Tribal Group plc

("Tribal" or "the Group")

Preliminary Results for the year ended 31 December 2024

Tribal (AIM: TRB), a leading provider of software and services to the international education market, today announces its preliminary results for the year ended 31 December 2024.

Financial performance

- A solid trading performance with Group revenue, Adjusted EBITDA and net debt better than market expectations as at the trading update released on 31 January 2025[1].
- Annual Recurring Revenue (ARR) increased 6.5%[2] to £57.0m (2023: £53.5m at constant currency; £54.5m reported), with a 9.0%[2] growth in the Group's strategic core products.
- Group revenue increased 6.0%[2] to £90.0m (2023: £84.9m constant currency; £85.7m reported).
    - Student Information Systems (SIS) revenue grew 7.2%[2] to £72.7m, with 25.2% growth in Foundation Cloud revenue and an 8.3% increase in Software revenue, partly offset by an expected reduction in non-core Other Software and Services.
    - Etio (formerly Education Services) revenue grew 1.3%[2] to £17.3m.
- Adjusted EBITDA[3] increased by 17.8%[2] to £16.7m (2023: £14.1m constant currency; £14.4m reported), representing an Adjusted EBITDA[3] Margin of 18.5% (2023: 16.7% constant currency; 16.8% reported).
    - Student Information Systems operating margin grew 8.7%[2] to £27.6m (2023: £25.4m constant currency; £25.7m reported)
    - Etio operating margin decreased to £0.6m (2023: £2.4m constant currency; £2.4m reported)
    - Central overheads and forex decreased to £11.5m (2023: £13.6m constant currency; £13.8m reported)
- Exceptional costs of £5.6m (2023: £3.3m constant currency; £3.3m reported), comprising £3.0m in respect of the previously announced NTU settlement, Tribal Data Engine development costs being impaired by £1.4m with an alternative Tribal product proving more cost effective for customers and £1.2m of reorganisation and other costs.
- Statutory Profit before tax for the year decreased to £5.9m (2023: £6.4m constant currency; £6.6m reported) as higher EBITDA performance was offset by increased exceptional costs.
- Net debt at 31 December 2024 was £3.2m (2023: £7.2m), reflecting a continued focus on operational efficiency.
    - Net cash from operating activities before tax increased to £14.9m (2023: £9.4m).
    - Free cash inflow improved to £7.3m (2023: £(1.4)m) from higher EBITDA and reduced development spend.
    - Operating cash conversion remained above 100% at 101.5% (2023: 113.6% constant currency; 110.5% reported)
- The Board is proposing an annual dividend of 0.65p per share expected to be paid at the end of July 2025. Together with the interim dividend of 0.65p per share paid in November 2024, the total FY24 dividend is therefore expected to be 1.3p per share.

Operational performance

- ARR increased by £3.5m at constant currency to £57.0m of which £1.0m was from new customers and Cloud migrations, including one new SITS contract.
- GRR[4] increased to 93% (2023: 91%) and NRR[4] to 106% (2023: 102%)
- Continued focus on operational efficiency and organisational structure to support the Group's SaaS ambitions, with a cost reduction programme implemented in 2024 to support Group profit margins through the transition to SaaS reducing Full Time Equivalent headcount in SIS by 59, a 9.1% reduction year-on-year.
- Etio's margin was impacted by delays in the sales pipeline due to the UK and US elections, a mix more weighted to larger lower margin contracts and investment of £0.6m in business development and marketing costs of establishing a single global unified brand.

Outlook

- Trading to date in H1 FY25 in line with the Board's expectations.
- Focused on the delivery of our key strategic priority to become a pureplay EdTech, SaaS business, which involves driving growth in high margin recurring SaaS revenue and reducing costs, in order to improve profit margins.
- An effective cloud strategy and continued ARR growth projected for FY25 underpin the Board's confidence in ongoing success.

Mark Pickett, Chief Executive, commented: *"Tribal's FY24 performance is a milestone in the transformation of the Group into an EdTech, SaaS business. With strong, long-term customer relationships and increasing cloud adoption, we are set for sustained growth in our core business. Despite market challenges, we delivered revenue and EBITDA higher than expectations, significantly reduced debt, and saw impressive ARR growth. Looking ahead, we are focused on optimising our operations and* *driving continued growth and increasing cash flow generation. Following the success of FY24, we are confident in achieving results in line with the Board's expectations for FY25."*

[1] Market expectations as at 30 January 2025: Net Debt (excluding leases): £9.4m, Revenue: £85.6m, Adjusted EBITDA: £14.4m

[2] Year on year movement on a constant currency basis. The Group has applied 2024 foreign exchange rates to 2023 results to restate the 2023 comparative to constant currency.

[3] Adjusted EBITDA is in respect of continuing operations and is calculated by taking the Adjusted EBITDA after Central Overheads excluding Interest, Tax, Depreciation and Amortisation and exceptional items.

[4] Gross Revenue Retention (GRR) is calculated as a percentage of recurring revenue retained from existing customers at 1 January including contract expiry, cancellations or downgrades in the year. Net Revenue Retention (NRR) is calculated as a percentage of recurring revenue retained from existing customers at 1 January including upsells as well as contract expiry, cancellations or downgrades in the year.

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About Tribal Group plc

Tribal Group plc is a pioneering world-leader of education software and services. Its portfolio includes Student Information Systems; a broad range of education services covering quality assurance, peer review, benchmarking and improvement; and student surveys that provide the leading global benchmarks for student experience. Working with Higher Education, Further and Tertiary Education, schools, Government and State bodies, training providers and employers, in over 55 countries; Tribal Group's mission is to empower the world of education with products and services that underpin student success.

Chair statement

The Board is pleased to report that the Group delivered an FY24 performance ahead on revenue and adjusted EBITDA compared to market expectations before the January trading update. The business is being successfully refocused and new initiatives commenced, designed to grow ARR, improve profit margins in our core businesses, boost cash flow, and reduce debt.

Tribal's market leading position in multiple geographies, deep understanding of the needs of further and higher educational institutions, cloud technology expertise, and robust recurring revenue base, means we are well positioned to enable our customer's transition to the cloud. While the financial burden facing educational institutions around the world has caused caution in customer decision making, we are confident it is also the spur to adopting cloud solutions that will deliver sustainable efficiencies in the medium to long term.

Financial performance

The Results for the year reflect a positive financial performance, with the reduction in higher margin legacy software contracts offset by strong growth in cloud-related revenue. A strong performance by the SIS business has offset a softening in Etio's end markets in the year.

For the year ended 31 December 2024 Tribal reported revenue growth of 6.0% at constant currency to £90.0m, Adjusted EBITDA growth of 17.8% at constant currency to £16.7m and closed the year with a reduced net debt position of £3.2m, reflecting a stringent focus on cost control and operational efficiency. Importantly, closing ARR of the Core business increased by 9.0% at constant currency to £54.8m (FY23: £50.3m at constant currency), reflecting growth in the Group's strategic products and cloud offering, more than offsetting the anticipated ongoing decline in non-core business ARR, demonstrating the strength of the business with its established customer base and respected product set. Whilst customer wins were lower than in prior years, due to the pause in new business discussions when Tribal was in an Offer period and general challenging economic backdrop, the Group's delivered 25% growth in cloud revenues and cloud margins are steadily improving, as anticipated.

Financial results for the Education Services business, now rebranded as "Etio", were significantly lower than anticipated due to the general election in the UK leading to a pause in customer decision making and slower activity in the Middle East. During the Year, Tribal made strategic investments in Etio's business development and marketing functions, and aligned leadership expertise within key markets, to more efficiently structure and organise Etio to drive growth once market activity picks up. The Board continues to closely monitor Etio's end markets and will respond accordingly should activity continue to be depressed, however performance is expected to improve in 2025.

Strategy

As part of the transition to a pureplay EdTech, SaaS business, the Group is in the process of making its existing SIS products available in the cloud, while continuing the development of select new cloud-based modules to meet the evolving needs of universities. This includes a major new offering, Tribal Admissions, which is due for full market availability next year. To support this, 2024 has started to see the transition to a new subscription-based pricing model, providing products as a bundle at a single price and the introduction of a streamlined method of transitioning to the cloud, providing the pathway for revenue growth and margin appreciation over the medium term.

It is encouraging to note the progress Tribal has made in FY24, successfully refocusing the business against a challenging economic backdrop. We remain mindful of the need to continue to improve our cost efficiency and progress opportunities to grow revenue. It is inevitable that the Australian legacy business will be a drag on our growth in FY25, however we will be a stronger, more efficient, business going forward, and are committed to keep advancing the Group for the benefit of all stakeholders.

Dividend

As noted in the 2023 Annual Report & Accounts the Board deferred its decision upon the quantum of the dividend in respect of the year-ended 31 December 2023 due to the uncertainty over the outcome of the dispute with NTU. Following the settlement of the dispute, in November 2024 an interim dividend 0.65p per share was paid totalling £1.4m. The Board is proposing a final dividend in respect of the year ended 31 December 2024 of 0.65p, pending approval at the AGM on 27 May 2025. The anticipated payment date of the final dividend is 24 July 2025, with an associated record date of 27 June 2025 and an ex-dividend date of 26 June 2025.

Employees

Supporting our employees during our shift to a SaaS business and enabling the successful adoption of our Full-Service license model is a top priority. Our staff are already experts in our products and solutions; we are redefining roles and teams to ensure that this expertise is leveraged to create customer value at every opportunity. The Board wants to thank the team for their hard work and dedication to making Tribal and its customers successful.

Richard Last
Chair

Chief Executive's review

Tribal's FY24 performance reflects the progress we are making on our journey to becoming an EdTech, SaaS business. With a growing proportion of our long-term customer base now committed to a transition to the cloud, alongside the structural improvements driving success, we are well positioned to drive growth and improve profitability.

We delivered a strong trading performance in FY24, with adjusted EBITDA significantly ahead, and revenue ahead of market expectations before the January trading update. The robust performance of the software-driven SIS business has more than offset a softening in markets for the Group's education consultancy business, Etio. The SIS business performance was driven by the ongoing transition of customers to the Tribal Cloud, resulting in increased cloud revenue and early signs of margin expansion. At the same time, we remain focused on optimising the operational structure to maintain cost control and progress opportunities to grow revenue. This approach contributed to improved cash generation in the year, with net debt reducing to £3.2m (2023: £7.2m), well ahead of market expectations. Closing Core ARR grew by 9.0% at constant currency to £54.8m, reflecting the growing adoption of our cloud solutions. Overall, ARR increased by 6.5% at constant currency to £57.0m.

Strategy

The transition of Tribal to a pureplay EdTech, SaaS business is at the forefront of our strategic vision, making all of our SIS products available in the cloud, while developing our new modules to meet the evolving needs of universities.

Mitigating risk through the Tribal Cloud

Student Management Systems (SMS) are complex environments, with processes and architecture that has evolved over many years, to a point where many customers carry significant risk in their SMS through technical debt, unmodernised integrations, and inefficient business processes. This is compounded by the elevated cyber security risks, and challenges in finding and retaining resources to mitigate these risks effectively.

A key strategy for many customers in mitigating this risk is to move the environment into the cloud. Over the past five years, Tribal has developed a cloud offering, Tribal Cloud, which runs the SITS environment successfully for more than 30% of our customers and is chosen as the default for almost all of our new customers.

The benefits of moving to the Tribal Cloud are significant risk mitigation, including a highly cyber-secure environment, responsibility for managing the SITS environment with Tribal, modernised integrations, and more general cloud benefits, such as access to innovation and emerging technologies, such as AI and advanced analytics.

Tribal's "Cloud First" strategy encourages our customers to move into the Tribal Cloud at the earliest opportunity. At the same time, we continue to support SITS on premise indefinitely (noting that we are unaware of any customers who intend to stay on premise as a long-term strategic choice).

Modernising a Student Management System

Although a move to the cloud mitigates the operational risk of running a Student Management System, it does not address challenges around the Business Model, the functional processes, such as Admissions, Enrolment, the Academic Model, etc. which are costly to maintain, and constrain improvements through inefficiencies in the underlying data quality.

Some efficiency improvements can be made. However, to create long-term efficiency requires the adoption of a more standardised data model and changing end-to-end processes.

The benefit of this approach is significantly improved efficiency and lower cost over time, as a standardised data model across the Higher Education sector shifts the definition of leading practice process to Tribal, who can provide a complete solution as-a-service, where all upgrades, maintenance and configuration changes, are managed by Tribal with no need for a customer to retain any resource to support the system's business processes.

Tribal has already made good progress in this area, with the standard SITS Admissions module now live with seven customers.

The SITS functional roadmap will continue to deliver on this strategy, which is now formalised into a program called "SITS Adopt", a complete, integrated, fully-tested, end-to-end set of standardised, but configurable, leading processes. Over time, this will then be coded into the core SITS product as a standard, preconfigured SaaS version of SITS, available to those customers who wish to remove the management burden of maintaining their own Student Management System. Tribal will continue to support those customers who wish to retain control over their own system and maintain a bespoke version of SITS.

Introduction of subscription pricing and SITS Adopt

As part of this strategy, we have been working with our customers to introduce a new pricing model for SITS, the Higher Education Full-Service licence, which involves offering a subscription-based comprehensive package of cloud products at one transparent price. This licence will help customers move to a cloud-based SITS-as-a-Service whilst also accommodating those who prefer to stay on-premise or want to customise SITS more heavily to suit their needs, helping universities drive efficiency and save cost. The bundling of products helps drive standardisation and commonality across the customer base. It also enables additional products to be added in to the bundle at no extra cost to the customer and, critically, made available to the customer to implement without the need for long, expensive procurement cycles.

Good progress is already being made with the migration to the cloud of our customer base. One of the most strategically significant of these in FY24 was the University of Exeter, which successfully migrated to the SITS Cloud and then became the first major customer to sign up to our Higher Education Full-Service bundle. The endorsement from a large Russell Group university paves the way for other universities to follow. Several conversations with further universities are also progressing well.

Our cloud migration strategy and subscription packages ensure a steady stream of reliable recurring revenue for the Group with increased visibility and secure, long-term customer relationships, which provides us with confidence that our strategy offers a clear trajectory to deliver growth over time, to offset the decline following the end of the Australian legacy Government contracts.

Over the medium term, we see an incremental ARR opportunity of £20m through transitioning our existing customers to the cloud, a further £5m ARR from the upsell of additional products and £5m - £10m ARR from the winning of new customers.

Student Information Systems (SIS)

Student Information Systems, our core segment that targets the further and higher education sectors through our range of software solutions, has performed well, securing a significant new five-year SITS contract with a new customer, SOAS University, for a total contract value of £2.5m, contributing £0.4m to ARR and a new contract for SITS Cloud with the Institute of Tourism Studies Malta for a total contract value of £0.7m, adding £0.1m to ARR. We also added seven new ebs customers during the year, contributing a total £0.5m ARR, with six contracts in the UK and one in New Zealand.

We have continued to progress the instalment of several key customers on our SITS, Cloud, Dynamics and Maytas solutions following contract wins in prior years. The Tribal Dynamics business delivered a particularly strong performance in 2024, with the launch of new customer projects, including University College London and Windsor Forest Colleges Group, and secured five go-lives for existing customer projects, which included the University of Waikato. Towards the end of 2024, we secured three major projects, with go-lives scheduled for 2025. This momentum highlights our commitment to delivering high-quality solutions and expanding our customer base.

Etio

This year we have focused on developing Etio, previously Education Services, as a standalone business, bringing all our Education Services businesses worldwide under a single, unified brand. This is part of our strategy for targeting sustainable growth.

Etio's performance in FY24 was significantly lower than anticipated due to challenging trading conditions. Both the UK general election and the US election impacted the pipeline temporarily due to a pause in customer decision making, and cost pressures on the higher education sector leading to the slowdown in market activity. In the Middle East, changes to structures in the state education ministries has also impacted the volume of opportunities available to bid for in the short term. Time and investment have been devoted to business development, marketing functions, and reorganisation of leadership within key markets, to better unify Etio and ensure it is set up to operate more efficiently going forward. We expect this repositioning in our key markets and a strong global team to provide solid foundations for Etio to build growth once market activity returns to normal levels and expect margins to be closer to historic levels as various one-off investments play through, and cost controls are implemented. However, we continue to closely monitor the end market and will make necessary adjustments accordingly.

In FY24, Etio secured a major new project with the Department for Education in England which launched a three-year project worth £15m to support young people who are persistently absent from school; a new three-year contract for £1m with Louisiana Department of Education to review initial teacher education provision; and a £0.3m contract with the Massachusetts Department of Elementary and Secondary Education. Etio renewed its keystone contract with New York State Education

Department worth £10m over five years and in the Middle East, signed a new £2.1m contract with the Emirates Schools Establishment for QAS in the UAE for teacher training online content.

Operations and people

FY24 has seen continued organisational restructuring to ensure the appropriate balance in our people resources and capabilities. This has resulted in improvement in internal efficiencies, whilst also maintaining an attrition rate well below industry average in our critical talent segments.

The internal restructuring has enabled us to streamline the business and allowed the cost base to remain steady, while aligning our talent investments to our business goals and objectives. As a result, there has been a continued shift in our role-mix, with greater emphasis on talent in engineering and customer success, where there have been successful initiatives to onboard new teams, and more of our business support positions located within our offshore Global Business Services (GBS) organisation. GBS continues to go from strength to strength in optimising our business processes and delivering continued efficiency gains and scalability, which we expect to continue.

With the evolution of the pricing strategy has come a necessary change in the business organisation to meet the differing demands of a Full-Service, SaaS operation. Whilst our depth of product and solution expertise is unrivalled, our focus has been on developing the culture and behaviours needed in all our people to underpin the ethos of full service. Our people have embraced our new recognition award which exemplifies full service in action and role models the change, fostering innovations in how we deliver or improve services. In fact, there is a drive to accelerate innovations in all facets of customer engagement and delivery, to ensure we are prepared to scale expertise and connect it to customers. Bringing our customer success and professional services teams into a single organisation is an important milestone, enabling us to eliminate friction in the customer journey and remove internal inefficiencies to maximise the full impact and potential of our people.

Outlook

Tribal’s performance in FY24 has been defined by a refocusing of the business on our transformation into a cloud provider, ensuring we remain at the forefront of our industry and provide our customers with the technology they require to be successful. The reduced debt levels and improved EBITDA margin provide a strengthened foundation entering FY25, which will help to offset the anticipated continued decline in the non-core business.

We note that the Higher Education sectors in the UK, Australia and New Zealand are expecting a challenging environment in 2025, with funding gaps driving programmes of cost reduction and course closure at many universities. Notwithstanding, trading in the first part of the new year has begun well, and we are seeing our sales pipeline grow to more normal levels. The longer sales cycle continues to be a feature of the Higher Education sector; we have various initiatives running, including more standardised proposals and pricing, and a simpler legal & contracting process designed to reduce the length of the sales cycle and improve the customer’s time to value.

A key strategic goal for FY25 is to migrate customers onto the new pricing model, which will drive growth in high margin recurring SaaS revenues and increase cash flow generation. It will take some time to move customers from their existing contracts, but there are incentives for customers to move early.

With strong customer relationships, a robust recurring revenue base, and the success of strategic investment in cloud and SaaS business developments driving cloud services revenue growth, we are confident in achieving results in line with the Board’s expectations for FY25.

Financial review

Results

£m	2024	2023 Reported	Constant currency 2023[2]	Change constant currency	Change constant currency %
Revenue	90.0	85.7	84.9	5.1	6.0%
Student Information Systems	72.7	68.6	67.9	4.9	7.2%
Etio (formerly Education Services)	17.3	17.2	17.0	0.2	1.3%
Gross Profit	**43.5**	**42.1**	**41.6**	**1.8**	**4.3%**
Gross Profit Margin	48.3%	49.1%	49.0%	(0.8)%	(0.8)pp
Adjusted Segment EBITDA[1] (Before Central Overheads)	28.1	28.1	27.8	0.4	1.4%
Student Information Systems	27.6	25.7	25.4	2.2	8.7%
Etio	0.6	2.4	2.4	(1.8)	(76.8)%
Central Overheads[3]	(12.1)	(13.6)	(13.5)	1.4	(10.6)%
Net foreign exchange (losses)/gain	0.6	(0.2)	(0.1)	0.7	703.7%
Adjusted EBITDA[1]	16.7	14.4	14.1	2.5	17.8%
Adjusted EBITDA Margin[1]	18.5%	16.8%	16.7%	1.9%	1.9pp
Statutory Profit before Tax	5.9	6.6	6.4	(0.5)	(8.5)%
Statutory Profit after Tax	5.5	5.3	5.1	0.4	7.7%
Annual Recurring Revenue	57.0	54.5	53.5	3.5	6.5%

1. Adjusted EBITDA and Adjusted EBITDA Margin are in respect of continuing operations and are calculated by taking the Adjusted EBITDA after Central Overheads and excludes Interest, Tax, Depreciation and Amortisation and exceptional items of £5.6m (2023: £3.3m), refer to Note 4.
2. 2023 results updated for constant currency – the Group has applied 2024 foreign exchange rates to 2023 results to present a constant currency basis. On a constant currency basis there is a decrease in Revenue of £0.8m and a decrease to Adjusted EBITDA (before Central Overheads) of £0.3m compared to 2023 reported.
3. Central Overheads are made up of costs that are not directly attributable to either Student Information Systems or Etio.

The financial review presents the reported results for 2024 and 2023, together with the 2023 results restated to ‘constant currency’ using 2024 foreign currency exchange rates. The year on year change is shown against the 2023 constant currency numbers. In addition to EBITDA and Adjusted EBITDA, the presentation disclosed as “Constant currency” is an alternative performance measure, not a statutory reporting measure prepared in line with International Financial Reporting Standards (IFRS) and is not included in the audited financial statements. The Group has chosen to present its results on a constant currency basis to better reflect the year-on-year performance of the business and eliminate the translational impact of foreign exchange movements in the year. 30.5% (2023: 32.7%) of Tribal’s revenue in the year was generated outside the UK and is therefore subject to foreign exchange movement.

The Group provides software and non-software related services to the international educational market. These services are managed across two divisions, SIS and Etio.

Overall Results

Revenue grew by 6.0% to £90.0 million (2023: £84.9 million at constant currency, £85.7 million reported), driven by a 7.2% increase in SIS, fuelled by robust Cloud revenues, alongside a 1.3% growth in Etio.

Gross Profit increased 4.3% to £43.5m (2023: £41.6m constant currency, £42.1m reported) albeit the margin percentage has decreased slightly to 48.3% (2023: 49.0% constant currency, 49.1% reported). The margin percentage in the prior year was boosted by 2 percentage points due to the release of the NTU onerous contract provision following termination of the contract. Ongoing margin performance improved significantly, in particular from increased scale and successful efficiency programmes in our Cloud environments.

Central Overheads, representing costs in HR, IT, Finance, Marketing and Management that aren’t directly attributable to lines of business decreased by £1.4m to £12.1m (2023: £13.5m constant currency; £13.6m reported). The benefits of standardising our processes around the Group more than offset inflationary increases, and the prior year included £1.1m of one-off NTU costs. Foreign exchange movements caused a £0.6m positive impact in the 2024 results, which may reverse in the following year.

Adjusted EBITDA increased £2.5m to £16.7m (2023: £14.1m constant currency; £14.4m reported). Adjusted EBITDA margin increased to 18.5% (2023: 16.7% constant currency; 16.8% reported) with growth in the higher margin SIS business, lower central overheads and a positive foreign exchange movement, offsetting decline in Etio margin. 2025 is expected to incur an impact of £0.5 million due to the increase in employers' National Insurance contributions.

The Statutory Profit after tax for the year increased by £0.4m to £5.5m (2023: £5.1m constant currency; £5.3m reported) as the increase in EBITDA was offset by £3.0m relating to the NTU settlement agreement and associated legal costs. The tax charge was lower than the prior year at £0.4m (2023: £1.3m constant currency and £1.3m reported) due to an increased level of deferred tax assets recognised.

Student Information Systems (SIS)

£m	2024	2023 Reported	Constant currency 2023	Change constant currency	Change constant currency %
Software and Support	41.5	38.6	38.3	3.2	8.3%
Foundation Cloud Services	13.0	10.4	10.4	2.6	25.2%
Professional Services	9.4	9.8	9.7	(0.3)	(2.8)%
Core Revenue	63.9	58.8	58.4	5.5	9.5%
Other Software & Services	8.8	9.7	9.5	(0.7)	(7.0)%
Total Revenue	72.7	68.6	67.9	4.9	7.2%
Adjusted Segment EBITDA	27.6	25.7	25.4	2.2	8.7%
Adjusted Segment EBITDA Margin	37.9%	37.5%	37.4%	0.5%	0.5pp

SIS focuses on software-related solutions to the Higher Education, Further Education, Employers and Schools sectors across the main geographic markets being the UK, Australia, New Zealand, Malaysia, Netherlands and Canada.

SIS revenue increased 7.2% to £72.7m (2023: £67.9m constant currency; £68.6m reported). Revenue generated from our core product offerings increased 9.5% to £63.9m (2023: £58.4m constant currency and £58.8m reported).

Software and Support includes Support & Maintenance fees and subscription licence revenue for all Foundation products (SITS, Callista, ebs, Maytas, K2 and SID) and revenues for newer associated cloud native products (such as Engage, Semestry, Dynamics and Admissions). Given the evolving product and bundled pricing (HEFS) strategy, all product sets are shown together with the exception of Cloud revenues associated with Foundation products. Foundation Cloud Services cover the provision of Tribal Cloud, a fully managed public cloud service and other hosting services supporting Tribal products, either in a private cloud, or increasingly in a public cloud.

Software and Support revenue increased 8.3% to £41.5m driven by growth in new customers across all Foundation products and increases due to inflation and rising student numbers. Included within Software and Support, Cloud Native products (on the Edge platform) remained flat during the year at £5.2m revenue as the focus of attention remained on delivering the HEFS proposition. £1.5m of perpetual licence revenues are included in 2024 from FTE increases across the base, which will fall away during 2025 as the SITS customer base move to the new HEFS proposition.

Foundation Cloud Services revenue have continued to increase and are up 25.2% to £13.0m mainly due to the delivery of prior year Cloud migration sales, as existing customers transition their existing on-premise SITS software into the Tribal Cloud.

Professional Services includes the implementation of all software products, typically working alongside customer teams. Implementation projects vary in length and complexity, ranging from a small number of days to more than two years for complex projects. Revenues are either a day rate fee or performed under a fixed fee for defined implementation scope. Professional services have continued to be delivered remotely where appropriate, and the team has been bolstered by the Global Delivery Centre (GDC) in Kuala Lumpur, Malaysia. Professional Services revenue decreased by 2.8% to £9.4m (2023:

£9.7m constant currency, £9.8m reported), driven by the British Council and TAFE projects reducing as the contracts come to an end.

Other Software & Services revenue decreased 7.0% to £8.8m (2023: £9.5m constant currency, £9.7m reported) due to continued School Edge churn as expected, and the previously announced termination of the Australian Department of Education (DoE) contract with schools in New South Wales, in June 2024. The DoE has worked with schools to allow them to select their own providers and move away from one overarching contract with Tribal. Looking forward, the previously announced completion of the Technical and Further Education Colleges New South Wales (TAFE NSW) contract is now expected in mid-2025 and in addition the British Council contract finished in February 2025. These three major contracts contributed £5m of revenue in 2024, which is expected to drop to c£2m in 2025.

Adjusted Segment EBITDA increased by 8.7% to £27.6m (2023: £25.4m constant currency; £25.7m reported) and Adjusted Segment EBITDA Margin increased to 37.9% (2023: 37.4% constant currency and 37.5% reported). The margin percentage in the prior year was boosted by 2.5 percentage points due to the release of the NTU onerous contract provision. Ongoing margin performance improved significantly, in particular in Cloud revenues driven by increased scale and successful efficiency programmes.

Etio (formerly Education Services)

£m	2024	2023 Reported	Constant currency 2023	Change constant currency	Change constant currency %
Revenue	17.3	17.2	17.0	0.2	1.3%
School Inspections & Related Services	14.8	14.2	14.1	0.7	5.0%
i-graduate - Surveys & Data Analytics	2.4	2.9	2.9	(0.5)	(16.4)%
Adjusted Segment EBITDA	0.6	2.4	2.4	(1.8)	(76.8)%
Adjusted Segment EBITDA Margin	3.2%	14.1%	13.9%	(10.7)%	(10.7)pp

Etio provides non-software related solutions globally across the same market sectors. The core offerings are inspection and review services which support the assessment of educational delivery, performance benchmarking, student surveys, and data analytics.

Etio revenue increased by 1.3% to £17.3m (2023: £17.0m constant currency; £17.2m reported) with growth in School Inspections & Related Services income offsetting a reduction in Surveys and Benchmarking due to the seasonality of the Southern Hemisphere International Student Barometers in which most institutions participate every other year.

The revenue from School Inspections & Related Services increased by 5.0% to £14.8m (2023: £14.1m constant currency; £14.2m reported). Growth was driven by contracts in the Middle East, particularly the Subject Specific Teacher Training Online (SSTTO) project for the Emirates Schools Establishment.

The revenue for Surveys & Data Analytics decreased by 16.4% to £2.4m (2023: £2.9m constant currency; £2.9m reported). The revenues from Surveys reduced, as expected, due to the seasonality discussed above.

The Adjusted Segment EBITDA in Etio decreased by 76.8% to £0.6m (2023: £2.4m constant currency; £2.4m reported), the Adjusted Segment EBITDA Margin also decreased 10.7pp to 3.2% (2023: 13.9% constant currency; 14.1% reported), this decrease is largely due to a mix more weighted to larger lower margin contracts and £0.6m investment in the business development and marketing costs of establishing a single global unified brand.

Product development

£m	2024	2023 Reported	Change
Product Development	**10.6**	**12.4**	**(15.1)%**
Of which capitalised	**4.4**	**8.5**	**(47.9)%**

Software and Support	4.4	8.5	(47.9)%
Of which expensed	**6.1**	**4.0**	**55.3%**
Software and Support	5.6	3.4	64.7%
Other Software and Services	0.5	0.6	(14.2)%
Amortisation	**1.9**	**1.5**	**28.0%**

The Group spent £10.6m on Product Development, of which £4.4m was capitalised in relation to Admissions, Semestry and Dynamics (2023: £12.4m spent, £8.5m capitalised).

As previously announced development activities reached their peak during 2022, and the team was reduced part way through 2023 to align to our development strategy. During the year the decision was made to put TDE (Tribal Data Engine) on 'stop sell' with an alternative Tribal product proving more cost effective for customers. As this asset will not generate future economic benefit, a £1.4m impairment has been included within Exceptional Items (refer to Note 4). This will have no future cash impact on the Group. The Board's prior decision to reduce overall R&D spend and focus sales efforts on a slimmed down product set, leading with Admissions has continued. Admissions is expected to be ready for the first UK pilot customers late in 2025.

Expensed product development increased 55.3% to £6.1m (2023: £4.0m) of which £5.6m (2023: £3.4m) related to our core products and £0.5m (2023: £0.6m) related to Other Software and Services.

Key performance indicators (KPIs)

£m	2024	2023 Reported	2023 Constant currency	**Change constant currency**	**Change constant currency %**
Revenue	90.0	85.7	84.9	5.1	6.0%
- Student Information Systems	72.7	68.6	67.9	4.9	7.2%
- Etio	17.3	17.2	17.0	0.2	1.3%
Adjusted EBITDA[1]	16.7	14.4	14.1	2.5	17.8%
Adjusted EBITDA Margin[1]	18.5%	16.8%	16.7%	1.9%	1.9pp
Annual Recurring Revenue (ARR)[2]	57.0	54.5	53.5	3.5	6.5%
Gross Revenue Retention (GRR)[3]	93%	91%	91%	2.0%	2.0pp
Net Revenue Retention (NRR)[3]	106%	102%	102%	3.9%	3.9pp
Committed Income (Order Book) [4]	179.7	168.8	167.2	12.6	7.5%
Operating Cash Conversion[6]	101.5%	110.5%	113.6%	(12.1)%	(12.1)pp
Free Cash (Out)/In Flow	7.3	(1.4)	(1.4)	8.7	615.9%
Staff Retention	89.3%	86.2%	86.2%	3.1%	3.1pp
Revenue per Operational FTE[5]	£108.8k	£103.2k	£102.2k	£6.6k	6.4%

1. Adjusted EBITDA and Adjusted EBITDA Margin are in respect of continuing operations and exclude charges reported in 'Exceptional items' of £5.6m (2023: £3.1m), refer to Note 4. EBITDA is calculated by taking the Adjusted Operating Profit after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation.

2. Annual Recurring Revenue is a forward-looking metric. Includes exit rate annualised recurring revenue, plus future contracted recurring revenue yet be delivered, and known losses within the next 12 months where customers have given notice.

3. GRR is calculated as a percentage of recurring revenue retained from existing customers at 1 January including contract expiry, cancellations or downgrades in the year. NRR is calculated as a percentage of recurring revenue retained from existing customers at 1 January including upsells as well as contract expiry, cancellations or downgrades in the year.

4. Committed Income (Order Book) refers to the Total Contract Value of booked sales orders which have not yet been delivered (including two years Support and Maintenance, where it is contracted on an annual recurring basis).

5. Revenue per Operational FTE uses the average FTE for the year excluding average FTE associated with capitalised Product Development. In 2024 56.0 FTE were capitalised (2023: 107.3).

6 Operating cash conversion is calculated as net cash from operating activities before tax, excluding cash outflow of £0.2m (2023: £0.8m) from an aborted takeover, £0.5m (2023:£0.9m) of restructuring costs and £1.4m of NTU settlement (2023:£nil) as a proportion of Adjusted EBITDA which in 2023 excluded the onerous contract provision release of £4.3m.

The above Alternative Performance Measures (APM) are not Statutory Accounting Measures and are not intended as a substitute for statutory measures. A reconciliation of Statutory Operating Profit and Adjusted EBITDA has been provided in the financial statements.

Annual recurring revenue (ARR)

£m	2024	2023 Reported	Constant currency 2023	Change	Change %
Software and Support	41.1	38.5	37.8	3.3	8.8%
Foundation Cloud Service	13.7	12.6	12.5	1.2	9.5%
Core product ARR	**54.8**	**51.1**	**50.3**	**4.5**	**9.0%**
Other Software & Services	2.3	3.4	3.3	(1.0)	(31.3)%
Total ARR	**57.0**	**54.5**	**53.5**	**3.5**	**6.5%**

ARR is a key forward-looking financial metric of the Group and is an area of strategic focus. Our aim is to grow ARR in our core products through the delivery of Software-as-a-Service contracts, providing increased quality of earnings.

ARR relating to our core product offering increased by 9.0% to £54.8m (2023: £50.3m constant currency, £51.1m reported) driven by £1.0m from new customer wins and cloud migrations, and also upsell to existing customers across our core product offerings. Within our Core products the cloud native software (such as Engage, Semestry and Dynamics) remained flat at £5.9m.

ARR relating to other software and services has decreased 33.4% to £2.3m (2023: £3.3m constant currency, £3.4m reported), of which £1.0m relates to the removal of ARR for the British Council contract which ended early 2025. All of the major non-core Australian contracts have been removed from ARR, and the rate of decline will be considerably slower going forward.

NRR 106% (2023: 102%) has increased by 3.9pp highlighting the growth opportunities within our existing customer base, in particular migrations of on-premise customers into the cloud.

GRR 93% (2023: 91%) includes churn across our School Edge customers of 0.8ppt and 2.8ppt for the termination of Department of Education contract in June 2024, leaving a core underlying GRR of 96.6%.

Committed Income (Order Book)

The Committed Income (Order Book) relates to the total value of orders across SIS and Etio, which have been signed on or before, but not delivered by 31 December 2024. This represents the best estimate of business expected to be delivered and recognised in future periods and includes two years of Support & Maintenance revenue. At 31 December 2024 this increased to £179.7m (2023: £167.2m constant currency, £168.8m reported). Growth is mainly due to the new Attendance Mentors contract within Etio.

Operating cash conversion

Operating cash conversion is calculated as net cash from operating activities before tax (excluding the cash outflow of £0.2m (2023: £0.8m) from costs associated with the lapsed offer from Ellucian, £0.4m (2023: £0.9m) of restructuring costs and £1.4m in relation to the NTU settlement) as a proportion of Adjusted EBITDA (in 2023 this excluded the release of the onerous contract provision of £4.3m due to the end of the NTU contract. In 2024, operating cash conversion was 101.5% (2023: 110.5% reported).

Free cash flow

Free cash flow is included as a key indicator of the cash that is generated (or absorbed) by the Group and is available for acquisition-related investment, interest and finance charges, and distribution to shareholders. Free cash flow in 2024 improved to an inflow of £7.3m (2023: outflow of £(1.4)m reported) as product development expenditure decreased, net cash flow from operating activities before tax increased to £14.9m (2023: £9.4m) due to increased sales and the impact of £3.7m NTU contract cash outflows in 2023, offset by higher tax payments £2.2m (2023: £1.1m).

Full time equivalent (FTE) and staff retention

	2024	2023	Change
UK	558	601	(43)
Asia Pacific	291	293	(2)
Rest of world[1]	18	14	4

Full Time Equivalent (FTE)	867	908	(41)

1. Including USA, Canada and Middle East.

Our overall workforce has decreased by 4.5% to a total FTE of 867 from 908 at 31 December 2023.

On an operational FTE basis (excluding Capitalised Product Development), the revenue per average operational FTE increased to £108.8k (2023: £103.2k).

The reduction in headcount reflects our drive for operational efficiencies and reduction in product development, whilst growing our global delivery capability in the Philippines. Staff retention has increased to 89.3% (2023: 86.2%).

Exceptional items

The Group has adopted a policy of disclosing separately on the face of its Group income statement the effect of any components of financial performance considered by the Directors to not be directly related to the trading business or significant one-off events, for which separate disclosure would assist in a better understanding of the financial performance.

Exceptional items amounted to £5.6m (2023: £3.3m) and a full explanation is included in Note 4, however the main items are as follows:

- Restructuring and associated costs: Relate the restructuring of the Group’s operations to support the Group’s transition to a pureplay Edtech, SaaS business (2024: £0.7m; 2023: £1.0m).
- Etio restructure costs: Board’s strategic review of Etio and establishing Etio as a standalone entity (2024: £0.3m; 2023: £1.0m).
- NTU Settlement costs, including legals, following the settlement agreement in May 2024 of £3.0m.
- Impairment of TDE (Tribal Data Engine) intangible asset following the product being put on stop-sell of £1.4m.

Net cash and cash flow

£m	2024	2023	Change
Net cash flow from operating activities before tax	14.9	9.4	5.5
Tax paid	(2.2)	(1.1)	(1.1)
Purchases of PPE	(0.3)	(0.4)	0.1
Net lease payments	(0.8)	(0.9)	0.1
Capitalised product development	(4.4)	(8.5)	4.1
Proceeds from shares	0.1	0.1	0.0
Free cash flow	7.3	(1.4)	8.7
Net cash outflow from acquisition activities	0.0	(0.1)	0.1
Net cash inflow/(outflow) from other financing activities [1]	(8.5)	5.6	(14.1)
Net (decrease)/increase in cash & cash equivalents	**(1.2)**	4.1	(5.3)
Cash & cash equivalents at beginning of the year	6.8	2.9	3.9
Less: Effect of foreign exchange rate changes	(0.3)	(0.2)	(0.1)
Cash & cash equivalents at end of period	**5.3**	6.8	(1.5)
Restricted cash [2]	**(0.5)**	-	(0.5)
Borrowings	**(8.0)**	(14.0)	6.0
Net debt at end of period	**(3.2)**	(7.2)	4.0

1. Net cash inflow/outflow from other financing activities consists of Interest Paid (£1.1)m (2023: (£0.7)m), Net Loan Repayment (£6.0)m (2023: drawdown of £7.8m) and Dividends paid of (£1.4)m (2023: (£1.4)m).
2. Restricted cash relates to funds of £0.5m (2023: £nil) to settle contractual payments under a grant scheme that the Group administers for the Department of Education.

Net debt and cash equivalents excluding restricted cash of £0.5m at 31 December 2024 were (£3.2)m (2023: (£7.2)m).

Operating cash inflow before tax for the period was £14.8m (2023: £9.4m), £5.4m higher than last year driven by higher operating profit and the impact of £3.7m NTU contract cash outflows in 2023. Cash expenditure on exceptionals was £2.0m, with £1.4m of the NTU settlement and £0.4m of reorganisation costs.

Capitalised product development decreased to £4.4m (2023: £8.5m) in line with the Group's product investment programme. The Group made a payment of £nil for deferred consideration (2023: £0.1m). The 2023 charge was a final earn-out payment for Eveoh. There were no acquisitions in 2024.

Cash outflow from other financing activities as defined above increased to £8.5m (2023: inflow of £5.6m). The main impact being the repayment of the multicurrency revolving facility where a net £6.0m was repaid (2023: drawdown of £7.8m). The Group paid an interim dividend of 0.65p per share in the year with £1.4m returned to shareholders. Bank loan arrangement fees and all interest in the period totalled £1.1m (2023: £0.9m).

Funding arrangements

On 29 December 2023 the Group entered into a three-year £20m multicurrency revolving facility with a further £5m accordion with HSBC, with the option to extend by a further two years, in January 2025 the first one year extension was activated, with the second available later in 2025. The facility was put in place to cover general corporate and working capital requirements of the Group; as at 31 December 2024 £8.0m (2023: £14.0m) of the loan was utilised. The Group has a £2m committed overdraft facility in the UK and an AUD $2m committed overdraft facility in Australia; both facilities are committed for a 12-month period ending August 2025 and October 2025 respectively. At 31 December 2024 none of the overdraft facilities were drawn.

Shareholders returns and dividends

As noted in the 2023 Annual Report & Accounts the Board deferred its decision upon the quantum of the dividend in respect of the year-ended 31 December 2023 due to the uncertainty over the outcome of the dispute with NTU. Following the settlement of the dispute in November 2024, an interim dividend of 0.65p per share was paid totalling £1.4m. The Board is proposing a final dividend in respect of the year ended 31 December 2024 of 0.65p, pending approval at the AGM on 27 May 2025. The anticipated payment date is 24 July 2025, with an associated record date of 27 June 2025 and an ex-dividend date of 26 June 2025.

Going concern

As at 31 December 2024, the Group had cash and cash equivalents of £5.3m (2023: £6.8m) and borrowings of £8.0m (2023: £14.0m). The Group has funding arrangements in place as described earlier, also please see Note 14.

The Group benefits from strong annual recurring revenues and cash generation, it also has a significant pipeline of committed income as it enters 2025. The Group's net current liability position has increased to £23.4m from £19.1m in 2023; the increase mainly driven by net contract liabilities. Net current liabilities primarily consists of net contract liabilities of £26.3m (2023: £21.8m) relating to deferred customer revenue recognised in accordance with IFRS 15.

During the year the NTU contract dispute was settled with remaining payments to be made in 2025 of £1.7m.

In assessing the Group's going concern position the Directors have considered all relevant facts, latest forecasts, an assessment of the risks faced by the Group, and considered potential changes in trading performance. In addition, management have stress tested the latest forecasts to the point where either the Group cannot meet its liabilities or is in breach of banking covenants and have concluded that this position is highly unlikely. Accordingly, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Taxation

The corporation tax on profit before tax was £0.4m (2023: £1.3m). This decrease is primarily driven by increased recognition of deferred tax assets.

Share options and share capital

On 13 June 2024, 1,766,193 nil-cost share options were granted to Mark Pickett (1,109,005) and Diane McIntyre (657,188) as part of their ongoing remuneration.

On 5 June 2024, 552,291 nil-cost share options were granted to eligible employees on the Executive Board under the terms of its 2018 Long-Term Incentive plan.

Earnings per share (EPS)

Adjusted basic earnings per share from continuing operations before exceptional items and intangible asset impairment charges and amortisation, which reflects the Group's underlying trading performance, increased to 4.7p due to the improved adjusted profit before tax in the year.

Statutory basic earnings per share increased to 2.6p (2023: 2.5p) as a result of the statutory profit in the year of £5.5m (2023: £5.3m).

Pension obligations

At 31 December 2024, the Group operated two defined benefit pension schemes for the benefit of certain deferred employees of its subsidiaries in the UK. These schemes are administered by separate funds that are legally separated from the Company. The trustees of the pension funds are required by law to act in the interest of the funds and of all relevant stakeholders in the schemes. The trustees of the pension funds are responsible for the investment policy with regard to the assets of the funds.

The surplus recognised under IAS 19 at the end of the year was £0.1m (2023: surplus of £0.1m), with gross assets of £7.9m and gross liabilities of £4.7m (2023: £8.5m and £5.7m respectively). Total actuarial losses recognised in the consolidated statement of comprehensive income are £0.1m (2023: losses £(0.1)m). The Company does not have an unqualified right to apply any surplus on one of the schemes and consequently a surplus of £3.1m has not been recognised.

Diane McIntyre
Chief Financial Officer

Consolidated Income Statement
For the year ended 31 December 2024

	Note	Year ended 31 December 2024 Total £'000	Year ended 31 December 2023 Total £'000
Revenue	2	90,008	85,750
Cost of sales		(46,513)	(43,628)
Gross profit		43,495	42,122
Total administrative expenses		(36,602)	(34,861)
Operating profit	3	6,893	7,261
Analysed as:			
Operating profit (before exceptional items)	3	12,465	10,581
Exceptional items	4	(5,572)	(3,320)
Operating profit (EBIT)		6,893	7,261
Finance income		137	308
Finance costs	5	(1,172)	(939)
Profit before tax		5,858	6,630
Tax charge	6	(370)	(1,336)
Profit attributable to the owners of the parent		5,488	5,294
Earnings per share			
Basic	8	2.6p	2.5p
Diluted	8	2.5p	2.4p

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Profit for the year		**5,488**	**5,294**
Other comprehensive expense:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes		(89)	(129)
Deferred tax on measurement of defined benefit pension schemes		(8)	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,453)	(458)
Other comprehensive expense for the year net of tax		**(1,550)**	**(587)**
Total comprehensive income for the year attributable to equity holders of the parent		**3,938**	**4,707**

Consolidated balance sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill	9	27,600	28,524
Other intangible assets	10	50,041	49,894
Property, plant and equipment		621	836
Right-of-use assets		1,693	2,117
Net investment in lease		–	21
Deferred tax assets		6,873	4,960
Retirement benefit scheme assets		102	81
		86,930	**86,433**
Current assets			
Trade and other receivables	11	16,197	13,690
Net investment in lease		–	49
Contract assets	2	3,441	5,918
Current tax assets		1,206	752
Cash and cash equivalents	12	5,293	6,797
		26,137	**27,206**
Total assets		**113,067**	**113,639**
Current liabilities			
Trade and other payables	13	(7,034)	(5,902)
Accruals		(9,193)	(9,194)

	Note		
Contract liabilities	2	(29,783)	(27,732)
Current tax liabilities		(2,352)	(1,541)
Lease liabilities		(706)	(713)
Provisions		(502)	(1,205)
		(49,570)	(46,287)
Net current liabilities		(23,433)	(19,081)
Non-current liabilities			
Other payables	13	(66)	(212)
Deferred tax liabilities		(2,547)	(2,740)
Contract liabilities	2	(26)	-
Lease liabilities		(903)	(1,320)
Borrowings	14	(8,000)	(14,000)
Provisions		(489)	(605)
		(12,031)	(18,877)
Total liabilities		(61,601)	(65,164)
Net assets		51,466	48,475
Equity			
Share capital		10,693	10,611
Share premium		83	83
Other reserves		29,287	28,893
Accumulated profits		11,403	8,888
Total equity attributable to equity holders of the parent		51,466	48,475

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Accumulated (losses) /profits £'000	Total equity £'000
Balance at 31 December 2022		10,611	83	28,598	5,526	44,818
Profit for the year		–	–	–	5,294	5,294
Other comprehensive expense for the year		–	–	–	(587)	(587)
Total comprehensive income for the year		–	–	–	4,707	4,707
Equity dividend paid	7	–	–	–	(1,377)	(1,377)
Credit to equity for share-based payments		–	–	295	–	295
Tax credit on credit to equity for share-based payments	6	–	–	–	32	32
Contributions by and distributions to owners		–	–	295	(1,345)	(1,050)
Balance at 31 December 2023 and 1 January 2024		10,611	83	28,893	8,888	48,475
Profit for the year		–	–	–	5,488	5,488
Other comprehensive expense for the year		–	–	–	(1,550)	(1,550)
Total comprehensive income for the year		–	–	–	3,938	3,938
Issue of equity share capital		82	–	–	–	82
Equity dividend paid	7	–	–	–	(1,389)	(1,389)
Credit to equity for share-based payments		–	–	394	–	394

Tax charge on credit to equity for share-based payments	**6**	**–**	**–**	**–**	**(34)**	**(34)**
Contributions by and distributions to owners		**82**	**–**	**394**	**(1,423)**	**(947)**
At 31 December 2024		**10,693**	**83**	**29,287**	**11,403**	**51,466**

Consolidated cash flow statement
For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Net cash from operating activities	15	12,710	8,308
Investing activities			
Purchases of property, plant and equipment		(273)	(390)
Expenditure on intangible assets	10	(4,427)	(8,479)
Payment of deferred consideration for acquisitions		–	(71)
Proceeds from sub-leases		17	50
Net gain on forward contracts		–	175
Net cash outflow from investing activities		(4,683)	(8,715)
Financing activities			
Interest paid		(1,066)	(717)
Loan arrangement fees		–	(112)
Loan drawdown		8,000	8,750
Loan repayment		(14,000)	(1,000)
Proceeds on issue of shares		82	–
Principal paid on lease liabilities		(768)	(911)
Interest paid on lease liabilities		(76)	(77)
Equity dividend paid	7	(1,389)	(1,377)
Net cash (used in)/from financing activities		(9,217)	4,556
Net (decrease)/increase in cash and cash equivalents		(1,190)	4,149
Cash and cash equivalents at beginning of year		6,797	2,856
Effect of foreign exchange rate changes		(314)	(208)
Cash and cash equivalents at end of year		5,293	6,797

1. General information

The basis of preparation of this preliminary announcement is set out below.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's annual general meeting. The auditor BDO LLP has reported on the statutory financial statements for the year ended 31 December 2024 and the audit report was unqualified.

Whilst the financial information included in this preliminary announcement has been completed in accordance with International Financial Reporting Standards (IFRSs), this announcement itself does not contain sufficient information to comply with IFRSs. The financial information has been prepared on the historical cost basis, except for financial instruments.

Copies of this announcement can be obtained from the Company's registered office at St Mary's Court, 55 St Mary's Road, Sheffield S2 4AN.

The full financial statements which comply with IFRSs will be communicated to shareholders via their selected preference and are available to members of the public at the registered office of the Company from that date and are now available on the Company's website: www.tribalgroup.com.

2. Revenue for contracts with customers

The Group has split revenue into various categories which is intended to enable users to understand the relationship between revenue streams and segment information.

31 December 2024	UK £'000	Australia £'000	Other APAC £'000	North America and Rest of the world £'000	Total £'000
Software and Support	30,455	7,089	2,243	1,711	41,498
Foundation Cloud Services	10,785	1,452	546	192	12,975
Professional Services	7,431	561	1,211	241	9,444
Core Student Information Systems (SIS)	48,671	9,102	4,000	2,144	63,917
Other software & services	3,562	5,258	–	5	8,825
Total Student Information Systems (SIS)	52,233	14,360	4,000	2,149	72,742
Schools inspections & other related services (QAS)	9,343	2	6	5,487	14,838
i-graduate survey & data analytics	1,013	117	982	316	2,428
Total Etio	10,356	119	988	5,803	17,266
Total	62,589	14,479	4,988	7,952	90,008

31 December 2023	UK £'000	Australia £'000	Other APAC £'000	North America and Rest of the world £'000	Total £'000
Software and Support	27,681	6,868	2,207	1,872	38,628
Foundation Cloud Services	8,384	1,432	453	150	10,419
Professional Services	7,969	498	1,164	151	9,782
Core Student Information Systems (SIS)	44,034	8,798	3,824	2,173	58,829
Other software & services	3,316	6,424	–	9	9,749
Total Student Information Systems (SIS)	47,350	15,222	3,824	2,182	68,578
Schools inspections & other related services (QAS)	9,121	–	1	5,104	14,226
i-graduate survey & data analytics	1,214	370	1,076	286	2,946
Total Etio	10,335	370	1,077	5,390	17,172
Total	57,685	15,592	4,901	7,572	85,750

Net contract liabilities

	Contract asset/ (liability) 2024 £'000	Contract asset/ (liability) 2023 £'000
Opening contract balance	(21,814)	(19,469)
Of which released to income statement	21,814	19,328
New billings and cash in excess of revenue recognised	(26,368)	(21,673)
Closing contract balance	(26,368)	(21,814)

Balances arise on contract assets and liabilities when cumulative payments received from customers at the balance sheet date do not necessarily equal the amount of revenue recognised on contracts. Customers are on standard payment terms, which may result in settlement of invoices prior to the recognition of associated revenue.

Contract assets inherently have some contractual risks associated with them related to the specific and ongoing risks in each individual contract with a customer. The impairment of contract assets reflects provisions recognised against contract assets in relation to these risks.

The amount of incremental costs to obtain a contract which extends over a period of more than 12 months has been recognised as an asset in prepayments totalling £0.1m (2023: £0.3m) and will be released in line with the total contract revenue. No amount has been impaired at 31 December 2024 or 2023.

Remaining performance obligations

The amount of revenue that will be recognised in future periods on revenue contracts entered into prior to 31 December when the remaining performance obligations will be satisfied is analysed as follows:

At 31 December 2024

	2025 £'000	2026 £'000	2027 £'000	Thereafter £'000	Total £'000
Software and Support	**39,929**	**38,854**	**16,294**	**563**	**95,640**
Foundation Cloud Services	**12,690**	**12,558**	**7,911**	**1,405**	**34,564**
Professional Services	**6,519**	**508**	**37**	**–**	**7,064**
Core SIS	**59,138**	**51,920**	**24,242**	**1,968**	**137,268**
Other software & services	**3,938**	**2,133**	**996**	**268**	**7,335**
Total SIS	**63,076**	**54,053**	**25,238**	**2,236**	**144,603**
Schools inspections & other related services (QAS)	**13,830**	**7,488**	**6,856**	**4,890**	**33,064**
i-graduate survey & data analytics	**1,371**	**567**	**78**	**59**	**2,075**
Total Etio	**15,201**	**8,055**	**6,934**	**4,949**	**35,139**
TOTAL	**78,277**	**62,108**	**32,172**	**7,185**	**179,742**

At 31 December 2023	2024 £'000	2025 £'000	2026 £'000	Thereafter £'000	Total £'000
Software and Support	**37,810**	**36,765**	**22,502**	**504**	**97,581**
Foundation Cloud Services	**11,523**	**11,219**	**7,204**	**1,272**	**31,218**
Professional Services	**7,763**	**1,642**	**52**	**–**	**9,457**
Core SIS	**57,096**	**49,626**	**29,758**	**1,776**	**138,256**
Other software & services	**6,120**	**2,346**	**1,066**	**56**	**9,588**
Total SIS	**63,216**	**51,972**	**30,824**	**1,832**	**147,844**
Schools inspections & other related services (QAS)	**11,396**	**6,190**	**275**	**22**	**17,883**
i-graduate survey & data analytics	**1,764**	**903**	**453**	**–**	**3,120**
Total Etio	**13,160**	**7,093**	**728**	**22**	**21,003**
TOTAL	**76,376**	**59,065**	**31,552**	**1,854**	**168,847**

An analysis of the Group's revenue, all from continuing operations is as follows:

	2024 £'000	2023 £'000
Sales of services	**90,008**	**85,750**
Total revenue	**90,008**	**85,750**

Further details of the nature of the services provided are disclosed in Note 3. Sales of goods are not material and are therefore not shown separately. Included in sales of services is £1.3m (2023: £1.3m) related to software license revenues recognised as a result of a periodic review of our license entitlement resulting from changes in our customers' enrolled student numbers.

There is no revenue in respect of discontinued operations.

3. Business Segments

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the nature of each type of activity. The Group's reportable segments and principal activities under IFRS 8 are detailed below:

- Student Information Systems (SIS) represents the delivery of software and subsequent maintenance and support services and the activities through which we deploy and configure our software for our customers, including software solutions, asset management and information managed services; and
- Etio (ES) represents inspection and review services which support the assessment of educational delivery, and a portfolio of performance improvement tools and services, including analytics.

In accordance with IFRS 8 'Operating Segments', information on segment assets is not shown, as this is not provided to the chief operating decision-maker, being the Chief Executive. Inter-segment sales are charged at prevailing market prices.

	Revenue		Adjusted segment operating profit	
	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
SIS	72,742	68,578	24,938	23,412
Etio	17,266	17,172	409	2,254
Total	90,008	85,750	25,347	25,666
Unallocated corporate expenses			(11,921)	(14,360)
Amortisation of acquired software and customer contracts & relationships			(961)	(725)
Adjusted operating profit			12,465	10,581
Exceptional items (see Note 4)			(5,572)	(3,320)
Operating profit			6,893	7,261
Finance income			137	308
Finance costs			(1,172)	(939)
Profit before tax			5,858	6,630
Tax charge			(370)	(1,336)
Profit after tax			5,488	5,294

Associated depreciation and amortisation is allocated to segment profits and is included in adjusted segment operating profit as above. The amount included in SIS is £2.7m (2023: £2.3m) and within Etio £0.2m (2023: £0.2m). The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment, without allocation of central administration costs, including Directors' salaries, finance costs and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Within Etio revenues of approximately 9% (2023: 9%) have arisen from the segment's largest customer; within SIS revenues of approximately 4% (2023: 4%) have arisen from the segment's largest customer. These percentages are calculated against total revenue.

Geographical information

Revenue from external customers, based on the geographical location of the customer, is shown below:

	2024 £'000	2023 £'000
UK	62,589	57,685
Australia	14,479	15,592

	2024 £'000	2023 £'000
Other APAC	4,988	4,901
North America	3,243	3,650
Rest of the world	4,709	3,922
	90,008	85,750

Non-current assets (excluding deferred tax)

	2024 £'000	2023 £'000
UK	67,796	67,523
Australia	11,719	13,342
Other APAC	435	531
North America	13	27
Rest of the world	94	50
	80,057	81,473

4. Exceptional Items

	2024 £'000	2023 £'000
Acquisition related costs	–	103
Takeover costs	(191)	(1,420)
Etio restructure	(288)	(1,003)
NTU settlement and associated costs	(3,023)	–
Impairment of development costs	(1,405)	–
Group restructuring and associated costs	(665)	(1,000)
Total exceptional items	(5,572)	(3,320)

The exceptional items are not part of the Group's underlying trading activities and include the following:

Acquisition-related costs: Amounts relating to the consultancy and legal costs of potential acquisitions (2024: charge of £nil, 2023: credit of £0.1m). The credit in 2023 arose from the remeasurement of accounting for changes in the fair value of the contingent deferred consideration as part of the earn-out agreement with Eveoh BV, and the corresponding gain was recognised in the income statement.

Restructuring and associated costs relate to the restructuring of the Group's operations, including properties and the Education Services Restructure. (2024: £1.0m, 2023: £2.0m). These costs relate to one-off initiatives that support the Group's transition to a Pureplay EdTech, SaaS business.

Takeover costs: Amounts relating to the lapsed offer for Tribal Group plc by Ellucian. (2024: £0.2m, 2023 £1.4m) were spent on due diligence and external advisors.

NTU settlement and associated costs: Amounts payable in respect of the full and final settlement with Nanyang Technological University ("NTU") resolving all outstanding issues in relation to the contact between Tribal and NTU which was terminated on 23 March 2023.

Impairment of development costs: Amounts relating to the impairment of the TDE ("The Data Engine") asset following an impairment review at the end of the year, see Note 10.

5. Finance Costs

	2024 £'000	2023 £'000
Interest on bank overdrafts and loans	1,105	717
Loan arrangement fees	(24)	112
Interest expense on lease liabilities	76	78
Unwinding of discounts	15	32
Total finance costs	1,172	939

6. Tax

	2024 £'000	2023 £'000
Current tax		
UK corporation tax	(72)	(117)
Overseas tax	2,630	1,999
Adjustments in respect of prior years	9	(493)
	2,567	1,389
Deferred tax		
Current year	(2,197)	502
Adjustments in respect of prior years	-	(555)
	(2,197)	(53)
Tax charge on profits	370	1,336

The continuing tax charge can be reconciled to the profit from continuing operations per the income statement as follows:

	2024 £'000	2023 £'000
Profit before tax on continuing operations	5,858	6,630
Tax charge at standard UK rate of 25.0% (2023: 23.5%)	1,465	1,558
Effects of:		
Overseas tax rates	274	342
Expenses not deductible for tax purposes	(33)	495
Adjustments in respect of prior years	9	(1,048)
Deferred tax on losses not previously recognised	(1,204)	–
Foreign exchange differences	(84)	-
Losses not recognised	15	92
Movement in IFRIC 23 tax provision	(72)	(117)
Effect of changes in tax rates	-	14
Tax expense for the year	370	1,336

In addition to the amount charged to the income statement a deferred tax charge of £34,000 (2023: credit of £32,000) has been recognised directly in equity during the year in relation to Share Schemes.

A deferred tax charge of £8,000 (2023: £nil) has been recognised in the Consolidated Statement of Comprehensive Income in relation to defined benefit pension schemes.

The Group continues to hold appropriate uncertain tax provisions.

The income tax expense for the year is based on the UK statutory rate of corporation tax for the period of 25.0% (2023: 23.5%).

Tax for other jurisdictions is calculated at the prevailing rates in the respective jurisdictions.

7. Dividends

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for the year ended 31 December 2023 of 0.65 pence (Final dividend for the year ended 31 December 2022 of 0.65 pence) per share	**1,389**	**1,377**
Proposed final dividend:		
Proposed final dividend for the year ended 31 December 2024 of 0.65 pence	**1,390**	–

The Board regularly reviews the available distributable reserves of Tribal Group plc to ensure they are protected for future dividend payments.

8. Earnings per share

Basic earnings per share and diluted earnings per share are calculated by reference to a weighted average number of Ordinary Shares calculated as follows:

	2024 '000	2023 '000
Weighted average number of shares outstanding:		
Basic weighted average number of shares in issue	**213,520**	**214,180**
Dilutive weighted average number of employee share options	**2,515**	**1,626**
Total weighted average number of shares outstanding for dilution calculations	**216,035**	**215,806**

Diluted earnings per share reflects the dilutive effect of LTIP and CSOP share options for which vesting criteria have been met.

The maximum number of potentially dilutive shares, based on options that have been granted but have not yet met vesting criteria, is 2,737,673 (2023: 3,300,128).

The adjusted basic and diluted earnings per share figures shown are included as the Directors believe that they provide a better understanding of the underlying trading performance of the Group. A reconciliation of how these figures are calculated is set out below:

	2024 £'000	2023 £'000
Net profit	**5,488**	**5,294**
Earnings per share		
Basic	**2.6p**	**2.5p**
Diluted	**2.5p**	**2.4p**
Net profit (before exceptional items) *	**10,138**	**8,811**
Adjusted earnings per share		
Basic	**4.7p**	**4.1p**
Diluted	**4.7p**	**4.1p**

*** Net profit (before exceptional items) is calculated as below:**	2024 £'000	2023 £'000
Operating profit (before exceptional items)	**12,465**	**10,581**

Finance income	**137**	**308**
Finance costs	**(1,172)**	**(939)**
Profit (before exceptional items) before tax	**11,430**	**9,950**
Tax charge (before exceptional items)	**(1,292)**	**(1,139)**
Net profit (before exceptional items)	**10,138**	**8,811**

9. Goodwill

	2024 £'000	2023 £'000
Cost		
At 1 January	**109,755**	**110,407**
Exchange differences	**(924)**	**(652)**
At 31 December	**108,831**	**109,755**
Accumulated impairment losses		
At 1 January	**81,231**	**81,231**
At 31 December	**81,231**	**81,231**
Net book value		
At 31 December	**27,600**	**28,524**
At 1 January	**28,524**	**29,176**

Goodwill acquired in a business is allocated, at acquisition, to CGUs that are expected to benefit from the business combination. The carrying amount of goodwill has been allocated as follows:

	2024 £'000	2023 £'000
Student Information Systems (SIS)	**24,066**	**24,990**
Etio (ES)	**3,534**	**3,534**
	27,600	**28,524**

Goodwill is reviewed at least annually for impairment by comparing the recoverable amount of each CGU with the goodwill, intangible assets and property, plant and equipment allocated to that CGU.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use risk adjusted cash flow projections based on the financial budget approved by management for the period to 31 December 2025. The budget was prepared based on past experience, strategic plans and management's expectation for the markets in which they operate including adjustments for known contract ends, contract related inflationary increases and planned cost savings. From the budget a forecast was extrapolated by product over a five-year period to give greater clarity on future cash flows. Cash flows beyond the budget and extrapolation period were calculated into perpetuity using a 2% growth assumption. This growth rate is in line with the expected long-term growth rate of the markets in which the business operates.

The cash flow projections are discounted at a pre-tax discount rate of 13.2% (2023: 16.0%). The single discount rate, which is consistently applied for both CGUs, is determined with reference to available industry information and reflects specific risks relevant to the Group.

Impairment testing inherently involves a number of judgemental areas, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting, the assessment of the discount rate appropriate to the Group and the estimation of the future revenue and expenditure of each CGU. Accordingly, management undertook stress testing to understand the key sensitivities and concluded as follows:

A rise in discount rate to 19.3% in SIS and 28.8% in Etio would trigger an impairment. A decline in growth rate of EBITDA (6.5%) in SIS and (262.1%) in Etio would result in an impairment.

Management does not believe a reasonably possible change in the key assumptions would cause impairment.

10. Other Intangible Assets

	Acquired software £'000	Acquired Customer contracts & relationships £'000	Acquired Intellectual property £'000	Development costs £'000	Business systems £'000	Software licenses £'000	Total £'000
Cost							
At 1 January 2023	**12,582**	**9,902**	**1,873**	**55,314**	**75**	**44**	**79,790**
Additions	**–**	**–**	**–**	**8,479**	**–**	**–**	**8,479**
Exchange differences	**(383)**	**(163)**	**–**	**(170)**	**–**	**–**	**(716)**
At 31 December 2023	**12,199**	**9,739**	**1,873**	**63,623**	**75**	**44**	**87,553**
Additions	**–**	**–**	**–**	**4,427**	**–**	**–**	**4,427**
Impairments	**–**	**–**	**–**	**(1,526)**	**–**	**–**	**(1,526)**
Exchange differences	**(545)**	**(232)**	**–**	**(229)**	**–**	**(1)**	**(1,007)**
At 31 December 2024	**11,654**	**9,507**	**1,873**	**66,295**	**75**	**43**	**89,447**
Amortisation							
At 1 January 2023	**9,283**	**7,189**	**950**	**18,657**	**–**	**44**	**36,123**
Charge for the year	**267**	**458**	**97**	**1,388**	**7**	**–**	**2,217**
Exchange differences	**(383)**	**(129)**	**–**	**(169)**	**–**	**–**	**(681)**
At 31 December 2023	**9,167**	**7,518**	**1,047**	**19,876**	**7**	**44**	**37,659**
Charge for the year	**267**	**694**	**97**	**1,813**	**8**	**–**	**2,879**
Impairments	**–**	**–**	**–**	**(121)**	**–**	**–**	**(121)**
Exchange differences	**(545)**	**(222)**	**–**	**(243)**	**–**	**(1)**	**(1,011)**
At 31 December 2024	**8,889**	**7,990**	**1,144**	**21,325**	**15**	**43**	**39,406**
Carrying amount							
At 31 December 2024	**2,765**	**1,517**	**729**	**44,970**	**60**	**–**	**50,041**
At 31 December 2023	**3,032**	**2,221**	**826**	**43,747**	**68**	**–**	**49,894**

Software, customer contracts and relationships and intellectual property that have arisen from acquisitions are amortised over their estimated useful lives, which are 3 to 8 years and 3 to 15 years respectively. The amortisation period for development costs incurred on the Group's product development is 3 to 15 years, based on the expected life cycle of the product. Amortisation and impairment of development costs, amortisation for software, customer contracts and relationships, intellectual property, business systems and software licenses are all included within administrative expenses.

The Group is required to test annually if there are any indicators of impairment and perform an impairment test on all assets which are under development, irrespective of whether there is an indicator of impairment. The recoverable amount is determined based on value in use calculations of identified CGUs. The use of this method requires the estimation of future cash flows based on the Group's mid-range plans; the key assumption that affects this is revenue growth. This assumption has been sensitised as part of current year testing.

The discount and growth rates are estimated using a pre-tax weighted-average cost of capital ("WACC") that is indicative of current market assessments of the time value of money, based on risks specific to the market in which the Group operates.

Cash flow projections are prepared for a 15-year period from 31 December 2024 as this is the expected life cycle of the CGUs. The pre-tax discount rate used in the models is 17.6%.

With respect to the TDE (The Data Engine) asset, this product has been put on stop sell as the product strategy has shifted and consequently an impairment review was required and this concluded that the asset should be fully impaired, with a net impact of £1.4m. This has been included within Exceptionals (Note 4).

Other products under development have been allocated to CGUs (SITS and Callista) being the foundation products into which the new modules will be incorporated.

The impairment testing allocates all assets relating to specific CGUs.

11. Trade and other receivables

	2024 £'000	2023 £'000
Amounts receivable for the sale of services	**11,637**	**8,834**
Less: Allowance for expected credit loss	**(819)**	**(665)**
	10,818	**8,169**
Other receivables	**648**	**689**
Prepayments	**4,731**	**4,832**
	16,197	**13,690**

The Group's principal financial assets are cash and cash equivalents and trade and other receivables which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's credit risk is primarily related to its trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

All receivables are due within one year in both current and prior years.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Trade receivables

Trade receivables are measured at amortised cost. The average credit terms on sales is 30 days (2023: 30 days). The Group sells the majority of its services to the public sector or related bodies and institutions, and as such there is a low incidence of default experience.

Of the total trade receivables balance at the end of the year there were four customers (2023: three) who held balances outstanding of more than 5% (2024: £4.0m; 2023: £1.7m). The average age of receivables is 37 days (2023: 29 days).

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for trade receivables and accrued income. To measure expected credit losses on a collective basis, trade receivables and accrued income are grouped based on similar credit risk and ageing.

At 31 December 2024 the lifetime expected loss allowance for trade receivables is as follows:

	Expected loss rate	Gross carrying amount £'000	Loss provision £'000
Current	**0.4%**	**8,723**	**33**
30–60 days	**1%**	**563**	**6**
60–90 days	**35%**	**92**	**32**
90–180 days	**4%**	**1,519**	**61**
180+ days	**93%**	**740**	**687**
Total		**11,637**	**819**

At 31 December 2023 the lifetime expected loss allowance for trade receivables is as follows:

	Expected loss rate	Gross carrying amount £'000	Loss provision £'000
Current	**1%**	**7,004**	**39**
30–60 days	**9%**	**715**	**62**
60–90 days	**18%**	**277**	**50**
90–180 days	**34%**	**399**	**137**
180+ days	**86%**	**439**	**377**
Total		**8,834**	**665**

Movement in the expected credit loss allowance for trade receivables is as follows:

	2024 £'000	2023 £'000
Balance at the beginning of the year	665	194
IFRS 9 expected credit loss adjustment	583	491
Amounts written off during the year	16	(12)
Movements on unused amounts	(445)	(8)
Balance at the end of the year	819	665

Contract assets

Contract assets are measured at amortised cost. Contract assets inherently have some contractual risks associated with them related to the specific and ongoing risks in each individual contract with a customer. These are subject to the expected credit loss impairment under IFRS 9.

Revenue provisions recognised in the income statement in respect of contract assets amount to £0.1m (2023: £Nil).

12. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash deposits	4,845	6,797
Other deposits	448	-
Cash and cash equivalents	5,293	6,797

Other deposits relate to restricted funds of £0.4m to settle contractual payments under a grant scheme that the Group administers for the Department for Education.

13. Trade and other payables

	2024 £'000	2023 £'000
Current		
Trade payables	960	1,283
Other taxation and social security	3,450	3,664
Other payables	2,624	955
	7,034	5,902
Non-current		
Other payables	66	212
	66	212
Total	7,100	6,114

The average credit period taken for trade purchases is 30 days (2023: 30 days). For most suppliers, no interest is charged on the trade payables for the first 30 days from the date of invoice. Thereafter, in some cases, interest may be charged on the outstanding balances due to certain suppliers at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within a reasonable time frame. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

Other payables are split as follows:

	2024 £'000	2023 £'000
Goods received not invoiced	–	68
Grant creditor	448	–
Other creditors	509	887

NTU settlement	1,667	–
	2,624	955

14. Borrowings

The Group has a £2.0m committed overdraft facility in the UK and a AUD$2.0m committed overdraft facility in Australia, both facilities are committed for a 12-month rolling period ending August 2025 and October 2025 respectively. At 31 December 2024 none of the overdraft facilities were drawn.

On 29 December 2023 the Group entered into a three-year £20.0m multicurrency revolving facility with HSBC, plus a £5.0m accordion, with the option to extend by a further two years. On 10 January 2025 the first extension option of one year was invoked. The facility was put in place to cover general corporate and working capital requirements of the Group, as at 31 December 2024 £8.0m (2023: £14.0m) of the loan was utilised.

The facility interest charge is set at SONIA +1.45% and the loan is subject to two covenants: Senior interest cover (ratio of EBITDA to Senior interest charge) and Total debt cover (ratio of total debt to EBITDA). The Directors have reviewed the forecast covenants and do not expect any breach for the foreseeable future.

15. Notes to the cash flow statement

	2024 £'000	2023 £'000
Operating profit from continuing operations	6,893	7,261
Depreciation of property, plant and equipment	433	566
Depreciation of right-of-use assets	889	1,004
Amortisation and impairment of other intangible assets	2,879	2,217
Impairment of development costs	1,405	-
Share-based payments	394	331
Movement in contingent deferred consideration	-	(115)
Research and development tax charge/(credit)	44	(141)
Net pension credit	13	(9)
Other non-cash items	(280)	(470)
Operating cash flows before movements in working capital	12,670	10,644
Increase in receivables	(81)	(423)
Increase/(decrease) in payables	2,273	(853)
Net cash from operating activities before tax	14,862	9,368
Net tax paid	(2,152)	(1,060)
Net cash from operating activities	12,710	8,308

Net cash from operating activities before tax can be analysed as follows:

	2024 £'000	2023 £'000
Continuing operations	14,862	9,368

16. Analysis of net debt

	2024 £'000	2023 £'000
Cash and cash deposits (Note 12)	4,845	6,797
Borrowings	(8,000)	(14,000)
	(3,155)	(7,203)

Reconciliation of changes in net debt	2024 £'000	2023 £'000
Opening net debt	(7,203)	(3,394)
Net (decrease)/increase in cash and cash equivalents	(1,190)	4,149
Movement in borrowings	6,000	(7,750)
Restricted cash	(448)	-
Non-cash effect of foreign exchange rate changes	(314)	(208)
Closing net debt	(3,155)	(7,203)

Restricted cash relates to funds of £0.4m (2023: £nil) to settle contractual payments under a grant scheme that the Group administers for the Department of Education.

17. Alternative performance measures (APM)

A number of non-IFRS adjusted profit measures are used in this preliminary announcement. Exceptional items are excluded from our headline performance measures by virtue of their size and nature, in order to reflect management's view of the underlying performance of the Group (see Note 4).

Summarised below is a reconciliation between statutory results to adjusted results. The Group believes that alternative performance measures such as adjusted EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), or based on factors which do not reflect the underlying performance of the business. The adjusted profit after tax earnings measure is also used for the purpose of calculating adjusted earnings per share.

	2024 £'000	2023 £'000
Statutory operating profit	6,893	7,261
Amortisation of development costs and acquired intellectual property	1,910	1,485
Amortisation of other intangibles	8	7
Depreciation of property, plant and equipment	433	566
Depreciation of right-of use assets	889	1,004
Amortisation of software and customer contracts and relationships	961	725
Exceptional items (Note 4)	5,572	3,320
Adjusted EBITDA	16,666	14,368

	2024 £'000	2023 £'000
Adjusted EBITDA	16,666	14,368
Exceptional items (Note 4)	(5,572)	(3,320)
EBITDA after exceptional items	11,094	11,048
Depreciation and amortisation	(4,201)	(3,787)
Operating profit (EBIT)	6,893	7,261
Net financing costs	(1,035)	(631)
Profit before tax	5,858	6,630

18. Contingent liabilities and commitments

The Company and its subsidiaries have provided performance guarantees issued by its banks on its behalf, in the ordinary course of business, totalling £0.2m (2023: £0.1m). These are not expected to result in any material financial loss and the likelihood of using these guarantees is assessed as remote.

Tribal Holdings Limited, Tribal Dynamics Limited, International Graduate Insight Group Limited and Semestry Limited have taken advantage of the exemption available under Section 394A/479A of the Companies Act 2006 in respect of the requirements for audit. As a condition of the exemption, the Company has guaranteed the year-end liabilities of these subsidiaries until they are settled in full. In 2023, International Graduate Insight Group Limited prepared audited statements and did not take advantage of the exemption. The liabilities of the subsidiaries at the year-end were £82.6m (2023: £72.8m). These are inclusive of intercompany liabilities of £72.3m (2023: £69.6m).

The Group delivers complex multi-year projects which from time to time give rise to significant operational and commercial risks. Such risks may, in certain circumstances, lead to potential negotiations or disputes with customers which may give rise to consequential financial or commercial obligations or liabilities arising.