thereafter. Further details can be found in the Nomination Committee Report on pages 75 to 80.

Details of each Directors' notice period and service agreement are detailed in the Report on Directors' Remuneration on pages 69 to 74.

Directors' Indemnities

During the year and up to the date of approval of this Annual Report, the Company maintained qualifying third-party indemnification provisions (as defined in section 234 of the Companies Act 2006) for its Directors. In relation to certain losses and liabilities which may incur (or may have incurred) in connection with their duties, powers or office. The Company also maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its Directors.

Employee Engagement

We continue to involve our team members in the future development of the business. How we engage our team members and have due regard to their interests in considering principal decisions taken during the year are demonstrated in the Section 172 Statement on pages 21 and 22.

Applications for employment by disabled persons are always fully considered, where the candidate's particular aptitudes and abilities adequately meet the requirements of the job. When existing team members become disabled every effort is made to ensure that their employment at GBG continues and they are supported appropriately, making physical or procedural adjustments where possible. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other team members.

Further information regarding our workforce policies and employee engagement can be found on page 24 of the ESG Statement. Information regarding GBG's activities to promote diversity is contained within the Nomination Committee Report on pages 75 to 80.

Change of control

Within the Group's revolving credit facility, the lender has the right to demand immediate payment of any outstanding balances upon a change of control of the Group following a takeover bid. The Group does have an agreement with a data supplier which, if the Group were acquired by a competitor of that data supplier, would allow it to terminate its agreement with the Group. The data supplier would, however, continue to be bound to service arrangements with the Group's customers existing on the date of termination.

Upon a change of control, share options may be exercised within six months of the time when the change of control takes effect and any subsequent conditions at the offer process have been satisfied. There are no agreements between the Group and its Directors or team members providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Proposed Resolutions for the Annual General Meeting

Details of business to be conducted at this year's AGM to be held on 23 July 2024 are contained in the Notice of the AGM which will be communicated to shareholders separately.

It is the opinion of the Directors that the passing of these resolutions is in the best interest of the shareholders.

Directors' Report continued

Financial Risk

The Group's financial risk management objectives and policies are discussed in the Financial Review on pages 32 to 35 and within note 28.

Research and Development

Research and development activities continue to be a high priority with the development of new products and maintaining the technological excellence of existing products. During the year ended 31 March 2024, research and development activities were conducted predominantly by our Technology teams, which make up 42.1% (2023: 35.3%) of our workforce.

GBG understands the importance of using modern, innovative and effective technology in order to provide its services to the highest standards. We therefore place a great importance on investing in our technology and our ability to apply said technology in the best ways, ensuring that we keep our competitive advantage and are aware of changes in the technological landscape.

Auditor

As reported last year, the Board agreed to tender the external audit contract during 2023. Following a comprehensive audit tender, the Audit & Risk Committee recommended to the Board that PriceWaterhouseCoopers LLP be appointed as the Group's auditor. Subsequently, their appointment was approved by shareholders at the 2023 AGM.

A resolution proposing the re-appointment of PriceWaterhouseCoopers LLP as auditor to the Group will be put to the shareholders at the AGM.

Directors' statement as to disclosure of information to auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 48 and 49. Having made enquiries of fellow Directors and of the Group's auditor, each Director confirms that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditor are unaware; and
- they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Energy and carbon emissions reporting

In accordance with Streamlined Energy & Carbon Reporting guidelines we are required to disclose the annual quantity of emissions, in tonnes of carbon dioxide equivalent. This year the data disclosed covers our Scope 1 and 2 global energy usage and reimbursed mileage in Scope 3. We have set out details of our emissions on page 25 of the Strategic Report and include them as part of the Directors' Report disclosures by reference.

Political donations

The Group has a policy of not making any donations, whether in the UK or overseas, to political parties or other organisations, independent election candidates or otherwise incurring political expenditure. No political donations were made in the year (2023: £nil).

Health and safety

GBG has a formal Health and Safety Policy. It is the policy of the Group to consider the health and welfare of team members by maintaining a safe place and system of work as required by legislation in each of the countries where the Group operates.

Charitable donations

During the year GBG donated £23,929 (2023: £27,297) to a variety of worthy charitable causes.

Modern Slavery Statement

↗ **View our Modern Slavery Statement.**

Treasury policy

The Group's treasury policy aims to manage the Group's financial risk and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

By Order of the Board

Annabelle Burton
Company Secretary

10 June 2024

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRSs) and have also 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 Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 the Company as at the end of the financial year and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select and apply accounting policies in accordance with accounting standard IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 IFRSs (and in respect of the Parent Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have 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 and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonable to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report and Directors' Remuneration Report that comply 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dev Dhiman
Chief Executive Officer
On behalf of the Board

10 June 2024

David Ward
Chief Financial Officer
On behalf of the Board

10 June 2024

Independent auditors' report to the members of GB Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- GB Group plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2024 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Consolidated balance sheet and Company balance sheet as at 31 March 2024; Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated cash flow statement, Consolidated statement of changes in equity and the Company statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

GB Group plc is a listed identity verification, location intelligence and fraud prevention company. It has global operations, headquartered in the UK, preparing consolidated financial statements which are primarily an aggregation of legal entities from countries around the world. The year ended 31 March 2024 is our first year as external auditors of the Group and Company, and as part of our audit transition, we performed specific procedures over opening balances by reviewing the predecessor auditors' working paper and risk assessment and re-evaluating the predecessor auditors' conclusions in respect of key sources of estimation uncertainty and critical judgements in the opening balance sheet at 1 April 2023. We also performed process walkthroughs to understand and evaluate the key financial processes and controls across the Group. As we undertook each phase of this first-year audit, we regularly reconsidered our risk assessment to reflect audit findings, including our assessment of the Group's control environment and the impact on our planned audit approach. Given the nature of the Group's operations and recent results, we considered the valuation of the goodwill of the Identity - Americas cash generating unit (CGU) to be the most significant area of risk and therefore have included this as a key audit matter.

Overview

Audit scope

- Our work incorporated full scope audits of five components and audit procedures on specific balances for a further component.
- The entities where we conducted audit work, together with audit work performed at the at the consolidated level, accounted for approximately 95% of the Group's revenue.

Key audit matters

- Goodwill impairment assessment (Group)
- Investment impairment assessment (parent)

Materiality

- Overall Group materiality: £1.4 million based on 0.5% of revenue.
- Overall Company materiality: £1.1 million based on 1% of revenue and capped at Group allocated component materiality.
- Performance materiality: £1.0 million (Group) and £0.8 million (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

Independent auditors' report to the members of GB Group plc continued

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter	
Goodwill impairment assessment (Group) Refer to note 16 in the Group financial statements. Goodwill of £561.6 million (2023: £626.4 million) is split across seven cash-generating units (CGUs) that are considered annually for impairment. Of the £561.6 million, £304.4 million (2023: £364.7 million) relates to one CGU, Identity - Americas unit, of which the significant risk of impairment is in relation to the key assumptions in the model being revenue growth rate, discount rate and long term growth rate. An impairment of £54.7 million has been recognised in the current year. The Directors have sensitised the value-in-use model to assess the financial impact of key assumptions. We have identified the valuation of the Identity - Americas CGU as a significant risk due to historic trading performance of the CGU compared to budget and due to the significant management judgement and estimates used in the cash flow forecasts that have deemed this to be a Key Audit Matter.	In assessing the appropriateness of valuation of goodwill for the Identity - Americas cash generating unit we have performed the following procedures: We evaluated and assessed the Group's future cash flow forecasts, the process by which they were drawn up and tested the underlying value in use calculations. We compared key assumptions around revenue growth rates to external market research on industry market growth rates to identify any inconsistencies. We reviewed GB Group's ability to grow in line with the market historically to support management's revenue growth rates in the cash flows. We compared actual results with previous forecasts to assess historical accuracy of management forecasts. We held discussions with the Directors and management to understand the reasons for the below market performance over the last two years and the strategic plans in place to support the assumption that this downturn was exceptional and not indicative of future performance.	We have agreed forecasts used back to the board approved budget. We assessed management's assumptions for margins by comparing to historical data. We considered management bias throughout the assumptions used and considered any contradictory evidence. We assessed the disclosures and checked the mathematical accuracy of the cash flow forecasts. We engaged our internal valuations experts to review the model, assess management's key assumptions for the discount rates used by assessing the cost of capital calculations for the Group and comparing against comparable organisations and the long-term growth rates by comparing with external forecasts. As a result of these procedures, we were satisfied with the Directors' conclusion around the level of impairment required to be recognised in the current year.
Investment impairment assessment (parent) Refer to note C.10 in the Company financial statements. The Company financial statements have investment in subsidiaries of £570.2 million (2023: £629.5 million). An impairment of £67.9 million has been recognised in the current year against the GBG (US) Holdings LLC investment. Given the magnitude of this balance, and the management judgement involved in determining whether any impairment triggers exist, we have considered the risk of impairment of these assets as a Key Audit Matter. We have focussed our work on the investment in GBG (US) Holdings LLC investment as a significant risk.	In assessing the appropriateness of the investment valuation of GB (US) Holdings LLC we performed the following procedures: We evaluated and assessed the Company's investments in subsidiaries with reference to the Group's future cash flow forecasts and checked the allocation of this by legal entity. We performed testing over the cash flow forecasts as referenced in the above Key Audit Matter.	We obtained a schedule of investments in subsidiary undertakings and ensured this is reconciled to the financial statements. We have reviewed the disclosures included within note C.10 of the financial statements and consider these to be appropriate. As a result of these procedures, we were satisfied with the Directors' conclusion around the level of impairment required to be recognised in the current year.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is an identity verification, location intelligence and fraud prevention company. The Group is structured in three operating segments: Location, Identity and Fraud. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the entities by us, as the Group engagement team, or component auditors operating under our instruction. Where work was performed by component auditors, we determined the level of involvement we needed to have in this work to be able to conclude that sufficient appropriate audit evidence had been obtained. Our work incorporated full scope audits of GB Group plc, IDology Inc, Loqate Inc, Acuant Inc and GBG (Australia) Holding Pty Ltd, as well as limited scope procedures in relation to GBG (US) Holdings LLC. The entities where we conducted audit work accounted for approximately 95% of the Group's revenue.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Independent auditors' report to the members of GB Group plc continued

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£1.4 million	£1.1 million.
How we determined it	0.5% of revenue	1% of revenue and capped at group allocated component materiality
Rationale for benchmark applied	We considered materiality in a number of different ways, and used our professional judgement having applied 'rule of thumb' percentages to a number of potential benchmarks. On the basis of this, we concluded that 0.5% of revenue is an appropriate level of materiality considering the overall scale of the business.	We have calculated the statutory materiality as 1% of revenue and capped at group allocated component materiality. As a component of the group audit, we have chosen that materiality cannot exceed the 90% of group benchmark. We deemed 1% of revenue to be appropriate given the company is a trading entity.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £0.9 million to £1.1 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

Our performance materiality was 75% of overall materiality, amounting to £1.0 million for the Group financial statements and £0.8 million for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £0.07 million (Group audit) and £0.06 million (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained the latest assessments supporting management's conclusions with respect to the going concern basis of preparation of the financial statements and assessed the downside scenarios to ensure that they are appropriately severe but plausible.
- We reviewed the terms of the Revolving Credit Facility ('RCF') and management's analysis of both liquidity and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment.
- We tested the mathematical integrity of management's going concern forecast model.
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the data.
- We reviewed the disclosures made in respect of going concern included in the financial statements.
- We agreed the opening cash position within the forecast.

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 the 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 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of GB Group plc continued

Strategic report and Directors' report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' responsibility statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law and data protection laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as local and international tax laws and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to improve financial performance, and management bias in accounting estimates and judgements. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Challenging assumptions and judgements made by management in their significant accounting estimates (because of the risk of management bias);
- Discussions with the Audit Committee, management and the in-house legal team including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Enquired with external legal counsel around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance including board meetings;
- Auditing the tax computations to check compliance with tax legislation;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing financial statement disclosures and testing to supporting documentation where appropriate to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, Manchester

10 June 2024

Consolidated statement of profit or loss

Year ended 31 March 2024

	Note	2024 Adjusted £'000	2024 Normalised and exceptional items[1] £'000	2024 Total £'000	2023 Adjusted £'000	2023 Normalised and exceptional items[1] £'000	2023 Total £'000
Revenue	3, 4	**277,325**	**–**	**277,325**	278,810	–	278,810
Cost of sales		**(82,805)**	**–**	**(82,805)**	(80,994)	–	(80,994)
Gross profit		**194,520**	**–**	**194,520**	197,816	–	197,816
Operating expenses		**(132,386)**	**(102,548)**	**(234,934)**	(141,235)	(172,246)	(313,481)
Net (loss)/gain on foreign exchange		**(162)**	**–**	**(162)**	3,022	–	3,022
(Increase)/decrease in expected credit losses of trade receivables		**(775)**	**–**	**(775)**	214	–	214
Operating profit/(loss)		**61,197**	**(102,548)**	**(41,351)**	59,817	(172,246)	(112,429)
Finance income	3, 9	**262**	**–**	**262**	636	–	636
Finance costs	10	**(9,297)**	**–**	**(9,297)**	(7,037)	–	(7,037)
Profit/(loss) before tax		**52,162**	**(102,548)**	**(50,386)**	53,416	(172,246)	(118,830)
Income tax credit/(charge)	11	**(13,155)**	**14,958**	**1,803**	(11,354)	10,390	(964)
Profit/(loss) after tax for the year attributable to equity holders of the Parent		**39,007**	**(87,590)**	**(48,583)**	42,062	(161,856)	(119,794)
Earnings per share	13						
– basic earnings per share for the year		**15.4p**		**(19.2p)**	16.7p		(47.5p)
– diluted earnings per share for the year		**15.1p**		**(19.2p)**	16.4p		(47.5p)

1. Normalised items include: amortisation of acquired intangibles £39,447,000 (2023: £42,758,000) (see note 15) and share-based payment charges £3,488,000 (2023: £2,313,000) (see note 30). Exceptional items total £59,613,000 (2023: £127,175,000) (see note 7).

Consolidated statement of comprehensive income

Year ended 31 March 2024

	Note	**2024 £'000**	2023 £'000
Loss after tax for the year attributable to equity holders of the Parent		**(48,583)**	(119,794)
Other comprehensive (expense)/income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on retranslation of foreign operations (net of tax)		**(12,306)**	35,060
Total items that may be reclassified to profit or loss in subsequent periods		**(12,306)**	35,060
Items that will not be reclassified to profit or loss in subsequent periods:			
Fair value movement on investments	19	**(1,600)**	700
Total items that will not be reclassified to profit or loss in subsequent periods		**(1,600)**	700
Total other comprehensive (expense)/income		**(13,906)**	35,760
Total comprehensive expense for the year attributable to equity holders of the Parent		**(62,489)**	(84,034)

Consolidated statement of changes in equity

Year ended 31 March 2024

	Note	Equity share capital £'000	Share premium £'000	Other reserves: Merger reserve £'000	Other reserves: Capital redemption reserve £'000	Other reserves: Foreign currency translation reserve £'000	Other reserves: Treasury shares £'000	Total other reserves £'000	Retained earnings/ (accumulated losses) £'000	Total equity £'000
Balance at 1 April 2022		6,297	566,769	99,999	3	1,423	–	101,425	112,636	787,127
Loss for the period		–	–	–	–	–	–	–	(119,794)	(119,794)
Other comprehensive income		–	–	–	–	35,060	–	35,060	700	35,760
Total comprehensive income/ (expense) for the period		–	–	–	–	35,060	–	35,060	(119,094)	(84,034)
Issue of share capital	23	14	812	–	–	–	–	–	–	826
Investment in own shares	31	–	–	–	–	–	(2,500)	(2,500)	–	(2,500)
Cost of employee benefit trust shares issued to employees	31	–	–	–	–	–	1,426	1,426	(1,417)	9
Share-based payments	30	–	–	–	–	–	–	–	2,313	2,313
Tax on share options		–	–	–	–	–	–	–	(143)	(143)
Net share forfeiture receipt	23	–	–	–	–	–	–	–	146	146
Equity dividend	12	–	–	–	–	–	–	–	(9,600)	(9,600)
Balance at 31 March 2023		6,311	567,581	99,999	3	36,483	(1,074)	135,411	(15,159)	694,144
Loss for the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(48,583)**	**(48,583)**
Other comprehensive expense		**–**	**–**	**–**	**–**	**(12,306)**	**–**	**(12,306)**	**(1,600)**	**(13,906)**
Total comprehensive expense for the period		**–**	**–**	**–**	**–**	**(12,306)**	**–**	**(12,306)**	**(50,183)**	**(62,489)**
Issue of share capital	23	**4**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4**
Cost of employee benefit trust shares issued to employees	31	**–**	**–**	**–**	**–**	**–**	**947**	**947**	**(939)**	**8**
Share-based payments	30	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,488**	**3,488**
Tax on share options	11	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**104**	**104**
Net share forfeiture refund	23	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Equity dividend	12	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,093)**	**(10,093)**
Balance at 31 March 2024		**6,315**	**567,581**	**99,999**	**3**	**24,177**	**(127)**	**124,052**	**(72,819)**	**625,129**

Consolidated balance sheet

As at 31 March 2024

	Note	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Goodwill	14	**561,622**	626,394
Other intangible assets	15	**181,064**	224,834
Property, plant and equipment	17	**1,650**	3,752
Right-of-use assets	18	**1,565**	1,449
Investments	19	**1,426**	3,026
Deferred tax asset	11	**937**	793
Trade and other receivables	21	**6,223**	4,305
		754,487	864,553
Current assets			
Inventories	20	**1,316**	2,619
Trade and other receivables	21	**72,841**	65,313
Current tax		**2,939**	1,083
Cash and cash equivalents	22	**21,321**	21,552
		98,417	90,567
Total assets		**852,904**	955,120

	Note	2024 £'000	2023 £'000
EQUITY AND LIABILITIES			
Capital and reserves			
Equity share capital	23, 31	**6,315**	6,311
Share premium	23, 31	**567,581**	567,581
Other reserves	31	**124,052**	135,411
Accumulated losses		**(72,819)**	(15,159)
Total equity attributable to equity holders of the Parent		**625,129**	694,144
Non-current liabilities			
Loans and borrowings	24	**101,115**	126,411
Lease liabilities	25	**875**	524
Provisions	27	**741**	792
Deferred revenue		**2,337**	1,492
Deferred tax liability	11	**23,819**	34,986
		128,887	164,205
Current liabilities			
Lease liabilities	25	**836**	1,242
Trade and other payables	26	**43,669**	37,312
Deferred revenue		**52,961**	55,015
Contingent consideration	34	**–**	1,237
Current tax		**1,422**	1,965
		98,888	96,771
Total liabilities		**227,775**	260,976
Total equity and liabilities		**852,904**	955,120

The financial statements on pages 91 to 137 were approved by the Board of DIrectors on 10 June 2024 and signed on its behalf.

D Dhiman
Director

D M Ward
Director

Registered in England number 2415211

Consolidated cash flow statement

Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Loss before tax:		**(50,386)**	(118,830)
Adjustments to reconcile loss before tax to net cash flows			
Finance income	9	**(262)**	(636)
Finance costs	10	**9,297**	7,037
Depreciation of property, plant and equipment	17	**1,306**	1,771
Depreciation of right-of-use assets	18	**1,155**	1,491
Amortisation of intangible assets	15	**39,612**	42,826
Impairment of goodwill and intangible assets	14, 15	**54,707**	125,022
(Gain)/loss on disposal of plant and equipment and intangible assets	5	**(24)**	379
Loss on disposal of businesses	7	**–**	113
Fair value adjustment on contingent consideration	34	**–**	(1,660)
Unrealised gain on foreign exchange		**(61)**	(3,512)
Share-based payments	30	**3,488**	2,313
Decrease/(increase) in inventories		**1,227**	(1,448)
Decrease in provisions		**(36)**	(47)
Increase in trade and other receivables		**(11,723)**	(20)
Increase/(decrease) in trade and other payables		**5,373**	(16,229)
Cash generated from operations		**53,673**	38,570
Income tax paid		**(10,131)**	(4,263)
Net cash generated from operating activities		**43,542**	34,307

	Note	2024 £'000	2023 £'000
Cash flows used in investing activities			
Acquisition of subsidiaries, net of cash acquired	34	**(1,200)**	(4,991)
Purchase of plant and equipment	17	**(448)**	(968)
Purchase of software	15	**(9)**	(57)
Proceeds from disposal of plant and equipment		**1,306**	79
Net outflow from disposal of businesses		**–**	(18)
Interest received	9	**82**	569
Net cash flows used in investing activities		**(269)**	(5,386)
Cash flows used in financing activities			
Finance costs paid	10	**(8,147)**	(6,426)
Proceeds from issue of shares	23	**4**	826
Purchase of shares for Employee Benefit Trust		**–**	(2,500)
(Refund)/proceeds from share forfeiture	23	**(37)**	146
Proceeds from new borrowings, net of arrangement fee	24	**9,714**	12,000
Repayment of borrowings	24	**(32,967)**	(22,394)
Repayment of lease liabilities	25	**(1,399)**	(2,062)
Dividends paid to equity shareholders	12	**(10,093)**	(9,600)
Net cash flows used in financing activities		**(42,925)**	(30,010)
Net increase/(decrease) in cash and cash equivalents		**348**	(1,089)
Effect of exchange rates on cash and cash equivalents		**(579)**	339
Cash and cash equivalents at the beginning of the year		**21,552**	22,302
Cash and cash equivalents at the end of the year	22	**21,321**	21,552

Notes to the consolidated financial statements

1. Corporate information

GB Group plc ('the Company') and its subsidiaries (together 'the Group') provide identity data intelligence products and services helping organisations recognise and verify all elements of an individual's identity at key interactions in their business processes. The nature of the Group's operations and its principal activities are set out in the Financial Review.

The Company is a public company limited by shares incorporated in the United Kingdom and is listed on the London Stock Exchange with its ordinary shares traded on the Alternative Investment Market. The Company registration number is 2415211. The address of its registered office is The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB. A list of the investments in subsidiaries, including the name, country of incorporation, registered office address and proportion of ownership interest is given in note 19.

These consolidated financial statements have been approved for issue by the Board of Directors on 10 June 2024.

The Company's financial statements are included in the consolidated financial statements of GB Group plc. As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented.

The Company, GB Group plc, is the ultimate group company of the consolidated group.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the Parent Company profit and loss account. The financial statements have been prepared under the historical cost convention, modified in respect of the revaluation of financial assets and liabilities at fair value. A summary of the significant accounting policies is set out below.

The accounting policies that follow set out those policies that apply in preparing the financial statements for the year ended 31 March 2024 and the Group and Company have applied the same policies throughout the year.

The Company has elected to prepare its Parent Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). Refer to note C2.1 for further details.

In preparing the consolidated financial statements, management has considered the impact of climate change, particularly in the context of the financial statements as a whole, in addition to disclosures in the Strategic Report this year. This included an assessment of the impact on the carrying value of non-current assets and the impact on forecasts used in the impairment review and the assessments of going concern and longer-term viability.

These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 30 September 2025 nor the viability of the Group over the next three years.

In reporting financial information, the Group presents Alternative Performance Measures ('APMs') which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information to reflect the underlying business and enable more meaningful comparison over time. A glossary on pages 149 to 152 provides a comprehensive list of APMs that the Group uses, including an explanation of how they are calculated, why they are used and how they can be reconciled to a statutory measure where relevant.

2.2 Going concern

The assessment of going concern relies heavily on the ability to forecast future cash flows over the going concern assessment period which covered the period through to 30 September 2025. Although GBG has a robust budgeting and forecasting process, the continued economic uncertainty caused by the macroeconomic environment means that additional sensitivities and analysis have been applied to test the going concern assumption under a range of severe but plausible downside scenarios and a reverse stress test scenario.

The Group has continued to successfully convert adjusted operating profit into cash. During the year to 31 March 2024, GBG's operating cash to Adjusted EBITDA ratio ('cash conversion') was 90.6%, an increase of 23.3% on the prior year. This improvement was due to a number of specific non-recurring factors which distorted the cash conversion in the prior period, with the performance now more reflective of historic and expected future levels.

At 31 March 2024 GBG was in a net debt position of £80.9 million (FY23: £105.9 million), an improvement of £25 million since 31 March 2023. Cash flow was negatively impacted by continued increases in interest rates during the first half of the year (Secured Overnight Financing Rate (SOFR)) increased by over 0.5% throughout the financial year which has led to higher interest payments on the RCF facility.

The RCF facility has a maximum level of £175 million which could be drawn down for working capital purposes if required. As at 31 March 2024, the available undrawn facility was £72.8 million compared to £47.5 million at 31 March 2023.

Following bank approval in October 2023 for the exercise of the one-year extension on the facility, the Group has access to £175 million facility until July 2026 and £140 million until July 2027.

The facility agreement has the following covenants:

- Leverage – consolidated net borrowings as a multiple of Adjusted EBITDA for the last 12 months, assessed quarterly in arrears, must not exceed 3.00:1.00
- Interest cover – Adjusted EBITDA for the past 12 months as a multiple of consolidated net finance charges, for the last 12 months, assessed quarterly in arrears, must not fall below 4.00:1.00

Notes to the consolidated financial statements continued

2. Accounting policies continued

The Board approved budget showed continued significant headroom in the covenant compliance tests and sufficient liquidity to maintain operations. The budget model was then adjusted to reflect a severe but plausible downside scenario, including increases in costs, interest rates as well as reduced revenue growth both on an overall Group basis and specific to certain areas of the business. Under these downside scenarios, the covenant compliance and liquidity position did not result in any risk to going concern. Relative to the budget produced by management there have not been any adverse variances in the overall trading performance since the year-end.

Following consideration of the budget and a range of downside scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.3 Significant accounting policies

The Group and Company financial statements are presented in pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March each year.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations

The Group uses the acquisition method of accounting to account for business combinations of entities not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as a financial liability within the scope of IFRS 9 'Financial Instruments: Recognition and Measurement' is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

If a business combination is achieved in stages, the acquisition date fair value of the Group's previously held investment in the acquiree is remeasured to fair value at the acquisition date with any resultant gain or loss recognised through profit or loss.

Employee Benefit Trust (EBT)

The Group established an EBT (The GB Group Employee Benefit Trust) on 10 May 2022 to enable shares to be bought in the market to satisfy the demand from share awards under the Group's employee share plans. The EBT is a separately administered trust and is funded by loans from Group companies. The assets of the trust comprise shares in GB Group plc and cash balances. The Group recognises the assets and liabilities of the trust in the consolidated financial statements and shares held by the trust are recorded at cost as treasury shares as a deduction from shareholders' equity.

Consideration received for the sale of shares held by the trust is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

As at 31 March 2024, the EBT held 31,044 shares in the Company (31 March 2023: 260,939 shares).

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Foreign currencies – consolidation

The Group's consolidated financial statements are presented in pounds Sterling, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. On consolidation, the assets and liabilities of foreign operations are translated into pounds Sterling at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates for the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Foreign currencies – transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised within operating expenses as part of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU's) fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only on assets other than goodwill if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated to write-off cost less estimated residual value based on prices prevailing at the balance sheet date on a straight-line basis over the estimated useful life of each asset as follows:

Plant and equipment	– over 3 to 10 years
Freehold buildings	– over 50 years

Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss in the year the item is derecognised.

Residual values and estimated remaining lives are reviewed annually.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Intangible assets

Goodwill
Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill already carried in the balance sheet at 1 April 2004 or relating to acquisitions after that date is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the CGU expected to benefit from the synergies. Impairment is determined by assessing the recoverable amount of the CGU, including the related goodwill. Where the recoverable amount of the CGU is less than the carrying amount, including goodwill, an impairment loss is recognised in the consolidated statement of profit or loss. The carrying amount of goodwill allocated to a CGU is taken into account when determining the gain or loss on disposal of the unit, or an operation within it. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the availability to measure reliably the expenditure during the development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised on a straight-line basis over 2 to 4 years.

Acquired intangibles

Separately identifiable intangible assets such as patent fees, licence fees, trademarks, customer lists and relationships are capitalised on the balance sheet only when the value can be measured reliably, or the intangible asset is purchased as part of the acquisition of a business. Such intangible assets are amortised over their useful economic lives on a straight-line basis.

Separately identified intangible assets acquired in a business combination are initially recognised at their fair value. Intangible assets are subsequently stated at fair value or cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of the asset. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Estimated useful lives typically applied are as follows:

Software technology assets	– over 2 to 8 years
Brands and trademarks	– over 2 to 5 years
Non-compete agreements	– over 3 to 5 years
Customer relationships	– over 10 years

Computer software licences

Acquired computer software licences comprise computer software licences purchased from third parties, and also the cost of internally developed software. Acquired computer software licences are initially capitalised at cost, which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software.

Costs associated with maintaining the computer software are recognised as an expense when incurred. Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Inventories

Inventories comprise identity scanning hardware that is available for sale to customers. These are valued at the lower of cost or net realisable value (net selling price less further costs to completion), after making due allowance for obsolete and slow-moving items. Cost is determined by the first in first out ('FIFO') cost method.

Financial assets

Initial recognition and measurement
Financial assets are classified at initial recognition and subsequently as measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Financial assets continued

Initial recognition and measurement continued
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through profit or loss

The Group only has financial assets falling into the first two categories above and as such has only included the policy for these two below.

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 'Financial Instruments' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets remain permanently in equity and are not subsequently reclassified to profit or loss. However, the cumulative gain or loss within equity may be transferred as a reserve movement. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets
The Group recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Financial assets continued

Impairment of financial assets continued

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. ECLs are a probability-weighted estimate of credit losses. An assessment of ECL is calculated using a provision matrix model to estimate the loss rates to be applied to each trade receivable category. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade and other receivables

Trade receivables, which generally have 14 to 60 day terms, are initially recognised at fair value, and at amortised cost thereafter. This results in their recognition and subsequent measurement at original invoice amount less an allowance for expected credit losses. The Group applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables (as detailed in the impairment of financial assets section on the previous page).

Cash and short-term deposits

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

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently recorded at amortised cost using the EIR method.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low-value (i.e. below £5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Dilapidation provisions

A dilapidation provision is recognised when there is an obligation to restore property to its original state at the end of the leasehold period. The provision is estimated as the cost of restoration at the balance sheet date, with the corresponding entry recognised in property plant and equipment. Depreciation is charged in line with the remaining leasehold period.

Pensions

The Group does not have a group contributory pension scheme. Payments are made to individual private defined contribution pension arrangements. Contributions are charged in the consolidated statement of profit or loss as they become payable.

Revenue recognition

Revenue is stated net of value-added tax, rebates and discounts and after the elimination of intercompany transactions within the Group. The Group operates a number of different businesses offering a range of products and services and accordingly applies a variety of methods for revenue recognition, based on the principles set out in IFRS 15.

Revenue is recognised to represent the transfer of promised services to customers in a way that reflects the consideration expected to be received in return. Consideration from contracts with customers is allocated to performance obligations identified based on their standalone selling price and is recognised when those performance obligations are satisfied and the control of goods or services is transferred to the customer, either over time or at a point in time.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract assets, contract liabilities, accrued income and deferred income) to recognise in the period, management are required to form a number of judgements and assumptions. These may include an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised. These judgements are inherently subjective and may cover future events such as the achievement of contractual milestones. Please see Judgements – Revenue recognition on page 107 for further detail.

a) Term-based subscriptions

Revenue from term-based subscriptions is recognised when control is considered to have passed to the customer. Control can pass either at a point in time or over time depending on the performance obligations under the contract as further described below.

Web-service hosted software solutions

The performance obligation is to provide the customer a right to access the software throughout the subscription period for which revenue is recognised over the subscription period.

On-premise installation

The performance obligations can include the provision of a software subscription, data sets, updates to those data sets during the subscription period and support and maintenance. There also are instances where customers are provided a data set to use with their own software rather than the Group's.

The Group's software has no standalone value to the customer without the data as there is nothing upon which to apply the algorithms. The data file cannot be accessed outside of the software so has no standalone value (unless under the circumstance where it has been subscribed for use on the customer's system). As a result, the software and the data are considered one performance obligation as the customer cannot benefit from one without the other.

Customers are given a right to use the software and data as it exists at the point in time the subscription is granted, for which revenue is recognised at the point in time the customer can first use and benefit from it.

A proportion of the transaction price is allocated to the provision of data updates and support and maintenance, which are considered separate performance obligations. This is either based on the standalone selling price for those services or, where the Group does not have a history of stand-alone selling prices for a particular software subscription, a cost-plus mark-up approach is applied.

Data disk

The performance obligations can include the subscription to use specific data sets, updates to those data sets during the subscription period and support and maintenance.

The performance obligations over the period of the subscription are satisfied by the provision of disk files to the customer in the same format on a monthly basis to ensure that the customer has access to the most relevant information throughout the contract period. This meets the series guidance under IFRS 15 paragraph 22: 'a promise to transfer to the customer a series of distinct goods or services that are substantially the same and that have the same pattern of transfer'. Accordingly, the revenue for the full subscription period is recognised over the contractual term.

b) Consumption-based

A number of GBG SaaS solutions provide for the provision of consumed data intelligence services with customers paying only for the number of searches they perform. The performance obligation is to provide this check and revenue in respect of those solutions is recognised based on usage. Customers are either invoiced in arrears for searches performed ('consumption') or make a prepayment giving them the right to a specific number of searches ('consumption-based subscription').

Where customers make a prepayment, which entitles them to perform a specific number of transactions over an agreed contract period, once this period has expired any unused transactions are forfeited. Based on a review of historic forfeitures an estimate is made of the expected percentage of transactions that will remain unused over their contracted life. This percentage is applied such that revenue for expected forfeiture is recognised in proportion to the pattern of transactions performed by the customer.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Revenue recognition continued

c) Other
Revenue from other revenue such as development charges, set up, hardware, support and maintenance fees are recognised over time by reference to the stage of completion. Whereas, hardware is recognised at a point in time on delivery. Stage of completion of the specific transaction is assessed on the basis of the actual services provided as a proportion of the total services to be provided. Where the services consist of the delivery of support and maintenance on software licence agreements, it is generally considered to be a separate performance obligation and revenue is recognised on a straight-line basis over the term of the support period.

d) Perpetual licences
Revenue is recognised at a point in time when the contract is agreed, and the software is made available to the customer. Customers are charged an initial or perpetual licence fee for on-premise or hosted software which is usually limited by a set number of users or seats. Initial and perpetual licences provide the customer with the right to use the software and are distinct from other services.

e) Contract assets and contract liabilities
Costs to obtain a contract in the Group typically include sales commissions and under IFRS 15 certain costs such as these are deferred as contract assets and are amortised on a systematic basis consistent with the pattern of transfer of the goods or services to which the asset relates. As a practical expedient, these costs are expensed if the amortisation period to which they relate is one year or less.

Where the Group completes performance obligations under a contract with a customer in advance of invoicing the customer, the value of the accrued revenue is initially recognised as a contract asset. As a practical expedient, the Group has taken advantage of the practical exemption not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less.

Any contract assets are disclosed within the trade and other receivables in the consolidated balance sheet.

Where the Group receives a short-term prepayment or advance of consideration prior to completion of performance obligations under a contract with a customer, the value of the advance consideration received is initially recognised as a contract liability in liabilities. Revenue is subsequently recognised as the performance obligations are completed over the period of the contract (i.e. as control is passed to the customer). Contract liabilities are presented in deferred income within trade and other payables in the consolidated balance sheet.

f) Principal versus agent
The Group has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer.

The Group is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Group has in establishing the price for the specified good or service, whether the Group has inventory risk and whether the Group bears the responsibility for fulfilling the promise to deliver the service or good. Where the Group is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

The Group acts as a principal if it controls a promised good or service before transferring that good or service to the customer. Where the Group is acting as a principal, revenue is recorded on a gross basis.

This assessment of control requires some judgement in particular in relation to certain service contracts. An example is the provision of certain employment screening services where the Group may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

g) Contract modifications
Although infrequent, contracts may be modified for changes in contract terms or requirements. These modifications and amendments to contracts are always undertaken via an agreed formal process. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

a) Prospectively as an additional separate contract
b) Prospectively as a termination of the existing contract and creation of a new contract
c) As part of the original contract using a cumulative catch up
d) As a combination of b) and c)

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

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

h) Interest income
Revenue is recognised as interest accrues using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Revenue recognition continued

i) Presentation and disclosure requirements
The Group has disaggregated revenue recognised from contracts into contract type (Term-based subscription, Consumption-based subscription, Consumption and Other) as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. The Group has also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to note 4 for the disclosure on disaggregated revenue.

Operating profit
Operating profit is profits after amortisation of acquired intangibles, equity-settled share-based payments and exceptional items but before finance income, finance costs and tax.

Non-GAAP measures
The Group presents multiple non-GAAP measures throughout this Annual Report. They are not defined by IFRSs and therefore may not be directly comparable with similarly titled measures of other companies. They are not intended to be a substitute for, or superior to, GAAP measures. Additional information for all non-GAAP measures, including definitions, rationale for their presentation, and reconciliations from the closest IFRS measure is provided in the Non-GAAP measures section on pages 149 to 152.

The main non-GAAP presentation is adjusted results.

Adjusted results
The business is managed and measured on a day-to-day basis using adjusted results. To arrive at adjusted results, certain adjustments are made for normalised and exceptional items that are individually significant and which could, if included, not be reflective of the underlying performance of the Group for the year and the comparability between periods.

The Group presents the non-GAAP performance measure 'adjusted operating profit' on the face of the consolidated statement of profit or loss and this is reconciled to Operating Profit as required to be presented under the applicable accounting standards. The Directors believe that this alternative measure of profit provides a reliable and consistent measure of the Group's underlying performance.

Normalised items
These are recurring items which management considers could affect on the underlying results of the Group. These items relate to:

- amortisation of acquired intangibles; and
- equity-settled share-based payments charges.

Other types of recurring items may arise; however, no others were identified in either the current or prior year. Recurring items are adjusted each year irrespective of materiality to ensure consistent treatment.

Management consider these items to not reflect the underlying performance of the Group.

Exceptional items
The Group presents as exceptional items those significant items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance. Such items may include, but are not restricted to, significant acquisition, restructuring and integration-related costs, adjustments to contingent consideration, profits or losses on disposal of businesses and significant impairment of assets. Exceptional costs are discussed further in note 7.

Redundancy costs are only classified within exceptional items if they are linked to a reorganisation of part of the business, including when as a result of a business integration.

Management consider these significant and/or non-recurring items to be inherently not reflective of the future or underlying performance of the Group.

Dividends
Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Share-based payment transactions
Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Equity-settled transactions
The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuation specialist using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GB Group plc ('market conditions') and non-vesting conditions, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting conditions were satisfied, provided that all other vesting conditions are satisfied.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

Equity-settled transactions continued

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised over the remainder of the new vesting period for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it was granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected in the computation of earnings per share (note 13).

Finance costs

Finance costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Finance costs are expensed in the period in which they are incurred.

Finance costs also include the amortisation of bank loan arrangement fees, interest on long-service award liabilities and interest on lease liabilities.

Taxes

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities included in the financial statements and the amounts used for tax purposes that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- No provision is made where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination that at the time of the transaction affect neither accounting nor taxable profit
- No provision is made for deferred tax that would arise on all taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future
- Deferred tax assets are reviewed at each reporting date and are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences and unused tax losses and credits can be deducted. In assessing their recoverability, the Group uses the same forecasts that have been used for the impairment and going concern assessments
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date
- Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and where they relate to the same tax authority

New accounting standards and interpretations

The following standards and amendments were effective for periods beginning on or after 1 January 2023 and as such have been applied in these financial statements. The Group has not early adopted any other standard or interpretation that is issued but not yet effective.

The following standards and amendments had no material impact on the financial statements of the Group:

- IFRS 17 – Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively)

New accounting standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Liability in a Sale and Leaseback (Amendments to IFRS 16 – Leases) – effective for annual reporting periods beginning on or after 1 January 2024;
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements – effective for annual reporting periods beginning on or after 1 January 2024); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures) – effective for annual reporting periods beginning on or after 1 January 2024

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.3 Significant accounting policies continued

New accounting standards and interpretations issued but not yet effective continued

None of the amendments are expected to have a significant impact to the Group, however the Group will continue to consider these and any additional amendments, interpretations and new standards to identify the potential future impact.

2.4 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Group's accounting policies the following estimates and judgements made by management have the most significant effect on the amounts recognised in the financial statements within the next financial year:

Significant estimates

Impairment of goodwill

The Group and Company test annually whether goodwill has suffered any impairment in accordance with the accounting policy stated earlier in note 2.3. Determining whether goodwill is impaired requires an estimation of the value-in-use and/or the estimated recoverable amount of the asset derived from the business, or part of the business, CGU, to which the goodwill has been allocated. The value-in-use calculation requires an estimate of the present value of future cash flows expected to arise from the CGU, by applying an appropriate discount rate to the timing and amount of future cash flows.

Management are required to make judgements regarding the timing and amount of future cash flows applicable to the CGU, based on current budgets and forecasts, and extrapolated for an appropriate period taking into account growth rates. In making these estimates management have assessed the sensitivity of the assets to a wider range of changes in the key inputs to consider if an impairment would arise within these ranges.

Management estimate the appropriate discount rate using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the business or the individual CGU.

The significant estimates made in the value-in-use calculations of CGU recoverable amount are the: forecast revenue growth rates, discount rates and long-term growth rates.

An analysis of the Group goodwill, the assumptions used to test for impairment and sensitivity analysis relating to these significant estimates are set out in note 16.

Allowance for impairment losses on credit exposures

The Group applies the IFRS 9 simplified lifetime expected credit loss approach in calculating expected credit losses (ECL). Under this method ECL provisions are determined using a combination of historical experience and forward-looking information based on management judgement. In the year to 31 March 2024, management has reviewed the historical rate of bad debts compared to revenue, in the context of the expected credit loss provision against trade receivables. As a result of this assessment, and whilst still taking into account forward-looking information in light of the current macroeconomic environment, management has determined it appropriate to maintain the loss rates applied to each aged category of trade receivables.

An increase/decrease of 1% in all ECL rates would increase/decrease the provision for impairment of trade receivables by £572,000.

Judgements

Revenue recognition

For contracts with multiple components to be delivered, management may have to apply judgement to consider whether those promised goods and services are (i) distinct – to be accounted for as separate performance obligations; (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is determined, and the Group allocates this to the identified performance obligations in proportion to their relative standalone selling prices and recognises revenue when (or as) those performance obligations are satisfied. Because of the bespoke nature of some solutions, judgement is sometimes required to determine and estimate an appropriate standalone selling price.

Hyperinflationary economies

The Türkiye economy was designated as hyperinflationary for reporting periods ending on or after 30 June 2022. Judgement was required in determining that the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' to the Group's Türkiye subsidiary, which has a functional currency of Türkiye Lira, did not have a material impact on the consolidated financial statements. As a result, the adjustments required by IAS 29 from 1 April 2022 have not been reflected within the consolidated financial statements.

Notes to the consolidated financial statements continued

2. Accounting policies continued

2.4 Judgements and key sources of estimation uncertainty continued

Judgements continued

Deferred tax assets (both judgement and estimate)
The amount of the deferred tax asset included in the balance sheet is firstly assessed against the value of deferred tax liabilities to see if the deferred tax asset can be fully or partly absorbed by an offsetting deferred tax liability. The level of deferred tax asset not offset by deferred tax liabilities is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In this scenario, a deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Recognition, therefore, involves management judgement regarding the prudent forecasting of future taxable profits of the business including considering appropriate levels of risk. At the balance sheet date, management has forecast that the Group would generate future taxable profits against which certain decelerated capital allowances, tax losses and other temporary differences could be relieved. Within that forecast, management considered the total amount of tax losses available across the Group and the relative restrictions in place for loss streaming and made a judgement not to recognise deferred tax assets on temporary differences of £15,634,000 (2023: £15,880,000). The carrying value of the recognised deferred tax asset at 31 March 2024 was £20,871,000 (2023: £23,738,000) and the unrecognised deferred tax asset at 31 March 2024 was £4,779,000 (2023: £4,859,000). Further details are contained in note 11.

3. Revenue

Revenue disclosed in the consolidated statement of profit or loss is analysed as follows:

	2024 £'000	2023 £'000
Subscription revenues:		
Consumption-based	**46,440**	45,427
Term-based	**112,995**	112,034
Total subscription revenues	**159,435**	157,461
Consumption	**103,433**	103,834
Hardware	**7,825**	8,860
Other	**6,632**	8,655
Revenue	**277,325**	278,810

Changes in contract balances
Included within revenue recognised in the year is £54,539,000 (2023 (restated): £58,435,000) that was included in the deferred revenue balance at the start of the relevant financial year. This amount differs from the deferred revenue balance within current liabilities at the end of the prior year due to the movement in foreign currency exchange rates between the prior year end and the date the revenue was recognised in the consolidated statement of profit or loss during the current year.

The prior year has been restated to correct an administrative error in the calculation and reduced the disclosure by £1,821,000 This restatement does not have an impact on the Group's profit, net assets or cash flows reported in the 2023 Annual Report and Accounts.

Notes to the consolidated financial statements continued

4. Segmental information

The Group's operating segments are aggregated and internally reported to the Group's Chief Executive Officer as three reportable segments: Location, Identity and Fraud on the basis that they provide similar products and services.

'Central overheads' represents Group operating costs such as technology, compliance, finance, legal, people team, information security, premises, Directors' remuneration and PLC costs.

The measure of performance of those segments that is reported to the Group's Chief Executive Officer is adjusted operating profit, being profits before amortisation of acquired intangibles, equity-settled share-based payments, exceptional items, net finance costs and tax, as shown below.

Information on segment assets and liabilities is not regularly provided to the Group's Chief Executive Officer and is therefore not disclosed below.

Year ended 31 March 2024	**Location £'000**	**Identity £'000**	**Fraud £'000**	**Total £'000**
Subscription revenues:				
Consumption-based	**17,437**	**26,827**	**2,176**	**46,440**
Term-based	**55,444**	**24,945**	**32,606**	**112,995**
Total subscription revenues	**72,881**	**51,772**	**34,782**	**159,435**
Consumption	**7,203**	**94,533**	**1,697**	**103,433**
Hardware	**–**	**7,825**	**–**	**7,825**
Other	**982**	**1,931**	**3,719**	**6,632**
Total revenue	**81,066**	**156,061**	**40,198**	**277,325**
Contribution	**32,384**	**42,704**	**14,812**	**89,900**
Central overheads				**(27,766)**
Foreign exchange loss				**(162)**
Expected credit losses of trade receivables				**(775)**
Adjusted operating profit				**61,197**
Amortisation of acquired intangibles				**(39,447)**
Share-based payments charge				**(3,488)**
Exceptional items				**(59,613)**
Operating loss				**(41,351)**
Finance income				**262**
Finance costs				**(9,297)**
Income tax credit				**1,803**
Loss for the year				**(48,583)**

Year ended 31 March 2023	Location £'000	Identity £'000	Fraud £'000	Total £'000
Subscription revenues:				
Consumption-based	16,809	27,427	1,191	45,427
Term-based	53,522	27,586	30,926	112,034
Total subscription revenues	70,331	55,013	32,117	157,461
Consumption	5,917	96,269	1,648	103,834
Hardware	–	8,860	–	8,860
Other	642	2,587	5,426	8,655
Total revenue	76,890	162,729	39,191	278,810
Contribution	29,897	47,623	10,259	87,779
Central overheads				(31,198)
Foreign exchange gain				3,022
Expected credit losses of trade receivables				214
Adjusted operating profit				59,817
Amortisation of acquired intangibles				(42,758)
Share-based payments charge				(2,313)
Exceptional items				(127,175)
Operating loss				(112,429)
Finance income				636
Finance costs				(7,037)
Income tax expense				(964)
Loss for the year				(119,794)

Geographical information

	Revenues from external customers		Non-current assets	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
United Kingdom	**83,043**	81,561	**105,910**	112,753
United States of America	**92,891**	106,683	**600,130**	699,925
Australia	**38,588**	35,799	**47,499**	51,046
Others	**62,803**	54,767	**11**	36
	277,325	278,810	**753,550**	863,760

The geographical revenue information above is based on the location of the customer.

Non-current assets for this purpose consist of plant and equipment, intangible assets and non-current trade and other receivables and excludes deferred tax assets.

Notes to the consolidated financial statements continued

5. Operating loss

This is stated after charging/(crediting):

	2024 £'000	2023 £'000
Research and development costs recognised as an operating expense	**15,683**	20,176
Other technology-related costs recognised as an operating expense	**30,802**	33,817
Total Technology-related costs recognised as an operating expense	**46,485**	53,993
Amortisation of intangible assets (note 15)	**39,612**	42,826
Depreciation of property, plant and equipment (note 17)	**1,295**	1,771
Depreciation of right-of-use assets (note 18)	**1,155**	1,491
Expense relating to short-term leases	**527**	869
Expense relating to low-value leases	**5**	7
Loss/(profit) on disposal of plant and equipment	**8**	(60)

The above expenses are recognised in the operating expenses line in the consolidated statement of profit or loss.

During the year ended 31 March 2024, depreciation of £11,000 was included in exceptional items since it related to the period between a property being vacated and ultimately disposed.

6. Auditors' remuneration

	2024 £'000	2023 £'000
Audit of the Group's financial statements	**555**	562
Audit of subsidiaries	**245**	294
Total audit fees	**800**	856
Other fees to auditors – other assurance services	**130**	229
	930	1,085

7. Exceptional items

	2024 £'000	2023 £'000
(a) Integration costs	**729**	686
(b) Costs associated with team member reorganisations	**4,018**	1,813
(c) Rationalisation of office locations	**159**	391
(d) Impairment of goodwill (note 14 & 16)	**54,707**	122,225
(e) Impairment of intangibles (note 15)	**–**	2,797
(f) Acquisition-related costs/(income)	**–**	(1,087)
(g) Loss on disposal of businesses	**–**	113
(h) Write-off of cloud-based software	**–**	237
Total exceptional costs	**59,613**	127,175

(a) Integration costs have been incurred in relation to the integration of the Acuant and Cloudcheck acquisitions. This principally relates to consultancy fees paid to advisors in running programmes to deliver revenue and cost synergies from the acquisitions, travel for specific integration meetings, costs relating to the alignment of global systems and business operations, the costs of additional other temporary resources required for the integration and claims associated with the pre acquisition period. To 31 March 2024, the Group expensed £729,000 (2023: £686,000) relating to the integration of Acuant and Cloudcheck. Integration activities have ended during the year ended 31 March 2024. Due to the size and nature of acquisition and integration costs, management consider that they do not reflect the Group's trading performance and so are adjusted to ensure consistency between periods.

(b) Costs associated with team member reorganisations relate to exit costs of personnel leaving the business on an involuntary basis, either as a result of integrating acquisitions or due to reorganisations within our operating divisions as part of a Group-wide restructuring exercise. Due to the nature of these costs, management deem them to be exceptional in order to better reflect our underlying performance. Exit costs outside of these circumstances are treated as an operating expense.

(c) During the year to 31 March 2023, a project was started to rationalise the Group's office locations. In the year to 31 March 2024, the Group expensed £159,000 (2023: £391,000) with £254,000 relating to the costs associated with exiting leased buildings and £95,000 credit relating to a gain on disposal from the sale of an owned property. Due to the nature of these costs, management deem them to be exceptional in order to better reflect our underlying performance. This rationalisation project was finalised at the end of FY24.

(d) As part of the Group's annual impairment testing in the prior year, it was identified that the goodwill allocated to the Identity – Americas group of CGUs was impaired and an impairment charge of £122,225,000 was recognised in the year to 31 March 2023. Due to increases in discount rates during the year to 31 March 2024, an additional impairment charge of £54,707,000 was recognised during the year.

Notes to the consolidated financial statements continued

7. Exceptional items continued

(e) During the year to 31 March 2023, as part of the continued integration of Acuant and simplification of our brands in the Americas region, Acuant was rebranded as IDology. As a result, the value of the Acuant brand included within acquired intangibles was considered to be £nil and an impairment charge of £2,797,000 was recognised.

(f) Acquisition-related costs of £nil (2023: £1,087,000 credit). During the year to 31 March 2023, acquisition-related costs included:

- Foreign exchange movement on contingent consideration (see note 34). The contingent consideration liabilities related to IDology and Cloudcheck are based on the US Dollar and New Zealand dollar respectively. As a result, the liabilities were retranslated at the balance sheet date with a loss of £379,000 being treated as an exceptional item.
- Legal and professional advisor costs directly attributable to the acquisition of Acuant and the possible offer by GTCR to acquire GBG of £573,000.
- A fair value reassessment was made to the Cloudcheck contingent consideration liability. Based on actual performance in the period following acquisition, it was determined that the performance criteria would not be met in full and a credit of £2,753,000 was taken within exceptional items. The contingent consideration in respect of pre-acquisition tax losses within IDology Inc was also settled during the year, with an additional charge of £806,000 being recognised in exceptional items. £92,000 was also received from the IDology escrow administrator to reimburse pre-acquisition liabilities paid to the seller.

(g) During the year to 31 March 2021, the business disposed of its Marketing Services and Employ and Comply businesses which resulted in an overall profit on disposal. In the year to 31 March 2023, additional costs of £113,000 were incurred in relation to the finalisation of the disposal of these businesses.

(h) During the year to 31 March 2023, a write-off of cloud-based software of £237,000 has been recognised. A final agenda decision by the IFRS Interpretations Committee clarified that configuration or customisation costs from cloud computing arrangements do not usually meet the definition of intangible assets under IAS 38 Intangible Assets' and therefore should not be capitalised. As a result, previously capitalised costs that did not satisfy the clarified recognition criteria were written off.

The total cash net outflow during the year as a result of exceptional items was £4,124,000 (2023: £3,934,000 outflow). The tax impact of the exceptional items was a tax credit of £1,158,000 (2023: tax credit of £917,000).

8. Team member costs and Directors' emoluments

a) Team member costs (including Directors)

	2024 £'000	2023 £'000
Wages and salaries including commission and bonuses	**94,003**	98,819
Social security costs	**9,343**	8,530
Other pension costs	**4,162**	4,638
Share-based payments	**3,488**	2,313
	110,996	114,300

The average monthly number of team members during the year within each category was as follows:

	2024 No.	2023 No.
Sales and marketing	**595**	639
Technology	**413**	452
General and administration	**176**	189
	1,184	1,280

b) Directors' Emoluments

	2024 £'000	2023 £'000
Wages and salaries	**1,826**	1,828
Pension	**4**	–
Bonuses	**781**	–
Compensation for loss of office	**143**	–
	2,754	1,828
Aggregate gains made by Directors on the exercise of share options	**100**	795

The remuneration for the highest paid Director was as follows:

	2024 £'000	2023 £'000
Wages and salaries	**637**	637
Pension	**–**	–
Bonus	**389**	–
	1,026	637

The highest paid Director has reached the maximum level permitted for a personal pension plan and received a direct payment in lieu of his pension entitlement, which was £92,665 (2023: £92,665). The number of share options granted during the year for the highest paid Director was 390,421 (2023: 225,120) and the number of share options exercised during the year was nil (2023: 185,748). The gain on the exercise of share options during the year for the highest paid Director was £nil (2023: £428,437).

Notes to the consolidated financial statements continued

9. Finance income

	2024 £'000	2023 £'000
Bank interest receivable	73	16
Interest income on multi-year contracts	180	53
Tax interest receivable	9	567
	262	636

10. Finance costs

	2024 £'000	2023 £'000
Bank interest payable	8,712	6,413
Interest on long-service award	21	9
Amortisation of bank loan fees	341	326
Other interest payable	133	14
Unwinding of discount on contingent consideration liability	20	165
Lease liability interest	70	110
	9,297	7,037

11. Income tax (credit)/charge

a) Tax on loss

The tax (credit)/charge in the consolidated statement of profit or loss for the year is as follows:

	2024 £'000	2023 £'000
Current income tax		
UK corporation tax on loss for the year	4,590	4,485
Amounts underprovided in previous years	229	637
Foreign tax	3,985	7,754
	8,804	12,876
Deferred tax		
Origination and reversal of temporary differences	(8,054)	(12,539)
Amounts overprovided in previous years	(209)	(225)
Impact of change in tax rates	(2,344)	852
	(10,607)	(11,912)
Tax (credit)/charge in the consolidated statement of profit or loss	(1,803)	964

b) Reconciliation of the total tax (credit)/charge

The loss before tax multiplied by the standard rate of corporation tax in the UK would result in a tax charge as explained below:

	2024 £'000	2023 £'000
Consolidated loss before tax	(50,386)	(118,830)
Consolidated loss before tax multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%)	(12,596)	(22,578)
Effect of:		
Permanent differences[1]	16,886	31,813
Non-taxable income	(1,988)	(809)
Rate changes	(2,344)	775
Recognition of previously unrecognised deferred tax assets	(204)	(266)
Tax provision recognised	–	392
Adjustments in respect of prior years	20	411
Research and development incentives	(417)	(123)
Patent Box relief	(752)	(509)
Share option relief	488	518
Effect of higher taxes on overseas earnings	(896)	(8,660)
Total tax (credit)/charge reported in the consolidated statement of profit or loss	(1,803)	964

1. £13,340,000 (2023: £30,556,000) of the permanent differences related to the impairment of goodwill which is not tax deductible.

The Group's reported effective tax rate for the year was 3.6% (2023: (0.8)%). After adjusting for the impact of amortisation of acquired intangibles, equity-settled share-based payments and exceptional items, the adjusted effective tax rate was 25.2% (2023: 21.3%). These measures are defined in the non-GAAP measures note.

Notes to the consolidated financial statements continued

11. Income tax (credit)/charge continued

c) Deferred tax

Deferred tax asset

The recognised and unrecognised potential deferred tax asset of the Group is as follows:

	Recognised		Unrecognised	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Decelerated capital allowances	**7,022**	7,657	**1,327**	1,327
Share options	**3,731**	1,076	**–**	–
Long service award	**86**	292	**–**	–
Accrued bonuses	**329**	170	**–**	–
Provision for bad debt	**138**	291	**–**	–
Interest	**2,984**	4,448	**–**	–
Other temporary differences	**832**	2,814	**–**	–
R&D capitalisation	**3,428**	893	**–**	–
Leases	**16**	221	**–**	–
Capital losses	**–**	–	**769**	889
Trading losses	**2,305**	5,876	**2,683**	2,643
	20,871	23,738	**4,779**	4,859

The movement on the deferred tax asset of the Group, before the offset of balances within countries, is as follows:

	2024 £'000	2023 £'000
Opening balance	**23,738**	21,860
Foreign currency adjustments	**(470)**	931
Impact of change in tax rates	**(1,054)**	179
Origination and reversal of temporary differences - (charged)/credited to consolidated statement of profit or loss	**(1,447)**	911
Origination and reversal of temporary differences - credited/(charged) to equity	**104**	(143)
	20,871	23,738

The deferred tax asset has been recognised to the extent it is anticipated to be recoverable out of future taxable profits based on profit forecasts for the foreseeable future. The utilisation of the unrecognised deferred tax asset in future periods will reduce the future tax rate below the standard rate. The Group has unrecognised deductible temporary differences of £15,634,000 (2023: £15,880,000) and unrecognised capital losses of £3,779,000 (2023: £3,804,000). Refer to 11d below for details of movement in the year.

Deferred tax liability

The deferred tax liability of the Group is as follows:

	2024 £'000	2023 £'000
Intangible assets	**43,082**	57,643
Land and buildings	**136**	157
Leases	**16**	140
Accelerated capital allowances	**519**	(9)
	43,753	57,931

The movement on the deferred tax liability of the Group, before the offset of balances within countries, is as follows:

	2024 £'000	2023 £'000
Opening balance	**57,931**	64,839
Foreign currency adjustments	**(1,070)**	3,768
Impact of change in tax rates	**(3,398)**	1,031
Origination and reversal of temporary differences - credited to consolidated statement of profit or loss	**(9,710)**	(11,707)
	43,753	57,931

Analysed in the balance sheet, after offset of balances as:

	2024 £'000	2023 £'000
Deferred tax asset		
Pre-offset of balances	**20,871**	23,738
Offset of balances within countries	**(19,934)**	(22,945)
	937	793

	2024 £'000	2023 £'000
Deferred tax liability		
Pre-offset of balances	**43,753**	57,931
Offset of balances within countries	**(19,934)**	(22,945)
	23,819	34,986

Notes to the consolidated financial statements continued

11. Income tax (credit)/charge continued

d) Tax losses

The Group has carried forward trading losses at 31 March 2024 of £35,758,000 (2023 (restated): £50,993,000). The principal reason for the reduction in the year is the utilisation of Federal losses made in the United States.

The prior year has been restated since gross tax losses of £4,744,000 in relation to Acuant UK Limited should not have been included following the hive-up and liquidation of this entity during FY23. This restatement purely relates to this disclosure, and does not have an impact on the Group's profit, net assets or cash flows reported in the 2023 Annual Report and Accounts.

The split of gross tax losses is shown below:

	2024 £'000	2023 £'000
Gross tax losses		
US – Federal	**2,351**	19,408
US – State	**20,388**	18,447
UK	**12,521**	13,107
Other	**498**	31
	35,758	50,993

Taking into account state rates and apportionment factors, the value of the deferred tax asset recognised for US State losses is £1,173,000 (2023: £1,154,000). State tax losses can usually be carried forward indefinitely, or for a period of 20 years.

To the extent that these unrecognised losses are available for offset against future trading profits of the Group, it is expected that the future effective tax rate would be below the standard rate.

There were also capital losses carried forward at 31 March 2024 of £3,779,000 (2023: £3,804,000), which should be available for offset against future capital gains of the Group to the extent that they arise. The Group also has unrecognised deductible temporary differences of £15,634,000 (2023: £15,880,000).

e) Change in United States deferred tax rates

The tax rate applied in the calculation of deferred tax assets and liabilities in the United States has been updated to reflect changes in the States in which future taxable profits are forecast to arise, which impacts the blended effective State tax rate that will apply.

For IDology Inc the rate is 23.08% (2023: 25.5%), for Loqate Inc the rate is 23.20% (2023: 25.3%) and for Acuant Inc the rate is 23.64% (2023: 25.1%).

f) Change in United Kingdom tax rate

Effective 1 April 2023 the UK corporation rate increased from 19% to 25%. As this change was substantively enacted on 24 May 2021, UK deferred tax assets and liabilities were adjusted in the prior year to reflect the change of rate for the amounts expected to unwind after 1 April 2023.

g) Unremitted earnings

The Group's foreign subsidiaries have unremitted earnings of £71,998,000 (2023: £56,955,000), resulting in temporary differences of £157,000 (2023: £143,000) that may be payable as withholding tax if dividends were declared. No deferred tax has been provided in respect of these differences since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

12. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year		
Final dividend for 2023 paid in July 2023: 4.00p (final dividend for 2022 paid in July 2022: 3.81p)	**10,093**	9,600
Proposed for approval at AGM (not recognised as a liability at 31 March)		
Final dividend for 2024: 4.20p (2023: 4.00p)	**10,609**	10,098

Notes to the consolidated financial statements continued

13. Earnings per ordinary share from continuing operations

	Basic pence per share	Diluted pence per share	Adjusted Basic pence per share	Adjusted Diluted pence per share
2024	**(19.2)**	**(19.2)**	15.4	15.1
2023	(47.5)	(47.5)	16.7	16.4

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company from continuing operations by the basic weighted average number of ordinary shares in issue during the year.

Diluted

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders from continuing operations by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024 No.	2023 No.
Basic weighted average number of shares in issue	**252,552,462**	252,235,803
Basic weighted average number of shares held by the EBT	**(161,495)**	(269,104)
Dilutive effect of share options	**5,247,463**	5,030,313
Diluted weighted average number of shares in issue	**257,638,430**	256,997,012

For the year ended 31 March 2024 and 31 March 2023, potential ordinary shares are antidilutive, as their inclusion in the diluted loss per share calculation would reduce the loss per share, and have therefore been excluded.

Adjusted

Adjusted earnings per share is defined as adjusted operating profit less net finance costs and adjusted tax divided by the basic weighted average number of ordinary shares of the Company.

	2024 £'000	Basic 2024 pence per share	Diluted 2024 pence per share	2023 £'000	Basic 2023 pence per share	Diluted 2023 pence per share
Adjusted operating profit	**61,197**	**24.2**	**23.8**	59,817	23.7	23.3
Less net finance costs	**(9,035)**	**(3.6)**	**(3.6)**	(6,401)	(2.5)	(2.5)
Less adjusted tax	**(13,155)**	**(5.2)**	**(5.1)**	(11,354)	(4.5)	(4.4)
Adjusted earnings	**39,007**	**15.4**	**15.1**	42,062	16.7	16.4

14. Goodwill

	2024 £'000	2023 £'000
Cost		
At 1 April	**748,756**	714,100
Foreign currency adjustment	**(14,400)**	34,656
At 31 March	**734,356**	748,756
Accumulated impairment		
At 1 April	**122,362**	154
Impairment (note 16)	**54,707**	122,225
Foreign currency adjustment	**(4,335)**	(17)
At 31 March	**172,734**	122,362
Net book value		
At 31 March	**561,622**	626,394

Goodwill arose on the acquisition of GB Mailing Systems Limited, e-Ware Interactive Limited, Data Discoveries Holdings Limited, Capscan Parent Limited, DecTech Solutions Pty Ltd, CDMS Limited, Loqate Inc., ID Scan Biometrics Limited, Postcode Anywhere (Holdings) Limited, VIX Verify Global Pty Limited, IDology Inc, Investigate 2020 Ltd, Acuant Intermediate Holding Corp and Verifi Identity Services Limited. Under UK-adopted international accounting standards, goodwill is not amortised and is tested annually for impairment (see note 16).

Notes to the consolidated financial statements continued

15. Other intangible Assets

	Customer relationships £'000	Software technology £'000	Non-compete clauses £'000	Total acquired intangibles £'000	Purchased software £'000	Internally developed software £'000	Total £'000
Cost							
At 1 April 2022	165,492	170,218	5,288	340,998	1,694	525	343,217
Foreign currency adjustment	6,568	9,319	268	16,155	(20)	–	16,135
Additions	–	–	–	–	57	–	57
Disposals	–	–	(401)	(401)	(1,201)	–	(1,602)
At 31 March 2023	172,060	179,537	5,155	356,752	530	525	357,807
Foreign currency adjustment	**(3,177)**	**(3,361)**	**(92)**	**(6,630)**	**(14)**	**–**	**(6,644)**
Additions	**–**	**–**	**–**	**–**	**171**	**–**	**171**
Disposals	**–**	**–**	**(645)**	**(645)**	**(18)**	**–**	**(663)**
At 31 March 2024	**168,883**	**176,176**	**4,418**	**349,477**	**669**	**525**	**350,671**
Accumulated amortisation and impairment							
At 1 April 2022	50,001	32,232	3,357	85,590	1,355	525	87,470
Foreign currency adjustment	775	323	144	1,242	2	–	1,244
Amortisation during the year	17,083	24,533	1,142	42,758	68	–	42,826
Impairment	–	2,797	–	2,797	–	–	2,797
Disposals	–	–	(401)	(401)	(963)	–	(1,364)
At 31 March 2023	67,859	59,885	4,242	131,986	462	525	132,973
Foreign currency adjustment	**(1,177)**	**(1,049)**	**(81)**	**(2,307)**	**(8)**	**–**	**(2,315)**
Amortisation during the year	**16,437**	**22,108**	**902**	**39,447**	**165**	**–**	**39,612**
Disposals	**–**	**–**	**(645)**	**(645)**	**(18)**	**–**	**(663)**
At 31 March 2024	**83,119**	**80,944**	**4,418**	**168,481**	**601**	**525**	**169,607**
Net book value							
At 31 March 2024	**85,764**	**95,232**	**–**	**180,996**	**68**	**–**	**181,064**
At 31 March 2023	104,201	119,652	913	224,766	68	–	224,834
At 1 April 2022	115,491	137,986	1,931	255,408	339	–	255,747

Notes to the consolidated financial statements continued

15. Other intangible Assets continued

	2024			
	Carrying Value of Customer Relationship £'000	Remaining Amortisation Period Years	Carrying Value of Technology £'000	Remaining Amortisation Period Years
DecTech Solutions Pty Ltd	34	0.08	–	–
CDMS Limited	43	0.58	–	–
Loqate Inc	245	1.08	–	–
ID Scan Biometrics Limited	881	2.25	–	–
Postcode Anywhere (Holdings) Limited	7,667	3.08	–	–
VIX Verify Global Pty Limited	3,118	4.50	–	–
IDology Inc	32,314	4.83	–	–
Investigate 2020 Ltd	–	–	1,617	1.75
Acuant Inc	39,206	7.75	92,723	5.17
Verifi Identity Services Limited	2,256	7.83	892	2.83
	85,764		95,232	

16. Impairment

Summary

At 30 September 2023, GBG's half year end, it was determined that there was an indicator of potential impairment in Identity – Americas and Identity – APAC groups of CGUs. This was as a result of an increase in the applicable discount rate assumptions used in the value-in-use calculations versus the assumption used as at the previous impairment review which was conducted as at 31 March 2023.

Following the completion of this impairment review, the carrying value of the Identity – Americas group of CGUs was reduced to its recoverable amount through recognition of an impairment charge of £54,707,000 against goodwill. This charge was recognised within exceptional items in the consolidated statement of profit or loss. No impairment was identified against the Identity – APAC group of CGUs.

The annual impairment review was performed at 31 March 2024 for all groups of CGUs to which goodwill is allocated. Despite performing an impairment review for the Identity – Americas and Identity – APAC group of CGUs during the half year review as at 30 September 2023, these two groups of CGUs have been reviewed again. The results of the annual impairment review are detailed below.

With the exception of the impairment charge recognised during the period to 30 September 2023 in the half-year review, no impairment was identified in the other groups of CGUs tested at 31 March 2024. When an impairment loss has previously been recognised for goodwill, that impairment loss cannot be reversed in a subsequent period.

Impairment review

Goodwill and intangible assets acquired through business combinations is allocated to the CGUs that are expected to benefit from that business combination and has been allocated for impairment testing purposes to seven groups of CGUs as follows:

- Location CGU (represented by the Location operating segment excluding the Location – APAC Unit)
- Location – APAC CGU (part of the Location operating segment)
- Identity – EMEA CGU (part of the Identity operating segment)
- Identity – APAC CGU (part of the Identity operating segment)
- Identity – Americas CGU (part of the Identity operating segment)
- Fraud – Investigate CGU (part of the Fraud operating segment)
- Fraud – APAC CGU (part of the Fraud operating segment)

Notes to the consolidated financial statements continued

16. Impairment continued

Impairment review continued

	2024			2023		
Name	Goodwill £'000	Acquired intangibles £'000	Total £'000	Goodwill £'000	Acquired intangibles £'000	Total £'000
Location Unit	**61,622**	**7,912**	**69,534**	61,775	10,634	72,409
Location – APAC Unit	**2,228**	**468**	**2,696**	2,336	614	2,950
Identity – EMEA Unit	**103,070**	**21,990**	**125,060**	104,484	26,588	131,072
Identity – APAC Unit	**73,180**	**21,631**	**94,811**	75,325	26,402	101,727
Identity – Americas Unit	**304,372**	**127,301**	**431,673**	364,662	157,251	521,913
Fraud – Investigate Unit	**3,608**	**1,661**	**5,269**	3,608	2,821	6,429
Fraud – APAC Unit	**13,542**	**33**	**13,575**	14,204	456	14,660
	561,622	**180,996**	**742,618**	626,394	224,766	851,160

Key Assumptions Used in Value-in-Use Calculations – Base Case

The key assumptions for value-in-use calculations are those regarding the forecast revenue growth, discount rates and long-term growth rates.

The Group prepares cash flow forecasts using:

- budgets and forecasts approved by the Directors covering a 5 year period;
- an appropriate extrapolation of cash flows is applied beyond this to determine a terminal value using a combination of:
  - for the Identity segment only – industry analysis of market growth rates to 2032; and
  - a long-term average growth rate applied to perpetuity for the geographic market being assessed.

Forecast revenue growth rates, margins and cash flow conversion rates were based on past experience, industry market analysis and strategic opportunities specific to the group of CGUs being assessed.

The use of a pre-perpetuity projection period of more than five years for the Identity segment is an accounting judgement. It was considered that beyond the initial period covered by budgets and forecasts, it was most appropriate to include a further period of three years of growth rates (2023: four years of growth rates) that are higher than the long-term average growth rates for that particular region. The growth rates were considered to be reliable since they were determined on the basis of multiple pieces of independent, external industry and market research covering the Identity and Identity Fraud markets which supported that, over this period, this market is expected to grow at a higher rate than the long-term growth rates of these geographic markets as a whole.

Beyond this forecast period, the long-term average growth rate is not greater than the average long-term retail growth rate in the territory where the group of CGUs is based UK – 2.0%; USA – 2.5%; Australia – 3.0% (2023: UK – 2.0%; USA – 2.4%; Australia – 3.6%).

The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the individual CGU. Growth rates reflect long-term growth rate prospects for the economy in which the CGU operates.

Notes to the consolidated financial statements continued

16. Impairment continued

Impairment review continued

Key Assumptions Used in Value-in-Use Calculations – Base Case continued

Name	2024 Pre-tax discount rate %	2024 Growth rate (in perpetuity) %	2023 Pre-tax discount rate %	2023 Growth rate (in perpetuity) %
Location Unit	**13.7%**	**2.0%**	13.5%	2.0%
Location – APAC Unit	**12.7%**	**3.0%**	13.6%	3.6%
Identity – EMEA Unit*	**13.4%**	**2.0%**	13.5%	2.0%
Identity – APAC Unit*	**12.6%**	**3.0%**	13.6%	3.6%
Identity – Americas Unit*	**12.2%**	**2.5%**	12.3%	2.4%
Fraud – Investigate Unit	**13.8%**	**2.0%**	13.5%	2.0%
Fraud – APAC Unit	**12.7%**	**3.0%**	13.6%	3.6%

* For the year to 31 March 2024, the following revenue growth rates have been applied to the three-year period from 1 April 2029 to 31 March 2032 for these groups of CGUs: Identity – EMEA 8.0% (2023: 10.3%), Identity – APAC 10.0% (2023: 12.5%) and Identity – Americas 14.7% (2023: 14.7%).

The headroom/(impairment) (i.e. the excess/(shortfall) of the value of discounted future cash flows over the carrying amount of the CGU) under the base case scenario was as follows:

Name	2024 Base case[1] £'000	2023 Base case[1] £'000
Location Unit	**246,384**	102,029
Location – APAC Unit	**15,876**	12,298
Identity – EMEA Unit	**36,439**	32,301
Identity – APAC Unit	**34,658**	2,741
Identity – Americas Unit	**4,144**	(122,208)
Fraud – Investigate Unit	**62,206**	26,628
Fraud – APAC Unit	**62,710**	49,372

1. The excess of the recoverable amount over the carrying amount of the CGU before applying sensitivities.

The above assessment is stated after the goodwill impairment recorded at 30 September 2023. The carrying value of the Identity – Americas group of CGUs was reduced to its recoverable amount through recognition of an impairment charge of £54,707,000 against goodwill during the period to 30 September 2023. Further details of the reason for this impairment are in the summary section above and in the Financial Review on page 34.

This charge is recognised within exceptional items in the Group consolidated statement of profit or loss. Any additional adverse movement in the key assumptions at the balance sheet date would lead to a further impairment of goodwill.

Key Assumptions Used in Value-in-Use Calculations – Sensitised Case

The Group has considered the impact of changes in future revenue growth and key assumptions on the base case value-in-use model, to create a sensitised value-in-use model. The table below shows the impact on the base case headroom as a result of the following changes, with all other assumptions being unchanged:

Name	0.1% change in annual revenue growth forecast £'000	0.1% change in discount rate £'000	0.1% change in long-term growth rate £'000
Location Unit	(906)	(3,660)	(2,770)
Location – APAC Unit	(312)	(279)	(225)
Identity – EMEA Unit	(1,515)	(1,991)	(1,204)
Identity – APAC Unit	(901)	(2,026)	(1,364)
Identity – Americas Unit	(9,437)	(6,616)	(4,333)
Fraud – Investigate Unit	(320)	(755)	(569)
Fraud – APAC Unit	(767)	(1,137)	(912)

A sensitised model has been included on the next page, applying the cumulative impact of:

- Increasing pre-tax discount rates by 50bps (2023: 25bps), to reflect potential increases in government bond yields and associated risk-free rates. We have increased the sensitivity of this assumption given the greater volatility observed in discount rates in the last 12 month period;
- Decreasing average annual growth forecasts between 2025 and 2032 by 100bps (2023: average annual growth forecasts between 2029 and 2032 by 50bps), to reflect the potential for a worse than predicted market outlook; and
- Decreasing long-term growth rates by 25bps (2023: 25bps), to reflect a worse than predicted long-term global economic outlook.

It was not deemed necessary to sensitise the operating margin of the CGU given the strategy for growth. Despite the forecast growth the unsensitised forecast cash flows do not assume any operating leverage which would increase operating profit margins. Management determined that should growth be slower than estimated then there was adequate headroom in the estimates of costs that operating margins could be preserved.

Notes to the consolidated financial statements continued

16. Impairment continued

The headroom/(impairment) (i.e. the excess of the value of discounted future cash flows over the carrying amount of the CGU) under the sensitised scenario is below:

Name	Base case headroom £'000	Change in headroom increasing discount rate by 50bps £'000	Change in headroom decreasing annual revenue growth rates during the forecast period by 100bps £'000	Change in headroom decreasing long-term growth rates by 25bps £'000	2024 Sensitised[1] £'000	2023 Sensitised[1] £'000
Location Unit	**246,384**	**(17,491)**	**(13,352)**	**(5,692)**	**209,849**	95,680
Location – APAC Unit	**15,876**	**(1,319)**	**(977)**	**(440)**	**13,140**	11,622
Identity – EMEA Unit	**36,439**	**(9,508)**	**(13,757)**	**(2,292)**	**10,882**	23,337
Identity – APAC Unit	**34,658**	**(9,560)**	**(8,209)**	**(2,589)**	**14,300**	(2,776)
Identity – Americas Unit	**4,144**	**(31,361)**	**(36,990)**	**(8,140)**	**(72,347)**	(157,506)
Fraud – Investigate Unit	**62,206**	**(3,607)**	**(2,962)**	**(1,164)**	**54,473**	25,445
Fraud – APAC Unit	**62,710**	**(5,369)**	**(3,788)**	**(1,793)**	**51,760**	46,517

1. Headroom after adjusting future cash flows and key assumptions to create a sensitised value-in-use model.

The sensitised scenario would lead to impairment of £72,347,000 for Identity – Americas. Therefore, a reasonably possible change in the value of the key assumptions could cause CGU carrying amount to exceed its recoverable amount.

When considering goodwill impairment, the break-even rate at which headroom within each CGU is reduced to £nil, if all other assumptions remain unchanged, has also been considered.

	2024			2023[1]		
Name	**Pre-tax discount rate**	**Decrease in base case cash flows**	**Revenue growth rate (2029 to 2032)**	Pre-tax discount rate	Decrease in base case cash flows	Revenue growth rate (2029 to 2032)
Location Unit	**56.7%**	**(78.0)%**	**n/a**	28.7%	(58.0)%	n/a
Location – APAC Unit	**67.7%**	**(85.0)%**	**n/a**	48.6%	(80.0)%	n/a
Identity – EMEA Unit	**16.5%**	**(23.0)%**	**(1.4)%**	15.8%	(20.0)%	4.5%
Identity – APAC Unit	**15.8%**	**(27.0)%**	**(4.7)%**	13.9%	(3.0)%	11.4%
Identity – Americas Unit	**12.3%**	**(1.0)%**	**14.2%**	n/a	n/a	n/a
Fraud – Investigate Unit	**248.9%**	**(92.0)%**	**n/a**	63.7%	(80.0)%	n/a
Fraud – APAC Unit	**53.9%**	**(82.0)%**	**n/a**	41.1%	(76.0)%	n/a

With the exception of the Identity – Americas groups of CGUs, the Directors do not believe that any reasonably possible changes in the value of the key assumptions noted above would cause a CGU carrying amount to exceed its recoverable amount.

Notes to the consolidated financial statements continued

17. Property, plant and equipment

	Property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 April 2022	1,251	10,447	11,698
Additions	–	968	968
Disposals	–	(1,507)	(1,507)
Foreign currency adjustment	–	308	308
At 31 March 2023	1,251	10,216	11,467
Additions	**–**	**613**	**613**
Disposals	**(1,251)**	**(4,477)**	**(5,728)**
Foreign currency adjustment	**–**	**(276)**	**(276)**
At 31 March 2024	**–**	**6,076**	**6,076**
Accumulated depreciation and impairment			
At 1 April 2022	99	6,998	7,097
Provided during the year	19	1,752	1,771
Disposals	–	(1,264)	(1,264)
Foreign currency adjustment	–	111	111
At 31 March 2023	118	7,597	7,715
Provided during the year	**17**	**1,289**	**1,306**
Disposals	**(135)**	**(4,304)**	**(4,439)**
Foreign currency adjustment	**–**	**(156)**	**(156)**
At 31 March 2024	**–**	**4,426**	**4,426**
Net book value			
At 31 March 2024	**–**	**1,650**	**1,650**
At 31 March 2023	1,133	2,619	3,752
At 1 April 2022	1,152	3,449	4,601

Included within property is land of £nil (2023: £240,000) which is not subject to depreciation.

18. Right-of-use assets

	£'000
Cost	
At 1 April 2022	8,819
Additions	420
Disposals	(2,234)
Foreign currency adjustment	148
At 31 March 2023	7,153
Additions	**1,322**
Disposals	**(4,479)**
Foreign currency adjustment	**(68)**
At 31 March 2024	**3,928**
Accumulated depreciation and impairment	
At 1 April 2022	6,077
Provided during the year	1,491
Impairment	202
Disposals	(2,156)
Foreign currency adjustment	90
At 31 March 2023	5,704
Provided during the year	**1,155**
Disposals	**(4,462)**
Foreign currency adjustment	**(34)**
At 31 March 2024	**2,363**
Net book value	
At 31 March 2024	**1,565**
At 31 March 2023	1,449
At 1 April 2022	2,742

The underlying class of assets and their net book values all relate to leasehold property.

Notes to the consolidated financial statements continued

19. Investments

	2024 £'000	2023 £'000
At 1 April	**3,026**	2,326
Changes in fair value recognised in OCI	**(1,600)**	700
At 31 March	**1,426**	3,026

The above balance is split between investments held at fair value through other comprehensive income of £1,388,000 (2023: £2,988,000) and cost less provision for impairment of £38,000 (2023: £38,000).

During the year, a £1,600,000 loss on investments (2023: £700,000 gain on investments) was recognised in OCI due to the fair value assessment of the investment in CredoLab Pte Ltd. See note 28 for details of how the fair value is determined.

The Group consists of a Parent Company, GB Group plc, incorporated in the UK, and a number of subsidiaries held directly or indirectly by GB Group plc, which are incorporated around the world, each contributing to the Group's profits, assets and cash flows.

Notes to the consolidated financial statements continued

19. Investments continued

Subsidiaries are accounted for using the cost model and the results of all subsidiaries have been consolidated in these financial statements. The Group holds 100% of the ordinary share capital of all investments as follows:

Name of company	Proportion of voting rights and shares held	Country of incorporation	Registered office address
Acuant Inc[1]	100%	United States	2300 Windy Ridge Parkway, Atlanta GA, 30339, United States
Acuant Israel[1]	100%	Israel	Ha-Mefalsim St 12, Petah Tikva, Israel, 4951421
Acuant Mexico S de RL de CV[1]	100%	Mexico	Lago Alberto 442 Int 403 Suit 572 Col. ANAHUAC II SECCION
Citizensafe Limited[2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
GBG ANZ Pty Ltd[1]	100%	Australia	Level 7, 330 Collins Street, Melbourne, VIC 3000, Australia
GBG (Australia) Holding Pty Ltd	100%	Australia	Level 7, 330 Collins Street, Melbourne, VIC 3000, Australia
GBG (Australia) Pty Ltd[1]	100%	Australia	Level 7, 330 Collins Street, Melbourne, VIC 3000, Australia
GBG (Europe) SL[1]	100%	Spain	08002-Barcelona, Edifici The Triangle, 4th Floor, Placa de Catalunya, Barcelona, Spain
GBG (Malaysia) Sdn Bhd[1]	100%	Malaysia	Level 7 Menara Millenium, Jalan Damanlela Pusat Bandar, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
GBG (Singapore) Pte Ltd	100%	Singapore	C/O S.S. Corporate Management Pte. Ltd, 138 Cecil Street, #12-01A Cecil Court, 069538 Singapore
GBG (Thai) Company Limited[1]	100%	Thailand	No. 88 The Parq Building, Room No. 7E1-16 and 8E1-16, 7th and 8th Floor, Ratchadaphisek Road, Khlong Toei Subdistrict, Khlong Toei District, Bangkok , 10110, Thailand
GBG (US) Holdings LLC	100%	United States	2300 Windy Ridge Parkway, Atlanta GA, 30339, United States
Green ID Limited[1]	100%	New Zealand	Moore Stephens Markhams Wellington Limited, Level 11 Sovereign House, 34-42 Manners Street, Wellington 6011, New Zealand
Hello Soda Inc[1]	100%	United States	2300 Windy Ridge Parkway, Atlanta GA, 30339, United States
Hello Soda (Thailand) Company Limited[1]	49%	Thailand	1108/31 Sukhumvit Road, Phrakanong, Klongtoey, Bangkok 10110, Thailand
HS Thailand Ltd[1]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB
IDology Inc	100%	United States	2300 Windy Ridge Parkway, Atlanta GA, 30339, United States
ID Scan Biometrics Limited[2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
IDscan Research Bilisim Teknolojileri Sanayi Ve Ticaret Limited Sirketi[1]	100%	Turkey	Mersin Universitesi Çiftlikköy Kampüsü, Teknopark İdari Bina No: 106 Yenişehir – Mersin, Turkiye
Investigate 2020 Ltd[2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
Loqate Inc	100%	United States	2570 N. First Street, 2nd Floor, San Jose, CA 95131, United States
Loqate Ltd[1, 2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
Mastersoft Group Pty Ltd[1]	100%	Australia	Level 7, 330 Collins Street, Melbourne, VIC 3000
Mastersoft (NZ) Ltd[1]	100%	New Zealand	Moore Stephens Markhams Wellington Limited, Level 11 Sovereign House, 34-42 Manners Street, Wellington 6011, New Zealand
Postcode Anywhere (Europe) Limited[1, 2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
Postcode Anywhere Holdings Limited[2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
Postcode Anywhere (North America) Limited[1, 2]	100%	United Kingdom	The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB
PT Fraud Solutions Indonesia[1]	100%	Indonesia	Karinda Building, 2nd Floor, Suite 4, RT/RW.004/002, JL.Palmerah Selatan No. 30A, Kel. Gelora, Kec. Tanah Abang, Central Jakarta, Indonesia
Verifi Identity Services Limited[1]	100%	New Zealand	c/- CSNZ, Level 5, 79 Queen Street, Auckland, 1010, New Zealand

Notes to the consolidated financial statements continued

19. Investments continued

Name of company	Proportion of voting rights and shares held	Country of incorporation	Registered office address
Verifi International Limited[1]	100%	New Zealand	c/- CSNZ, Level 5, 79 Queen Street, Auckland, 1010, New Zealand
VIX Verify Global Pty Ltd[1]	100%	Australia	Level 7, 330 Collins Street, Melbourne, VIC 3000
迪安科[1]	100%	China	Room 1714, Building 4, China Investment Center, No.9 Guangan Road, Fengtai District, Beijing, China
VIX Verify International Pty Ltd[1]	100%	Australia	Co Sec Consulting Pty Ltd, 58 Gipps Street, Collingwood, Victoria 3066, Australia
VIX Verify SA (Pty) Ltd[1]	100%	South Africa	C/O Eversheds Sutherland, 3rd Floor, 54, Melrose Boulevard, Melrose Arch, Melrose North, 2196, Johannesburg, South Africa

The following investments placed into liquidation during the year ended 31 March 2023 were dissolved during the year:

Name of company	Proportion of voting rights and shares held	Country of incorporation	Registered office address
Acuant UK Limited	100%	United Kingdom	C/O Mazars LLP, 1st Floor Two Chamberlain Square, Birmingham, B3 3AX
CRD (UK) Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
Data Discoveries Holdings Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58 Morrison Street, Edinburgh, EH3 8BP
Data Discoveries Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58 Morrison Street, Edinburgh, EH3 8BP
e-Ware Interactive Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
Farebase Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
GB Mailing Systems Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
Inkfish Services Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
Managed Analytics Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58 Morrison Street, Edinburgh, EH3 8BP
TMG.tv Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP
Transactis Limited	100%	United Kingdom	C/O Mazars LLP, Restructuring Services, Capital Square 58, Morrison Street, Edinburgh, EH3 8BP

Notes to the consolidated financial statements continued

19. Investments continued

The following investments were placed into liquidation or liquidated during the year:

Name of company	Proportion of voting rights and shares held	Country of incorporation	Registered office address
Capscan Limited[1, 2]	100%	United Kingdom	The Foundation Herons Way, Chester Business Park, Chester, CH4 9GB
Capscan Parent Limited[2]	100%	United Kingdom	The Foundation Herons Way, Chester Business Park, Chester, CH4 9GB
IDscan Biometrics R&D – Lithuania[1, 2, 4]	100%	Lithuania	Kauno m. Kauno m. I. Kanto g. 18-4B, Lithuania

GB Group plc also hold branches in Germany and New Zealand and the Group holds branches in Australia, Thailand and the Philippines.
The Company accounts for its non-listed equity investments as financial instruments designated at fair value through OCI. The Company holds the following non-listed equity investments:

Name of company	Proportion of voting rights and shares held	Country of incorporation	Registered office address
CredoLab Pte Ltd	10.53%	Singapore	111 North Bridge Road #08-18, Peninsula Plaza, Singapore 179098
Prove Inc (formerly Payfone Inc.)[1, 3]	0.32%	United States	215 Park Avenue South New York, NY 10003 United States
Zenoo Ltd[1]	1.00%	United Kingdom	C/O Azets, Compass House, Vision Park, Histon, Cambridge, Cambridgeshire, United Kingdom, CB24 9AD

1. Held indirectly.
2. Dormant companies.
3. Held at zero value.
4. Liquidated during the year.

Notes to the consolidated financial statements continued

20. Inventories

	2024 £'000	2023 £'000
Finished goods	1,316	2,619

An amount of £20,000 has been charged (2023: £106,000 charged) to the consolidated statement of profit or loss in respect of movements in inventory write-downs. The cost of inventory recognised as an expense was £3,837,000 (2023: £4,097,000).

21. Trade and other receivables

	2024 £'000	2023 £'000
Current		
Trade receivables	57,157	52,892
Allowance for unrecoverable amounts	(2,416)	(2,394)
Net trade receivables	54,741	50,498
Prepayments	9,441	10,818
Accrued income	8,659	3,997
	72,841	65,313
Non-current		
Prepayments	493	701
Accrued income	5,730	3,604
	6,223	4,305

Expected credit loss allowance for trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The provision rates are based on days past due, historical information relating to counterparty default rates and external credit ratings where available. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, such as inflation, interest rates and economic growth rates. The following table provides an analysis of the Group's credit risk exposure on trade receivables using a provision matrix to measure expected credit losses.

31 March 2024

Trade receivables		Days past due				
	Current £'000	< 30 days £'000	31 – 60 days £'000	61 – 90 days £'000	> 90 days £'000	Total £'000
Gross carrying amount	35,148	11,584	2,594	2,990	4,841	57,157
Expected credit loss	(274)	(88)	(26)	(398)	(1,630)	(2,416)
Net carrying amount	34,874	11,496	2,568	2,592	3,211	54,741
% of total	63%	21%	5%	5%	6%	100%

31 March 2023

Trade receivables		Days past due				
	Current £'000	< 30 days £'000	31 – 60 days £'000	61 – 90 days £'000	> 90 days £'000	Total £'000
Gross carrying amount	30,112	12,375	3,712	1,603	5,090	52,892
Expected credit loss	(523)	(110)	(39)	(31)	(1,691)	(2,394)
Net carrying amount	29,589	12,265	3,673	1,572	3,399	50,498
% of total	59%	24%	7%	3%	7%	100%

The expected credit loss disclosed above includes both expected credit loss and credit note provisions.

Notes to the consolidated financial statements continued

21. Trade and other receivables continued

Set out below is the movement in the allowance for expected credit losses of trade receivables and credit note provisions:

	2024 £'000	2023 £'000
Balance at 1 April	**2,394**	3,968
Increase/(decrease) in provision	**1,956**	(542)
Write-offs	**(993)**	(366)
Release	**(908)**	(707)
Foreign exchange	**(33)**	41
Balance at 31 March	**2,416**	2,394

Sensitivities

A change in the expected credit loss percentage applied to each ageing category of 1% would increase/decrease the overall provision by £572,000 (2023: £528,000) at the year end.

22. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	**21,321**	21,552

£269,000 (2023: £279,000) of cash is considered to be restricted as it is held by Commonwealth Bank of Australia for the purposes of the bank guarantee over GBG offices in Australia.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

23. Equity share capital and share premium

	2024 £'000	2023 £'000
Authorised		
252,598,473 (2023: 252,454,882) ordinary shares of 2.5p each	**6,315**	6,311
Issued		
Allotted, called up and fully paid	**6,315**	6,311
Share premium	**567,581**	567,581
	573,896	573,892

	2024 No.	2023 No.
Number of shares in issue at 1 April	**252,454,882**	251,869,601
Issued on exercise of share options	**143,591**	585,281
Number of shares in issue at 31 March	**252,598,473**	252,454,882

Notes to the consolidated financial statements continued

23. Equity share capital and share premium continued

	2024			2023		
	Share capital £'000	**Share premium £'000**	**Total £'000**	Share capital £'000	Share premium £'000	Total £'000
1 April	**6,311**	**567,581**	**573,892**	6,297	566,769	573,066
Consideration received on exercise of share options	**4**	**–**	**4**	14	812	826
31 March	**6,315**	**567,581**	**573,896**	6,311	567,581	573,892

Share forfeiture

Under Article 43 of GBG's Articles of Association if, for a period of at least 12 years, the Company has been unable to trace a shareholder and dividends have remained uncashed, the shares will be forfeited. Those shares become an asset of the Company and can be sold on the open market, with the net proceeds being 'employed in the business of the Company or invested in such investments as the Board may think fit'.

Following an extensive exercise in conjunction with the Company's Registrar to trace missing shareholders, in September 2023 unclaimed dividends totalling £3,000 were repaid to the Company. The receipt from unclaimed dividends has been recognised directly in retained earnings.

During the year to 31 March 2024, a number of late claims have been received in relation to previous forfeited shares and unclaimed dividends. As a result, share forfeiture refunds totalling £40,000 have been paid (2023: £4,000).

24. Loans and borrowings

Bank loans

During the year to 31 March 2024, the Group drew down an additional £10,000,000 and made repayments of $20,000,000 (£15,967,000) and £17,000,000. The outstanding balance on the loan facility at 31 March 2024 was £102,175,000 (2023: £127,470,000) representing £nil in GBP (2023: £7,000,000) and $129,000,000 in USD (2023: $149,000,000).

The facility was due to expire in July 2026 but on 27 October 2023, the Group exercised the second of the one-year extension options on the existing revolving credit facility so that the Group has access to a £175 million facility until July 2026 and £140 million until July 2027. A further arrangement fee of £286,000 was payable for this extension. Loan arrangement fees have been netted off the loan balance.

The debt bears an interest rate of Sterling Overnight Index Average (SONIA) for GBP drawdowns or Secured Overnight Financing Rate (SOFR) for USD drawdowns plus a margin of between 1.6% and 2.4% depending on the Group's current leverage position.

The loan is secured by a fixed and floating charge over the assets of the Group.

	2024 £'000	2023 £'000
Opening bank loan	**126,411**	128,226
New borrowings	**10,000**	12,000
Agency fee paid	**(56)**	–
Loan fees paid for extension	**(286)**	(357)
Repayment of borrowings	**(32,967)**	(22,394)
Amortisation of loan fees	**341**	326
Foreign currency translation adjustment	**(2,328)**	8,610
Closing bank loan	**101,115**	126,411
Analysed as:		
Amounts falling due within 12 months	**–**	–
Amounts falling due after one year	**101,115**	126,411
	101,115	126,411
Analysed as:		
Bank loans	**102,175**	127,470
Unamortised loan fees	**(1,060)**	(1,059)
	101,115	126,411

Notes to the consolidated financial statements continued

25. Lease liabilities

	2024 £'000	2023 £'000
At 1 April	**1,766**	3,371
Additions	**1,481**	523
Disposals	**(174)**	(201)
Accretion of interest	**70**	110
Payments	**(1,399)**	(2,062)
Foreign currency adjustment	**(33)**	25
At 31 March	**1,711**	1,766
Analysed as:		
Amounts falling due within 12 months	**836**	1,242
Amounts falling due after one year	**875**	524
	1,711	1,766

26. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**13,568**	11,427
Other taxes and social security costs	**4,983**	3,996
Accruals	**25,118**	21,889
	43,669	37,312

27. Provisions

	2024 £'000	2023 £'000
Provisions can be analysed as follows:		
Dilapidation provision (see below)	**290**	342
Long-service award (see below)	**451**	450
	741	792
Dilapidation provision		
At 1 April	**342**	345
Provided in year	**–**	40
Utilised in year	**(51)**	(41)
Foreign exchange adjustment	**(1)**	(2)
At 31 March	**290**	342

This provision relates to the estimated cost of restoration work required upon termination of leasehold property agreements. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease. The timing of the outflows is not expected to occur in the following 12 months and as such has been disclosed as a non-current liability. The Group do not expect the final payments to differ materially from those amounts provided.

Long-service award

The Group provides long-service awards, providing employees with a benefit after they attain a set period of service with the Group, for example 10 or 20 years. For these benefits, IAS 19 requires a liability to be held on the Group's balance sheet.

	2024 £'000	2023 £'000
At 1 April	**450**	521
Service cost	**129**	64
Benefits taken	**(60)**	(59)
Actuarial gain during the year	**(90)**	(85)
Net interest charge	**22**	9
At 31 March	**451**	450

Notes to the consolidated financial statements continued

27. Provisions continued

The following table lists the inputs to the valuation of the long-service award for the years ended 31 March 2024 and 31 March 2023.

	2024	2023
Discount rate (%)	**4.7**	4.8
Salary increases (%)	**3.5**	3.8
Employee turnover (% probability of leaving depending on age)	**3 - 46%**	2 – 23%

28. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk, liquidity risk and capital management. The Group's overall risk management programme considers the unpredictability of financial markets and seeks to reduce potential adverse effects on the Group's financial performance. The Group does not currently use derivative financial instruments to hedge foreign exchange exposures.

Credit risk

Credit risk is managed on a Group basis except for credit risk relating to accounts receivable balances which each entity is responsible for managing. Credit risk arises from cash and cash equivalents, as well as credit exposures from outstanding customer receivables. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. For those sales considered higher risk, the Group operates a policy of cash in advance of delivery. The Group regularly monitors its exposure to bad debts in order to minimise exposure. Credit risk from cash and cash equivalents is managed via banking with well-established banks with a strong credit rating.

The maximum exposure to credit risk at the reporting dates is the carrying value of each class of financial assets as disclosed in note 21.

Foreign currency risk

The Group's foreign currency exposure arises from:

- Transactions (sales/purchases) denominated in foreign currencies;
- Monetary items (mainly cash receivables and borrowings) denominated in foreign currencies; and
- Investments in foreign operations, whose net assets are exposed to foreign currency translation.

The Group has currency exposure on its investments in foreign operations in the United States of America. In terms of sensitivities, the effect on equity of a 10% increase in the US Dollar and Sterling exchange rate would be an increase in equity of £7,020,000 (2023: £8,561,000 increase). The effect on equity of a 10% decrease in the US Dollar and Sterling exchange rate would be a decrease of £8,580,000 (2023: £10,464,000 decrease).

Foreign currency risk continued

The Group has currency exposure on its investments in foreign operations in Australia. In terms of sensitivities, the effect on equity of a 10% increase in the Australian Dollar and Sterling exchange rate would be a decrease of £4,572,000 (2023: £5,135,000 decrease). The effect on equity of a 10% decrease in the Australian Dollar and Sterling exchange rate would be an increase of £5,587,000 (2023: £6,276,000 increase).

The Group has currency exposure on its investments in foreign operations in New Zealand. In terms of sensitivities, the effect on equity of a 10% increase in the New Zealand Dollar and Sterling exchange rate would be a decrease of £49,000 (2023: £94,000 decrease). The effect on equity of a 10% decrease in the New Zealand Dollar and Sterling exchange rate would be an increase of £60,000 (2023: £114,000 increase).

The exposure to transactional foreign exchange risk within each company is monitored and managed at both an entity and a Group level. The following table demonstrates the sensitivity of the Group's foreign currency exposure on the net monetary position at 31 March 2024:

Foreign currency exposure – Group	**USD rate**	**EUR rate**	**AUD rate**	**MYR rate**	**CNY rate**	**NZD rate**	**THB rate**	**IDR rate**
Change in rate	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%
Effect on profit before tax (£000s)	577	(24)	(160)	(36)	11	(42)	(34)	45
Change in rate	–10%	–10%	–10%	–10%	–10%	–10%	–10%	–10%
Effect on profit before tax (£000s)	(705)	29	196	44	(14)	51	42	(55)

The Group's exposure to foreign currency changes for all other currencies is not material.

Cash flow interest rate risk

The Group has financial assets and liabilities, which are exposed to changes in market interest rates. Changes in interest rates impact primarily on deposits and loans by changing their future cash flows (variable rate). Management does not currently have a formal policy of determining how much of the Group's exposure should be at fixed or variable rates and the Group does not use hedging instruments to minimise its exposure. However, at the time of taking new loans or borrowings, management uses its judgement to determine whether it believes that a fixed or variable rate would be more favourable for the Group over the expected period until maturity. In terms of sensitivities, the effect on profit before taxation of an increase/decrease in the basis points on floating rate borrowings of 25 basis points would be £257,000 (2023: £326,000).

Liquidity risk

Cash flow forecasting is performed on a Group basis by the monitoring of rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs and surplus funds are placed on deposit and available at very short notice. The maturity date of the Group's loans are disclosed in note 24.

Notes to the consolidated financial statements continued

28. Financial instruments and risk management continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and includes contractual interest payments:

Year ended 31 March 2024	On demand £'000	Less than 12 months £'000	1 to 5 years £'000	Total £'000
Loans (note 24)	–	–	102,175	102,175
Contingent consideration (note 34)	–	–	–	–
Lease liabilities (note 25)	–	906	888	1,794
Trade and other payables (note 26)	18,551	25,118	–	43,669
	18,551	26,024	103,063	147,638

Year ended 31 March 2023	On demand £'000	Less than 12 months £'000	Restated[1] 1 to 5 Years £'000	Restated[1] Total £'000
Loans (note 24)	–	–	127,470	127,470
Contingent consideration (note 34)	–	1,237	–	1,237
Lease liabilities (note 25)	–	1,291	549	1,840
Trade and other payables (note 26)	15,423	21,889	–	37,312
	15,423	24,417	128,019	167,859

1. The year to 31 March 2023 has been restated to exclude unamortised loan arrangement fees from loans to correct the classification of financial instruments. The correction in classification increased the disclosure of loans by £1,059,000 but had no impact on the consolidated balance sheet.

The balances above represent the contractual undiscounted amounts, and therefore will differ from the amounts presented in the consolidated balance sheet (which are discounted).

Capital Management

The Group manages its capital structure in order to safeguard the going concern of the Group and maximise shareholder value. The capital structure of the Group consists of debt, which includes loans disclosed in note 24, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings.

The Group may maintain or adjust its capital structure by adjusting the amount of dividend paid to shareholders, returning capital to shareholders, issuing new shares or selling assets to reduce debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to borrowings. Breaches in meeting the financial covenants would permit the bank to immediately recall loans and borrowings. There have been no breaches in the financial covenants of any borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

Notes to the consolidated financial statements continued

28. Financial instruments and risk management continued

Financial Instruments: Classification and Measurement

Set out below is an overview of financial instruments held by the Group at 31 March:

	2024			Restated[1] 2023		
	Amortised cost £'000	**Fair value through profit or loss £'000**	**Fair value through OCI £'000**	Amortised cost £'000	Fair value through profit or loss £'000	Fair value through OCI £'000
Financial assets:						
Trade and other receivables	**63,400**	**–**	**–**	54,495	–	–
Cash and cash equivalents	**21,321**	**–**	**–**	21,552	–	–
Total current	**84,721**	**–**	**–**	76,047	–	–
Investments	**38**	**–**	**1,388**	38	–	2,988
Trade and other receivables	**5,730**	**–**	**–**	3,604	–	–
Total non-current	**5,768**	**–**	**1,388**	3,642	–	2,988
Total	**90,489**	**–**	**1,388**	79,689	–	2,988
Financial liabilities:						
Lease liabilities	**875**	**–**	**–**	524	–	–
Loans	**102,175**	**–**	**–**	127,470	–	–
Contingent consideration	**–**	**–**	**–**	–	–	–
Total non-current	**103,050**	**–**	**–**	127,994	–	–
Trade and other payables	**38,686**	**–**	**–**	33,316	–	–
Lease liabilities	**836**	**–**	**–**	1,242	–	–
Loans	**–**	**–**	**–**	–	–	–
Contingent consideration	**–**	**–**	**–**	–	1,237	
Total current	**39,522**	**–**	**–**	34,558	1,237	–
Total	**142,572**	**–**	**–**	162,552	1,237	–

1. The year to 31 March 2023 has been restated to include accrued income and cash and cash equivalents in financial assets, to remove other taxes and social security costs from financial liabilities, to remove unamortised loan arrangement fees from loans and include investments held at amortised cost within investments to correct the classification of financial instruments. This correction in classification increased the disclosure of financial assets by £29,191,000 and reduced financial liabilities by £2,937,000 but had no impact on the consolidated balance sheet.

All financial assets and liabilities have a carrying value that approximates to fair value. The Group does not have any derivative financial instruments at the year end.

Notes to the consolidated financial statements continued

28. Financial instruments and risk management continued

Financial Assets

Trade and other receivables exclude the value of any prepayments or accrued income. Trade and other payables exclude the value of deferred income.

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Trade receivables are non-interest bearing and are generally on 14-to 60-day terms.

Financial Liabilities

The Group has a multi-currency revolving credit facility agreement expiring in July 2027, which is subject to a limit of £175,000,000 until July 2026 and £140,000,000 until July 2027. The debt bears an interest rate of Sterling Overnight Index Average (SONIA) for GBP drawdowns or Secured Overnight Financing Rate (SOFR) for USD drawdowns plus a margin of between 1.6% and 2.4% depending on the Group's current leverage position.

The facilities are secured by way of an all asset debenture.

The Group is subject to a number of covenants in relation to its borrowings which, if breached, would result in loan balances becoming immediately repayable. These covenants specify certain maximum limits in terms of the following:

- Leverage
- Interest cover

At 31 March 2024 and 31 March 2023, the Group was not in breach of any bank covenants.

Financial Liabilities: Interest Bearing Loans and Borrowings

	Interest rate %	Maturity	2024 £'000	Restated 2023 £'000
Non-current interest-bearing loans and borrowings				
£175,000,000 multi-currency revolving credit facility	Variable[1]	July 2026[2]	**102,175**	127,470
Total non-current interest-bearing loans and borrowings			**102,175**	127,470
Total interest-bearing loans and borrowings			**102,175**	127,470

1. The debt bears an interest rate of Sterling Overnight Index Average (SONIA) for GBP drawdowns or Secured Overnight Financing Rate (SOFR) for USD drawdowns plus a margin of between 1.6% and 2.4% depending on the Group's current leverage position.
2. Following the exercise of the second of the one-year extension options on the existing revolving credit facility on 27 October 2023, the Group has access to a £175 million facility until July 2026 and £140 million facility until July 2027.

The year to 31 March 2023 has been restated to exclude unamortised loan arrangement fees from loans to correct the classification of financial liabilities. The correction in classification increased the disclosure of interest-bearing loans by £1,059,000 but had no impact on the consolidated balance sheet.

Notes to the consolidated financial statements continued

28. Financial instruments and risk management continued

Fair Values of Financial Assets and Liabilities

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of inputs used in making measurements of fair value. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments that are recognised at the fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At 31 March 2024	Valuation technique	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial asset at fair value through other comprehensive income					
Investment in CredoLab Pte Ltd (note 19)	**Market-based approach**	**–**	**–**	**1,388**	**1,388**
Financial liability at fair value through profit and loss					
Contingent consideration (note 34)	**Present value of expected future cash flow**	**–**	**–**	**–**	**–**

At 31 March 2023	Valuation technique	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial asset at fair value through other comprehensive income					
Investment in CredoLab Pte Ltd (note 19)	Market-based approach	–	–	2,988	2,988
Financial liability at fair value through profit and loss					
Contingent consideration (note 34)	Present value of expected future cash flow	–	–	1,237	1,237

There were no transfers between levels during the period.

The fair value of non-listed equity investments is determined using the market-based approach. Factors considered include movement in exchange rates, similar share transactions and revenue performance.

The fair value of contingent consideration is estimated having been determined from management's estimates of the range of outcomes to certain future forecasts and their estimated respective likelihoods. The contractual cash flows are therefore based on future trading activity, which is estimated based on latest forecasts.

There were no changes to the valuation techniques during the period.

Notes to the consolidated financial statements continued

29. Changes in liabilities arising from financing activities

	1 April 2023 £'000	Cash flows £'000	Foreign exchange movement £'000	Other movement £'000	New leases £'000	31 March 2024 £'000
Current liabilities						
Lease liabilities	**1,242**	**(1,399)**	**–**	**993**	**–**	**836**
Non-current liabilities						
Interest bearing loans	**126,411**	**(23,253)**	**(2,328)**	**285**	**–**	**101,115**
Lease liabilities	**524**	**–**	**(33)**	**(1,097)**	**1,481**	**875**
Total liabilities arising from financing activities	**128,177**	**(24,652)**	**(2,361)**	**181**	**1,481**	**102,826**

Other movement in interest bearing loans represents additional loan fees paid during the year and amortisation of those loan fees.

Other movement in lease liabilities includes interest, disposals and the reclassification of non-current lease liabilities to current lease liabilities.

	1 April 2022 £'000	Cash flows £'000	Foreign exchange movement £'000	Other movement £'000	New leases £'000	31 March 2023 £'000
Current liabilities						
Interest bearing loans	–	–	–	–	–	–
Lease liabilities	1,842	(2,062)	–	1,462	–	1,242
Non-current liabilities						
Interest bearing loans	128,226	(10,394)	8,611	(32)	–	126,411
Lease liabilities	1,529	–	26	(1,554)	523	524
Total liabilities arising from financing activities	131,597	(12,456)	8,637	(124)	523	128,177

Other movement in interest bearing loans represents amortisation of loan fees.

Other movement in lease liabilities includes interest, disposals and the reclassification of non-current lease liabilities to current lease liabilities.

Notes to the consolidated financial statements continued

30. Share-based payments

The Group operates Executive Share Option Schemes under which Executive Directors, managers and team members of the Company are granted options over shares. The charge recognised from equity-settled share-based payments in respect of employee services received during the year is £3,488,000 (2023: £2,313,000).

Executive Share Option Scheme

Options are granted to Executive Directors and employees on the basis of their performance. Options are granted at the full market value of the Company's shares at the time of grant and are exercisable between three and ten years from the date of grant. The options vest on the third anniversary of the grant subject to the Company's earnings per share ('EPS') growth being greater than the growth of the Retail Prices Index ('RPI') over a three-year period prior to the vesting date. There are no cash settlement alternatives.

Share Matching Plan

In the year ended 31 March 2012, the Remuneration Committee introduced the Share Matching Plan. Participants who invest a proportion of their annual cash bonus in GBG shares can receive up to a multiple of their original investment in GBG shares, calculated on a pre-tax basis. Any matching is conditional upon achieving pre-determined Adjusted EPS growth targets set by the Remuneration Committee for the following three years. Share Matching Plan options will only become exercisable to the extent they have vested in accordance with the Adjusted EPS target.

For Share Matching Plan awards granted after 31 March 2020, 75% of the awards are subject to the Adjusted EPS growth targets. The remaining 25% are subject to a Total Shareholder Return ('TSR') measure against the peer group (FTSE 250). 25% of the TSR element vests at the median performance against the peer group and 100% of award vests at upper quartile, i.e. the 75th percentile.

GBG Sharesave Scheme

The Group has a savings-related share option plan, under which employees save on a monthly basis, over a three- or five-year period, towards the purchase of shares at a fixed price determined when the option is granted. This price is usually set at a 20% discount to the market price at the time of grant. The option must be exercised within six months of maturity of the savings contract, otherwise it lapses.

Performance Share Plan ('PSP')

The Group operates a PSP for all employees, but it is intended that awards are made to senior management team members below the Executive Director level. The plan was approved at the 2018 AGM. Awards are subject to a three-year EPS performance condition. Employees can be granted awards with an aggregate value on date of grant of up to 100% of base salary. The awards are subject to malus and clawback.

In the year to 31 March 2023, the Remuneration Committee agreed to amend the PSP to allow executive directors to participate in the Share Plan and as a result, the Company's Share Matching Plan will no longer be used. The plan was approved at the 2022 AGM. Executive Directors can be granted awards of £nil cost options with an aggregate value on date of grant of up to 225% of base salary (or 400% in exceptional circumstances). The awards are subject to a two-year holding period from the date of vesting and malus and clawback.

For Performance Share Plan awards granted after 31 March 2020, 75% of the awards are subject to the Adjusted EPS growth targets. The remaining 25% are subject to a TSR measure against the peer group (FTSE 250). 25% of the TSR element vests at the median performance against the peer group and 100% of award vests at upper quartile, i.e. the 75th percentile.

Restricted Share Plan (RSP)

In the year ended 31 March 2023, the Remuneration Committee introduced the RSP. The RSP's primary purpose is to incentivise and retain selected participants below Board level. The plan was approved at the 2022 AGM. Awards are subject to a three-year period of service. Employees can be granted awards with an aggregate value on date of grant of up to 100% of base salary. The awards are subject to malus and clawback.

The following table illustrates the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year.

	2024 No.	**2024 WAEP**	2023 No.	2023 WAEP
Outstanding as at 1 April	**6,304,260**	**101.03p**	5,351,638	148.5p
Granted during the year	**3,934,378**	**54.23p**	3,331,870	83.64p
Forfeited during the year	**(1,641,226)**	**35.74p**	(1,123,447)	149.95p
Cancelled during the year	**(463,413)**	**431.27p**	(332,491)	554.15p
Exercised during the year	**(391,108)**	**2.50[1]**	(923,310)	90.41p[2]
Outstanding at 31 March	**7,742,891**	**76.30p**	6,304,260	101.03p
Exercisable at 31 March	**449,389**	**232.52p**	321,299	206.35p

1. The weighted average share price at the date of exercise for the options exercised was 254.89p.
2. The weighted average share price at the date of exercise for the options exercised was 443.97p.

For the shares outstanding as at 31 March 2024, the weighted average remaining contractual life is 6.6 years (2023: 6.3 years).

The weighted average fair value of options granted during the year was 177.20p (2023: 469.34p). The range of exercise prices for options outstanding at the end of the year was 2.5p-885.0p (2023: 2.5p-885.0p).

Notes to the consolidated financial statements continued

30. Share-based payments continued

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for the years ended 31 March 2024 and 31 March 2023.

	2024	2023
Dividend yield (%)	**1.4-1.8**	0.3-0.8
Expected share price volatility (%)	**47-49**	30-46
Risk-free interest rate (%)	**3.6-5.2**	0.0-3.0
Lapse rate (%)	**0-10.0**	0-10.0
Expected exercise behaviour	**See below**	See below
Expected life of option (years)	**1.0-5.1**	1.0-5.1
Exercise price (p)	**2.50-228.0**	2.50-885.0
Weighted average share price (p)	**254.89**	443.97

Other than the Matching Scheme, PSP, RSP and Sharesave options, it is assumed that 50% of options will be exercised by participants as soon as they are 20% or more 'in-the-money' (i.e. 120% of the exercise price) and the remaining 50% of options will be exercised gradually at the rate of 10% per annum each year they remain at or above the 20% 'in-the-money'.

For the Matching Scheme, PSP and Sharesave options, it is assumed these are exercised at the earliest opportunity in full (i.e. vesting date) since the exercise price is a nominal amount and is therefore not expected to influence the timing of a participant's decision to exercise the options.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

31. Description of reserves

Equity share capital
The balance classified as share capital includes the nominal value on issue of the Company's equity share capital, comprising 2.5p ordinary shares.

Share premium
The balance classified as share premium includes the excess proceeds over the nominal amount received on the issue of the Company's equity share capital. Costs associated with the issue of new share capital have been offset against this balance.

Merger reserve
The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in the acquisition of GB Mailing Systems Limited, Investigate 2020 Ltd, Acuant Intermediate Holding Corp and Verifi Identity Services Limited by the issue of shares.

Capital redemption reserve
The balance classified as capital redemption reserve includes the nominal value of own shares purchased back by the Company and subsequently cancelled.

Foreign currency translation reserve
The balance on the foreign currency translation reserve represents the accumulated balance on the translation of foreign subsidiaries previously recognised through other comprehensive income.

Treasury shares
The treasury share reserve represents the weighted average cost of the shares in GB Group plc purchased in the open market and held by the GBG Employee Benefit Trust (EBT) to satisfy existing share options under the Group's long-term incentive plans. During the year, no shares (2023: 607,333) were purchased by the EBT at an average price of £nil (2023: £4.12). 229,895 shares (2023: 346,394) with an attributable cost of £4.12 (2023: £4.12) were issued to employees in satisfying share options that were exercised.

	2024 £'000	2023 £'000
At 1 April	**1,074**	–
Own shares purchased	**–**	2,500
Shares issued to employees in satisfaction of share options	**(947)**	(1,426)
At 31 March	**127**	1,074

32. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

There were no other related party transactions entered into, or outstanding at 31 March 2024 or 31 March 2023.

Compensation of Key Management Personnel (including Directors)

	2024 £'000	2023 £'000
Short-term employee benefits	**2,754**	1,828
Fair value of share options awarded	**1,363**	1,555
	4,117	3,383

Notes to the consolidated financial statements continued

33. Post balance sheet events

There are not considered to be any events after the balance sheet date which require disclosure under IAS 10.

34. Contingent consideration

	2024 £'000	2023 £'000
At 1 April	**1,237**	7,776
Remeasurement of contingent consideration charged to profit or loss	**20**	806
Unwinding of discount	**–**	165
Release of contingent consideration	**–**	(2,753)
Foreign exchange – unrealised	**(57)**	234
Settlement of consideration	**(1,200)**	(4,991)
At 31 March	**–**	1,237
Analysed as:		
Amounts falling due within 12 months	**–**	1,237
Amounts falling due after one year	**–**	–
At 31 March	**–**	1,237

The opening balance at 1 April 2022 included £3,842,000 related to the pre-acquisition tax assets within IDology Inc. A value equivalent to the cash benefit GBG received for these assets was payable to the sellers once the cash benefit had been received by GBG. In December 2022, IDology received the cash refund which was subsequently paid to the sellers. There are no further payments due in respect of the IDology acquisition.

The remaining contingent consideration was in respect of the acquisition of Cloudcheck during the year ended 31 March 2022. In July 2023, a payment was made based on performance in the first of two earn-out periods. Based on actual performance during the year, it has been determined that the remaining performance criteria has not been met and so there are no further payments due in respect of the Cloudcheck acquisition.

The fair value of contingent consideration is estimated having been determined from management's estimates of the range of outcomes to certain future forecasts and their estimated respective likelihoods. The contractual cash flows are therefore based on future trading activity, which is estimated based on latest forecasts (Level 3 as defined by IFRS 13 – see note 28).

Company balance sheet

As at 31 March 2024

	Note	2024 £'000	Restated[1] 2023 £'000
ASSETS			
Non-current assets			
Goodwill	C6	**99,858**	99,858
Other intangible assets	C7	**10,167**	14,138
Property, plant and equipment	C8	**573**	2,163
Right-of-use assets	C9	**831**	440
Investments	C10	**570,215**	629,486
Intercompany loans	C17	**2,486**	–
Deferred tax asset	C11	**549**	634
		684,679	746,719
Current assets			
Inventories		**200**	217
Trade and other receivables	C12	**34,405**	30,356
Current tax		**1,586**	–
Cash and short-term deposits	C13	**5,740**	8,997
		41,931	39,570
Total assets		**726,610**	786,289
Capital and reserves			
Equity share capital	C14	**6,315**	6,311
Share premium	C16	**567,581**	567,581
Merger reserve	C16	**99,999**	99,999
Capital redemption reserve	C16	**3**	3
Other reserves	C16	**4,489**	4,489
(Accumulated losses)/retained earnings	C16	**(34,940)**	20,340
Total equity attributable to equity holders of the Parent		**643,447**	698,723

	Note	2024 £'000	Restated[1] 2023 £'000
EQUITY and LIABILITIES			
Non-current liabilities			
Loans and borrowings	C17	**–**	5,941
Intercompany loans	C17	**18,821**	19,746
Lease liabilities	C18	**437**	87
Deferred revenue		**783**	540
Provisions	C19	**613**	638
Deferred tax	C11	**1,306**	2,530
		21,960	29,482
Current liabilities			
Trade and other payables	C20	**26,215**	21,449
Deferred revenue		**34,528**	34,575
Lease liabilities	C18	**460**	515
Contingent consideration	C22	**–**	–
Current tax		**–**	1,545
		61,203	58,084
Total liabilities		**83,163**	87,566
Total equity and liabilities		**726,610**	786,289

During the year the Company made a loss of £47,142,000 (2023 restated: loss of £104,014,000).

1. See note C2.2 of the company accounts for details of the restatement.

The financial statements on pages 138 to 148 were approved by the Board of DIrectors on 10 June 2024 and signed on its behalf.

D Dhiman
Director

D M Ward
Director

Registered in England number 2415211

Company statement of changes in equity

Year ended 31 March 2024

	Note	Equity share capital £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Restated Retained earnings/ (accumulated losses) £'000	Restated Total equity £'000
Balance at 1 April 2022		6,297	566,769	99,999	3	4,489	130,938	808,495
Profit for the period		–	–	–	–	–	3,663	3,663
Other comprehensive income		–	–	–	–	–	700	700
Total comprehensive expense for the period		–	–	–	–	–	4,363	4,363
Issue of share capital	C14	14	812	–	–	–	–	826
Share-based payments charge		–	–	–	–	–	2,313	2,313
Tax on share options		–	–	–	–	–	(143)	(143)
Share forfeiture receipt	C14	–	–	–	–	–	146	146
Equity dividend	C15	–	–	–	–	–	(9,600)	(9,600)
Balance at 31 March 2023 (as reported)		6,311	567,581	99,999	3	4,489	128,017	806,400
Prior year adjustment[1]	C2.2	–	–	–	–	–	(107,677)	(107,677)
Balance at 31 March 2023 (after prior year adjustment)		6,311	567,581	99,999	3	4,489	20,340	698,723
Loss for the period		**–**	**–**	**–**	**–**	**–**	**(47,142)**	**(47,142)**
Other comprehensive expense		**–**	**–**	**–**	**–**	**–**	**(1,600)**	**(1,600)**
Total comprehensive expense for the period		**–**	**–**	**–**	**–**	**–**	**(48,742)**	**(48,742)**
Issue of share capital	C14	**4**	**–**	**–**	**–**	**–**	**–**	**4**
Share-based payments charge		**–**	**–**	**–**	**–**	**–**	**3,488**	**3,488**
Tax on share options	C11	**–**	**–**	**–**	**–**	**–**	**104**	**104**
Net share forfeiture refund	C14	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Equity dividend	C15	**–**	**–**	**–**	**–**	**–**	**(10,093)**	**(10,093)**
Balance at 31 March 2024		**6,315**	**567,581**	**99,999**	**3**	**4,489**	**(34,940)**	**643,447**

1 See note C2.2 of the company accounts for details of the restatement.

Notes to the Company accounts

C1. Corporate information

GB Group plc ('the Company') provides identity data intelligence products and services helping organisations recognise and verify all elements of an individual's identity at key interactions in their business processes. The nature of the Company's operations and its principal activities are set out in the Financial Review.

The Company is a public company limited by shares incorporated in the United Kingdom and is listed on the London Stock Exchange with its ordinary shares traded on the Alternative Investment Market. The Company registration number is 02415211. The address of its registered office is The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB. A list of the investments in subsidiaries, including the name, country of incorporation, registered office address and proportion of ownership interest is given in note 19.

These parent company financial statements have been approved for issue by the Board of Directors on 10 June 2024.

The Company's financial statements are included in the consolidated financial statements of GB Group plc. As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented.

C2. Accounting policies

C2.1 Basis of preparation

The separate financial statements of the Parent Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and in accordance with applicable accounting standards. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006 ('Adopted IFRSs') with the exception of applying the true and fair override with regards to the non-amortisation of goodwill as required by IFRS 3. See note C6 for details of the impact of this departure. The Company has taken advantage of the following disclosure exemptions:

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Certain disclosures required by IAS 7 - Statement of cash flows in respect of preparing a Cash Flow Statement and related notes;
- Certain disclosures required by IFRS 18 - Presentation and disclosure in financial statements in respect of comparative period reconciliations for share capital, tangible assets and intangible assets;
- Certain disclosures required by IAS 24 - Related party disclosures in respect of transactions with wholly owned subsidiaries;
- Certain disclosures required by IFRS 7 - Financial instruments: disclosure in respect of disclosures in respect of capital management;
- Certain disclosures required by IAS 8 - IFRSs issued but not effective in respect of the effects of new but not yet effective IFRSs; and
- Certain disclosures required by IAS 24 - Related party disclosures in respect of disclosures of the compensation of Key Management Personnel.

As the Consolidated Financial Statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 – Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 15 – Revenue from contracts with customers in respect of disaggregation of revenue and performance obligations;
- Certain disclosures required by IFRS 2 – Shared-based payments in respect of equity settled share-based payments;
- Certain disclosures required by IFRS 3 – Business combinations in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 – Fair value measurement and the disclosures required by IFRS 7 – Financial Instrument Disclosures.

The Company financial statements have been prepared under the historical cost convention, modified in respect of the revaluation of financial assets and liabilities at fair value and are presented in pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated. As disclosed in the accounting policies in note 2 of the consolidated financial statements, they have been prepared on a going concern basis under the historical cost convention, modified in respect of the revaluation of financial assets and liabilities at fair value.

C2.2 Significant accounting policies

The significant accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements with the exception of:

Investment in subsidiaries

Investments in subsidiaries are held at cost, less provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of fair value less costs of disposal or value-in-use. If this is the case, an impairment charge is recorded to reduce the carrying amount of the related investment.

The accounting policies have been applied consistently throughout the year.

Notes to the Company accounts continued

C2. Accounting policies continued

C2.2 Significant accounting policies continued

Prior year restatement

Impairment of investment in subsidiary undertakings

The Group has identified that the impairment assessment for the Company's investment in GBG (US) Holdings LLC at 31 March 2023 incorrectly excluded the fair value of cash flows associated with external and intercompany loans held within this subsidiary. As a result, the prior year impairment charge in respect of the investment in GBG (US) Holdings LLC has been increased from £5,685,000 to £113,362,000 in the year ended 31 March 2023. The restatement reduced reported profit and investments of the Company in the year ended 31 March 2023 by £107,677,000.

The above prior period misstatement came to the Company's attention when responding to an enquiry from the Corporate Reporting Review team at the Financial Reporting Council (FRC). In common with other large public limited companies, the FRC carried out a review of GBG's FY23 Annual Report and Accounts in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC has asked that in disclosing this engagement we note the limitations of its review, namely that it was based solely on its reading of the Annual Report and Accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. It also noted that its review provided no assurance that the Annual Report and Accounts are correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

C2.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are the same for the Company as they are for the Group with the exception of the following:

Impairment of investments in subsidiary undertakings

The Company tests for impairment of investments where there are indicators that the carrying value exceeds the recoverable value.

GBG's forecasting process is prepared at a cash-generating unit (referred to internally as business units) level rather than for specific legal entities. These business units are combined in accordance with IAS 36 to form the groups of CGUs that are assessed for goodwill and intangible asset impairment testing purposes as set out under note 16 to the consolidated accounts.

It is therefore necessary to disaggregate these business unit forecasts when considering impairment on a legal entity basis, but the underlying cash flows used are the same. The exception to this is that the fair value of external and intercompany loans held in a subsidiary are deducted from the present value of cash flows that are available for payment as dividends.

As noted in note 16 to the consolidated financial statements, as a result of increased discount rate assumptions used in the value-in-use calculations, driven by increases in underlying risk-free rates, there was considered to be potential indicator of impairment for our Identity – Americas group of CGUs at the balance sheet date. Since these cash flows form part of the Company's investment in GBG (US) Holdings LLC, this was considered to be a potential indicator of impairment. There was not considered to be any impairment indicators at the balance sheet date for any other investments in subsidiary undertakings.

The key assumptions used in this assessment are set out in note 16 to the consolidated accounts which resulted in an impairment charge of £67,936,000 being recognised within exceptional items in the Company income statement (see note C10). Any additional adverse movements in the key assumptions at the balance sheet date could lead to a further impairment of investments. Applying the same changes in key assumptions from note 16 to create a sensitised scenario would lead to impairment of £162,260,000.

For details of other judgements and key sources of estimation uncertainty in the preparation of the Company's financial statements, see pages 106 to 107 in the Group financial statements. The following are relevant to the Company: impairment of goodwill, allowance for impairment losses on credit exposures, revenue recognition and deferred tax assets.

C3. Profit attributable to members of the Parent Company

The Company's loss for the financial year ended 31 March 2024 was £47,142,000 (2023 (restated): loss of £104,014,000). As permitted by Section 408 of Companies Act 2006, the profit and loss account of the Parent Company is not presented.

The year to 31 March 2023 has been restated for an increase in impairment charge to investment in subsidiary undertakings as set out in note C2.2 of the company accounts.

C4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company and Group financial statements are disclosed in note 6 of the Consolidated Financial Statements for the Group.

Notes to the Company accounts continued

C5. Team member costs and Directors' emoluments

a) Team member costs (including Directors)

	2024 £'000	2023 £'000
Wages and salaries including commission and bonuses	**41,962**	42,506
Social security costs	**5,482**	5,530
Other pension costs	**1,745**	1,861
Share-based payments	**2,675**	1,139
	51,864	51,036

The average monthly number of team members during the year within each category was as follows:

	2024 No.	2023 No.
Sales and marketing	**286**	312
Technology	**150**	171
General and administration	**122**	129
	558	612

b) Directors' Emoluments
The remuneration of Executive Directors for both the Company and the Group are disclosed in note 8 of the Consolidated Financial Statements for the Group.

C6. Goodwill

	2024 £'000	2023 £'000
Cost		
At 1 April	**105,970**	105,970
At 31 March	**105,970**	105,970
Accumulated impairment		
At 1 April	**6,112**	6,112
At 31 March	**6,112**	6,112
Net book value		
At 31 March	**99,858**	99,858

Goodwill arose on the acquisition of ID Scan Biometrics Limited, Postcode Anywhere (Holdings) Limited and Investigate 2020 Ltd. Under FRS 101 goodwill is not amortised and is tested annually for impairment. The non-amortisation of goodwill conflicts with paragraph 22 of Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

Notes to the Company accounts continued

C7. Other intangible assets

	Customer relationships £'000	Software technology £'000	Non-compete clauses £'000	Total acquired intangibles £'000	Purchased software £'000	Internally developed software £'000	Total £'000
Cost							
At 1 April 2023	26,024	12,438	645	39,107	397	1,107	40,611
Disposals	–	–	(645)	(645)	–	–	(645)
At 31 March 2024	**26,024**	**12,438**	**–**	**38,462**	**397**	**1,107**	**39,966**
Accumulated amortisation and impairment							
At 1 April 2023	14,598	9,897	484	24,979	387	1,107	26,473
Amortisation during the year	2,878	924	161	3,963	8	–	3,971
Disposals	–	–	(645)	(645)	–	–	(645)
At 31 March 2024	**17,476**	**10,821**	**–**	**28,297**	**395**	**1,107**	**29,799**
Net book value							
At 31 March 2024	**8,548**	**1,617**	**–**	**10,165**	**2**	**–**	**10,167**
At 1 April 2023	11,426	2,541	161	14,128	10	–	14,138

	2024			
	Carrying value of customer relationship £'000	Remaining amortisation period Years	Carrying value of technology £'000	Remaining amortisation period Years
ID Scan Biometrics Limited	881	2.25	–	–
Postcode Anywhere (Holdings) Limited	7,667	3.08	–	–
Investigate 2020 Ltd	–	–	1,617	1.75
	8,548		1,617	

Notes to the Company accounts continued

C8. Property, plant and equipment

	Property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 April 2023	1,233	5,871	7,104
Additions	–	196	196
Disposals	(1,233)	(3,341)	(4,574)
At 31 March 2024	**–**	**2,726**	**2,726**
Accumulated depreciation and impairment			
At 1 April 2023	92	4,849	4,941
Provided during the year	17	541	558
Disposals	(109)	(3,237)	(3,346)
At 31 March 2024	**–**	**2,153**	**2,153**
Net book value			
At 31 March 2024	**–**	**573**	**573**
At 31 March 2023	1,141	1,022	2,163

C9. Right-of-use assets

	£'000
Cost	
At 1 April 2023	3,273
Additions	897
Disposals	(1,559)
At 31 March 2024	**2,611**
Accumulated depreciation and impairment	
At 1 April 2023	2,833
Provided during the year	476
Disposals	(1,529)
At 31 March 2024	**1,780**
Net book value	
At 31 March 2024	**831**
At 31 March 2023	440

The underlying class of assets and their net book values all relate to leasehold property.

C10. Investments

	2024 £'000	Restated[4] 2023 £'000
At 1 April	**745,312**	714,367
Capital contribution to subsidiary undertakings[1]	**10,265**	283,364
Transfer of subsidiary undertakings	**–**	(246,146)
Subscription to new shares in subsidiary undertakings	**–**	7,824
Dividends received from subsidiary undertakings	**–**	(6,973)
Changes in fair value recognised in OCI[2]	**(1,600)**	700
Disposal	**–**	(7,824)
At 31 March	**753,977**	745,312
Provision for impairment		
At 1 April	**115,826**	2,464
Charge for the year[3 4]	**67,936**	121,186
Disposal	**–**	(7,824)
At 31 March	**183,762**	115,826
Net book value		
At 31 March	**570,215**	629,486

The above balance is split between investments held at fair value through other comprehensive income of £1,388,000 (2023: £2,988,000) and cost less provision for impairment of £568,827,000 (2023 (restated): £626,498,000).

During the current year:
1. An intercompany loan with GBG (US) Holdings LLC was settled through a capital contribution of £10,265,000.
2. A £1,600,000 loss on investments was recognised in OCI due to the fair value assessment of the investment in CredoLab. Pte Ltd. See note 19 of the Consolidated Financial Statements for the Group for more details.
3. An impairment charge of £67,936,000 was recognised in respect of the investment in GBG (US) Holdings LLC.
4. The prior year has been restated for an increase in the impairment charge in respect of the investment in GBG (US) Holdings LLC as set out in note C2.2 of the company accounts.

Details of the Company's subsidiary undertakings are set out in note 19 of the Consolidated Financial Statements for the Group.

Notes to the Company accounts continued

C11. Taxation

a) Deferred tax

Deferred tax asset

The recognised and unrecognised potential deferred tax asset of the Company is as follows:

	Recognised		Unrecognised	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Decelerated capital allowances	**284**	313	**1,327**	1,327
Share options	**859**	729	**–**	–
Long-service award	**92**	96	**–**	–
Other temporary differences	**–**	(4)	**–**	–
Capital losses	**–**	–	**479**	564
Trading losses	**549**	633	**2,581**	2,643
	1,784	1,767	**4,387**	4,534

The movement on the deferred tax asset of the Company, before offset of balances, is as follows:

	2024 £'000	2023 £'000
Opening balance	**1,767**	2,562
Impact of changes in tax	**–**	(47)
Origination and reversal of temporary differences - charged to income statement	**(87)**	(605)
Origination and reversal of temporary differences - credited/(charged) to equity	**104**	(143)
	1,784	1,767

The deferred tax asset has been recognised to the extent it is anticipated to be recoverable out of future taxable profits based on profit forecasts for the foreseeable future. The utilisation of the unrecognised deferred tax asset in future periods will reduce the future tax rate below the standard rate. The Company has unrecognised trading losses of £10,325,000 (2023: £10,571,000) and unrecognised capital losses of £1,915,000 (2023: £2,257,000). The Company also has unrecognised deductible temporary differences of £5,309,000 (2023: £5,309,000).

Deferred tax liability

The deferred tax liability of the Company is as follows:

	2024 £'000	2023 £'000
Intangible assets	**2,541**	3,532
Land and buildings	**–**	131
	2,541	3,663

The movement on the deferred tax liability of the Company, before offset of balances, is as follows:

	2024 £'000	2023 £'000
Opening balance	**3,663**	4,449
Origination and reversal of temporary differences - credited to income statement	**(1,122)**	(786)
	2,541	3,663

Analysed in the balance sheet, after offset of balances as:

	2024 £'000	2023 £'000
Deferred tax asset		
Pre-offset of balances	**1,784**	1,767
Offset of balances within countries	**(1,235)**	(1,133)
	549	634

	2024 £'000	2023 £'000
Deferred tax liability		
Pre-offset of balances	**2,541**	3,663
Offset of balances within countries	**(1,235)**	(1,133)
	1,306	2,530

Notes to the Company accounts continued

C12. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	**28,085**	25,210
Allowance for unrecoverable amounts	**(1,170)**	(1,002)
Net trade receivables	**26,915**	24,208
Prepayments	**7,038**	5,686
Accrued income	**452**	462
	34,405	30,356

C13. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	**5,740**	8,997

Cash at bank earns interest at floating rates based on daily bank deposit rates.

C14. Equity share capital

Issued Ordinary Share Capital for both the Company and Group is disclosed in note 23 of the Consolidated Financial Statements for the Group.

C15. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year		
Final dividend for 2023 paid in July 2023: 4.00p (final dividend for 2022 paid in July 2022: 3.81p)	**10,093**	9,600
Proposed for approval at AGM (not recognised as a liability at 31 March)		
Final dividend for 2024: 4.20p (2023: 4.00p)	**10,609**	10,098

C16. Description of reserves

Equity share capital
The balance classified as share capital includes the nominal value on issue of the Company's equity share capital, comprising 2.5p ordinary shares.

Share premium
The balance classified as share premium includes the excess proceeds over the nominal amount received on the issue of the Company's equity share capital. Costs associated with the issue of new share capital have been offset against this balance.

Merger reserve
The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in the acquisition of GB Mailing Systems Limited, Investigate 2020 Ltd, Acuant Intermediate Holding Corp and Verifi Identity Services Limited by the issue of shares.

The Company has assessed that £86,739,000 of Merger Reserve recognised upon the acquisition of Acuant Intermediate Holding Corp is considered to be a realised profit, as a realised loss has been recognised on the impairment of the related asset – being the investment in GBG (US) Holdings LLC.

Capital redemption reserve
The balance classified as capital redemption reserve includes the nominal value of own shares purchased back by the Company and subsequently cancelled.

Other reserves
The balance represents the profit from the date of acquisition to the date of hive-up into the Company of ID Scan Biometrics Limited and Postcode Anywhere (Holdings) Limited, offset by amortisation of the identified intangibles and unwinding of the associated deferred tax liabilities.

Notes to the Company accounts continued

C17. Loans and borrowings

Bank loans

The details of the Group revolving credit facility are set out in note 24 in the Consolidated Financial Statements for the Group.

During the year to 31 March 2024, the Company drew down £10,000,000 and made repayments of £17,000,000 within the Group revolving credit facility. The outstanding balance on the loan facility at 31 March 2024 attributable to the Company was £nil (2023: £7,000,000).

The loan arrangement fees on the revolving credit facility have been reclassified to prepayments due to the loan value being £nil at 31 March 2024 within the Company and the net position was therefore an asset rather than a liability.

As disclosed in note 24 in the Consolidated Financial Statements for the Group, the facility was due to expire in July 2026 but on 27 October 2023, the Group exercised the second of the one-year extension options and a further arrangement fee of £286,000 was payable for this extension by the Company.

	2024 £'000	2023 £'000
Opening bank loan	**5,941**	–
New borrowings	**10,000**	12,000
Repayment of borrowings	**(17,000)**	(5,000)
Agency fee paid	**(56)**	–
Loan fees paid for extension	**(286)**	(358)
Amortisation of loan fees	**341**	327
Reclassification of loan fees to/(from) prepayments	**1,060**	(1,028)
Closing bank loan	**–**	5,941
Analysed as:		
Amounts falling due within one year	**–**	–
Amounts falling due within one to five years	**–**	5,941
Amounts falling due in more than five years	**–**	–
	–	5,941
Analysed as:		
Bank loans	**–**	7,000
Unamortised loan fees	**–**	(1,059)
	–	5,941

Intercompany loans

	2024 £'000	2023 £'000
Opening intercompany loans payable	**19,746**	541
Increase/(decrease) in borrowings	**(925)**	19,205
Closing intercompany loans payable	**18,821**	19,746
Opening intercompany loans receivable	**–**	–
Increase/(decrease) in borrowings	**2,486**	–
Closing intercompany loans receivable	**2,486**	–
Net intercompany loans	**16,335**	19,746
Analysed as:		
Amounts falling due within one year	**–**	–
Amounts falling due within one to five years	**16,335**	19,746
	16,335	19,746

Interest is charged on intercompany loans at a rate of between 7.09% and 7.59% per annum. The loans are unsecured, and repayable within two years.

C18. Lease liabilities

	2024 £'000	2023 £'000
At 1 April	**602**	1,273
Additions	**1,042**	–
Disposals	**(174)**	–
Accretion of interest	**29**	31
Payments	**(602)**	(702)
At 31 March	**897**	602
Analysed as:		
Amounts falling due within one year	**460**	515
Amounts falling due within one to five years	**437**	87
	897	602

Notes to the Company accounts continued

C19. Provisions

	2024 £'000	2023 £'000
Provisions can be analysed as follows:		
Dilapidation provision (see below)	**244**	295
Long-service award (see below)	**369**	343
	613	638

Dilapidation provision		
At 1 April	**295**	295
Utilised in year	**(51)**	–
Closing balance	**244**	295

This provision relates to the estimated cost of restoration work required upon termination of leasehold property agreements. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease. The timing of the outflows is not expected to occur in the following 12 months and as such has been disclosed as a non-current liability. The Company does not expect the final payments to differ materially from those amounts provided.

Long-service award

The Group provides long-service awards, providing employees with a benefit after they attain a set period of service with the Group, for example 10 or 20 years. For these benefits, IAS 19 requires a liability to be held on the Group's balance sheet.

	2024 £'000	2023 £'000
At 1 April	**343**	388
Service cost	**123**	44
Benefits taken	**(51)**	(40)
Actuarial gain during the year	**(63)**	(59)
Net interest charge	**17**	10
At 31 March	**369**	343

The following table lists the inputs to the valuation of the long-service award for the years ended 31 March 2024 and 31 March 2023.

	2024	2023
Discount rate (%)	**4.7**	4.8
Salary increases (%)	**3.5**	3.8
Employee turnover (% probability of leaving depending on age)	**3-46%**	2-23%

C20. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**5,886**	6,140
Amounts owed to subsidiary undertakings	**2,693**	632
Other taxes and social security costs	**3,175**	2,636
Accruals	**14,461**	12,041
	26,215	21,449

Amounts owed to subsidiary undertakings are non-interest bearing and are normally settled on terms between 30 and 60 days.

C21. Subsequent events

Subsequent events that require disclosure after 31 March 2024 are set out in note 33 in the Consolidated Financial Statements for the Group.

C22. Contingent consideration

	2024 £'000	2023 £'000
At 1 April	**–**	3,842
Remeasurement of contingent consideration charged to profit or loss	**–**	806
Foreign exchange – unrealised	**–**	343
Settlement of consideration	**–**	(4,991)
At 31 March	**–**	–

Analysed as:		
Amounts falling due within 12 months	**–**	–
Amounts falling due after one year	**–**	–
At 31 March	**–**	–

Non-GAAP measures

Alternative performance measures

Management assess the performance of the Group using a variety of alternative performance measures. In the discussion of the Group's reported operating results, alternative performance measures are presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such measures are not defined under IFRS and are therefore termed 'non-GAAP' measures. These non-GAAP measures are not considered to be a substitute for or superior to IFRS measures and should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

The Group's consolidated statement of profit or loss and segmental analysis separately identify trading results before certain items. The Directors believe that presentation of the Group's results in this way is relevant to an understanding of the Group's financial performance, as such items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and assists in providing a meaningful analysis of the trading results of the Group. In determining whether an event or transaction is presented separately, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Examples of charges or credits meeting the above definition, and which have been presented separately in the current and/or prior years include amortisation of acquired intangibles, share-based payments charges, acquisition-related costs and business restructuring programmes. In the event that other items meet the criteria, which are applied consistently from year to year, they are also presented separately.

In respect of revenue performance measures, the primary measure is revenue growth at constant currency.

Where the current or prior year revenue has been impacted either by acquisitions/disposal or significant non-repeating revenue, alternative measures are presented to provide a more reflective method to compare performance from one period to another.

Organic revenue growth is used to remove the revenue from businesses acquired or disposed within the previous 12 months. Organic growth is defined by the Group as year-on-year continuing revenue growth, excluding acquisitions which are included only after the first anniversary following their purchase and disposed businesses.

Pro forma revenue growth is used to remove the impact of material non-repeating revenue. For example, in the year to 31 March 2023 pro forma revenue was presented to remove revenue from the US Government's stimulus programme and exceptional cryptocurrency volume that arose during the year to 31 March 2022.

The following are the key non-GAAP measures used by the Group:

Constant currency

Constant currency means that non-Pound Sterling revenue in the comparative period is translated at the same exchange rate applied to the current year non-Pound Sterling revenue. This therefore eliminates the impact of fluctuations in exchange rates on underlying performance and enables measurement of performance on a comparable year-on-year basis without the impact of foreign exchange movements.

	2024			
	Location £'000	**Identity £'000**	**Fraud £'000**	**Total £'000**
Revenue	**81,066**	**156,061**	**40,198**	**277,325**
Constant currency adjustment	**–**	**–**	**–**	**–**
Revenue at constant currency	**81,066**	**156,061**	**40,198**	**277,325**

	2023			
	Location £'000	Identity £'000	Fraud £'000	Total £'000
Revenue	76,890	162,729	39,191	278,810
Constant currency adjustment	(1,321)	(5,547)	(1,890)	(8,758)
Revenue at constant currency	**75,569**	**157,182**	**37,301**	**270,052**

	Growth			
	Location %	Identity %	Fraud %	Total %
Revenue	5.4%	(4.1%)	2.6%	(0.5%)
Constant currency adjustment	1.9%	3.4%	5.2%	3.2%
Revenue at constant currency	7.3%	(0.7%)	7.8%	2.7%

Normalised items

These are recurring items which management considers could affect the underlying results of the Group.

These include:

- amortisation of acquired intangibles; and
- share-based payment charges

Normalised items are excluded from statutory measures to determine adjusted results.

Non-GAAP measures continued

Alternative performance measures continued

Adjusted operating profit

Adjusted operating profit means operating profit before exceptional items and normalised items. Adjusted results allow for the comparison of results year-on-year without the potential impact of significant one-off items or items which do not relate to the underlying performance of the Group. Adjusted operating profit is a measure of the underlying profitability of the Group.

	2024 £'000	2023 £'000
Operating loss	**(41,351)**	(112,429)
Amortisation of acquired intangibles	**39,447**	42,758
Share-based payment charges	**3,488**	2,313
Exceptional items	**59,613**	127,175
Adjusted operating profit	**61,197**	59,817

Adjusted operating profit margin

Adjusted operating profit margin is calculated as adjusted operating profit as a percentage of revenue.

Adjusted operating expenses

Adjusted operating expenses means reported operating profit before exceptional items and normalised items. Adjusted operating expenses allow for the comparison of results year-on-year without the potential impact of significant one-off items or items which do not relate to the underlying operating expenses of the Group. Adjusted operating expenses is a measure of the underlying operating expenses of the Group.

	2024 £'000	2023 £'000
Reported operating expenses	**234,934**	313,481
Amortisation of acquired intangibles	**(39,447)**	(42,758)
Share-based payments	**(3,488)**	(2,313)
Impairment of goodwill	**(54,707)**	(122,225)
Other exceptional items	**(4,906)**	(4,950)
Adjusted operating expenses	**132,386**	141,235

Cash conversion %

This is calculated as cash generated from operations in the consolidated cash flow statement, adjusted to exclude cash payments in the year for exceptional items, as a percentage of adjusted operating profit. This measures how efficiently the Group's operating profit is converted into cash.

	2024 £'000	2023 £'000
Cash generated from operations before tax payments (from consolidated cash flow statement)	**53,673**	38,570
Opening unpaid exceptional items	**1,251**	1,372
Total exceptional items	**59,613**	127,175
Non-cash exceptional items	**(55,836)**	(123,362)
Closing unpaid exceptional items	**(904)**	(1,251)
Cash outflow for exceptional items	**4,124**	4,474
Cash generated from operations before tax payments and exceptional items paid	**57,797**	42,504
Adjusted EBITDA	**63,823**	63,147
Cash conversion %	**90.6%**	67.3%

Adjusted EBITDA

Adjusted EBITDA means adjusted operating profit before depreciation and amortisation of non-acquired intangibles. Adjusted EBITDA is a measure of the underlying cash generation and the profit measure used in our covenant compliance calculations under the RCF agreement.

	2024 £'000	2023 £'000
Adjusted operating profit	**61,197**	59,817
Depreciation of property, plant and equipment	**1,306**	1,771
Depreciation of right-of-use assets	**1,155**	1,491
Amortisation of non-acquired intangibles	**165**	68
Adjusted EBITDA	**63,823**	63,147

Non-GAAP measures continued

Alternative performance measures continued

Adjusted tax
Adjusted tax means income tax charge before the tax impact of amortisation of acquired intangibles, share-based payment charges and exceptional items. This provides an indication of the ongoing tax rate across the Group.

Adjusted effective tax rate
The adjusted effective tax rate means adjusted tax divided by adjusted earnings.

	2024			2023		
	Loss before tax £'000	Income tax charge £'000	Effective tax rate %	Loss before tax £'000	Income tax charge £'000	Effective tax rate %
Reported effective tax rate	(50,386)	(1,803)	3.6%	(118,830)	964	(0.8%)
Add back:						
Amortisation of acquired intangibles	39,447	13,391	(109.5%)	42,758	9,463	(12.9%)
Equity-settled share-based payments	3,488	409	(55.1%)	2,313	10	(0.5%)
Exceptional items	59,613	1,158	186.2%	127,175	917	35.5%
Adjusted effective tax rate	52,162	13,155	25.2%	53,416	11,354	21.3%

Adjusted earnings per share ('Adjusted EPS')
Adjusted EPS represents adjusted earnings divided by a weighted average number of shares in issue and is disclosed to indicate the underlying profitability of the Group. Adjusted EPS is a measure of underlying earnings per share for the Group. Adjusted earnings represents adjusted operating profit less net finance costs and income tax charges. Refer to note 13 for calculation.

Non-GAAP measures continued

Alternative performance measures continued

Net (debt)/cash

This is calculated as cash and cash equivalent balances less outstanding external loans. Unamortised loan arrangement fees are netted against the loan balance in the financial statements but are excluded from the calculation of net cash/debt. Lease liabilities following the implementation of IFRS 16 are also excluded from the calculation of net cash/debt since they are not considered to be indicative of how the Group finances the business. This is a measure of the strength of the Group's balance sheet.

	2024 £'000	2023 £'000
Cash and cash equivalents	**21,321**	21,552
Loans on balance sheet	**101,115**	126,411
Unamortised loan arrangement fees	**1,060**	1,059
External loans	**102,175**	127,470
Net debt	**(80,854)**	(105,918)

Debt leverage

This is calculated as the ratio of net (debt)/cash to adjusted EBITDA. This demonstrates the Group's liquidity and its ability to pay off its incurred debt.

	2024 £'000	2023 £'000
Net debt	**(80,854)**	(105,918)
Adjusted EBITDA	**63,823**	63,147
Debt leverage	**1.27**	1.68

Company information & advisors

Website

The Investors section of the Company's website, (www.gbgplc.com/en/investors), contains detailed information on news, press releases, key financial information, annual and interim reports, share price information, dividends and key contact details.

Our share price is also available on the London Stock Exchange website. The following information is a summary and readers are encouraged to view the website for more detailed information.

Financial calendar 2024

Annual General Meeting 23 July 2024

Dividend Ex-Div Date 20 June 2024

Dividend Record Date 21 June 2024

Dividend Payment Date 2 August 2024

Shareholder enquiries

GBG's registrar, Equiniti, can deal with any enquiries relating to your shareholding, such as a change of name or address or a replacement of a share certificate. Equiniti's Shareholder Contact Centre can be contacted on +44 (0) 371 384 2030. Lines are open from 8:30 a.m. to 5:30 p.m. (UK time), Monday to Friday, excluding public holidays in England and Wales. You can also access details of your shareholding and a range of other shareholder services by registering at www.shareview.co.uk.

Dividend Reinvestment Plan ('DRIP')

The Company offers a Dividend Reinvestment Plan that enables shareholders to reinvest cash dividends into additional shares in the Company. Application forms can be obtained from Equiniti.

Share scams

Shareholders should be aware that fraudsters may try and use high pressure tactics to lure investors into share scams. Information on share scams can be found on the Financial Conduct Authority's website, www.fca.org.uk/scams.

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