TRIBAL

2024

Annual Report & Accounts

www.tribalgroup.com

Our purpose

To enable student success through expertise, software and services.

Highlights

Financial Performance

Revenue
£90.0m

Gross Profit Margin
48.3%

Adjusted Earnings per Share[1]
4.7p

Adjusted EBITDA[1,2]
£16.7m

Adjusted EBITDA Margin[1]
18.5%

Statutory Earnings per Share
2.6p

Statutory Operating Margin
7.7%

Statutory Profit After Tax
£5.5m

Net Debt
£3.2m

Operational Performance

£57.0m

Annual Recurring Revenue[3]

2023: £54.5m

£108.8k

Revenue per Operational FTE[4]

2023: £103.2k

101.5%

Operating Cash Conversion[5]

2023: 110.5%

£7.3m

Free Cash Flow

2023: £(1.4)m

1. Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Earnings per Share are in respect of continuing operations and exclude charges reported in 'Exceptional Items' of £5.6m (2023: £3.3m), refer to Note 6 in the Financial Statements.
2. Adjusted EBITDA is calculated by taking the Adjusted Operating Profit after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation.
3. Annual Recurring Revenue (ARR) is a forward-looking metric. It includes exit rate annualised recurring revenue, plus future contracted recurring revenue yet to be delivered, and known losses within the next 12 months where customers have given notice.
4. Revenue per Operational FTE is the average FTE for the year excluding average FTE associated with capitalised Product Development. In 2024 56.0 FTE were capitalised (2023: 107.3)
5. 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.

At a glance

Empowering the world of education

Who we are

We are a leading provider of software and services to education institutions, globally.

Our goal

To be a pure-play EdTech SaaS business, with global reach.

What we do

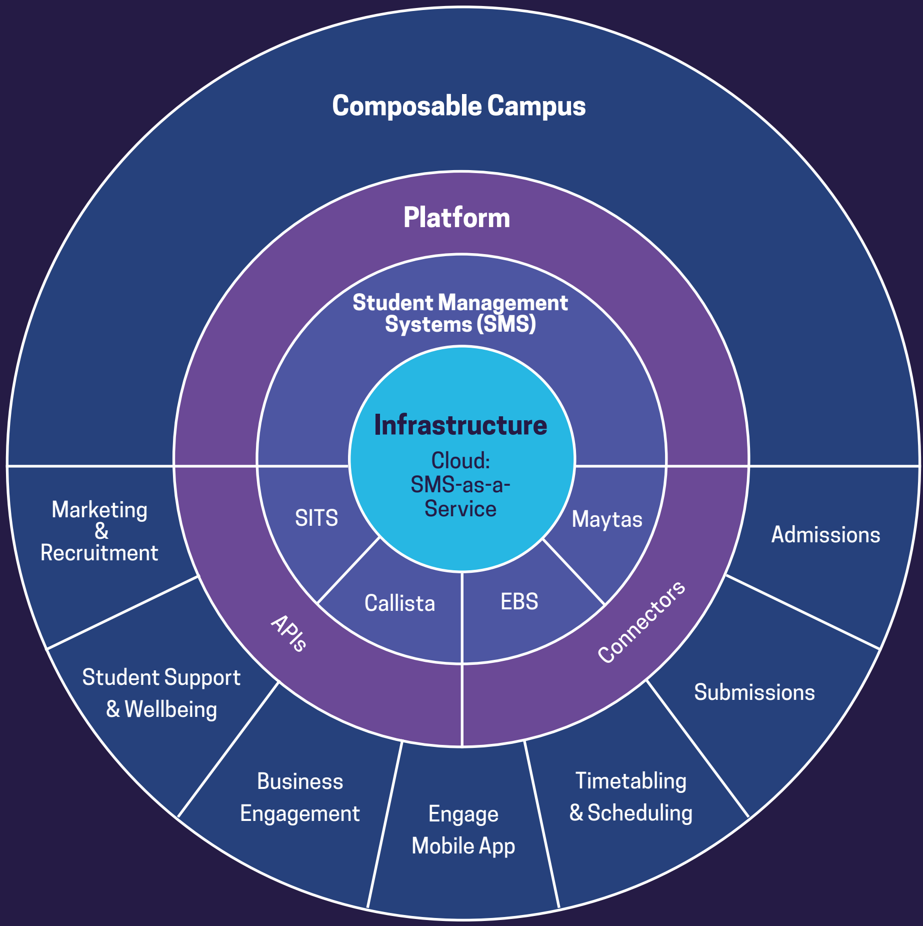
Student information solutions for both Further and Higher Education institutions, and work-based learning training providers, worldwide.

A global provider of quality assurance and benchmarking services for the education sector.

Who we help

Over 500 institutions are empowered by Tribal's Student Information Solutions, with customers across the globe.

Our products



Our core product strategy focusses on reimagining our market-leading software solutions to be delivered 'as-a-Service' from our proprietary Tribal Cloud infrastructure. This transformative approach not only enhances the customer experience, it also reduces customer risk and management burden, driving greater efficiency in the associated business processes.

As the market leader across UK Higher Education, and holding significant market share in both Further Education and Work-based Learning sectors, Tribal is focussed on continuing to expand our new logo business, whilst also transitioning existing customers to a subscription pricing model that aligns with our SaaS delivery framework. This shift enables us to deepen relationships and increase customer share of wallet – maximising returns across our customer base, and solidifying our competitive advantage.

Tribal Cloud: delivering our existing products 'as-a-Service'

As we transition our software offerings to a SaaS model, we are strategically enhancing our cloud environment to mitigate cybersecurity risks and optimise operational efficiency for customers. By adopting a 'cloud-first' approach, we are facilitating our customers' migration to the Tribal Cloud more quickly (from a solid foundation of around 1/3rd of HE customers already being in the Tribal Cloud), which will further enhance our Annual Recurring Revenue (ARR) from our existing customer base. Additionally, with our continuous development approach, we are positioning Tribal as having best-in-class cloud infrastructure, which is fit for the evolving needs of our customer base both now and into the future.

Delivering the next-generation of Student Information Solutions

By combining previously separate development roadmaps into a single product and engineering stream, we are creating an expanded Higher Education ecosystem of next-generation products and modules to meet the needs of key areas across the student lifecycle.

Our previously separate Edge platform has now been brought together with our core roadmap, and we will shortly begin bringing our next-generation Admissions solution to market – delivered entirely 'as-a-Service' with no IT support required from the University.

As we develop next-generation solutions in tandem with our enhancement of existing product into SaaS modules, we can expand our reach into customer sites with a modular approach across the broader 'composable campus'. Our subscription pricing model will allow the more rapid roll-out of new products to existing customers, resulting in a faster increase in ARR than traditional sales approaches.

Business model

Market-leading solutions improving student outcomes

Resources that empower our mission and drive business success

EdTech software
Leading market share for student information solutions across multiple sectors, spanning the full student lifecycle.

Brand
Tribal Group is a trusted brand known for high quality solutions and respected in education worldwide.

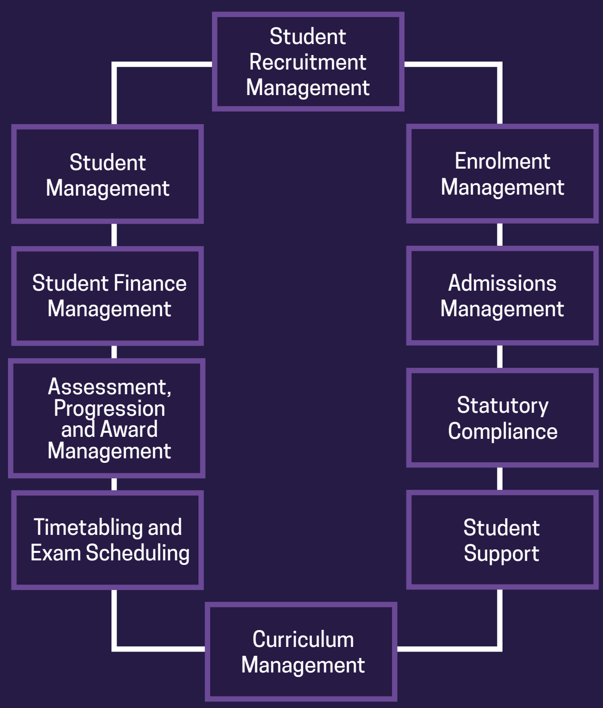
Complementary subsidiaries
Tribal Group is made up of two core brands, Tribal and Etio (previously known as education services) to deliver our products and services in institutions and businesses globally.

Customer engagement
With long-standing customer relationships spanning 30+ years, we possess unique market insights and a customer engagement profile.

People
With experienced leadership bringing clear business focus, skilled people with deep sector experience and a culture that places customers at the heart of what we do, we have a unique advantage in delivering innovative solutions that drive customer success and foster long-term partnerships in the education technology space.

Our software

Our cloud-based and on-premise student information solutions add value to education and business organisations throughout the student lifecycle.



Underpinning how we operate

We provide market-leading cloud-based student information solutions and services tailored to specific global markets, leveraging our resources and expertise to create shared value for all stakeholders.

By empowering educational institutions, we not only enhance the learning experience but also drive successful outcomes for students, reinforcing our commitment to long-term partnerships and sustainable growth.

Our education services

We review, evaluate, benchmark and support education services in institutions and governments globally to improve the quality of education at scale.

Education Review

- Accountability and review frameworks; school inspection; AI models.

Performance Benchmarking

- Finance; student experience.

Education Transformation

- Planning and implementation; leadership development; maths education models.

Education Workforce Development

- Inspection skills training; educator assessment; leadership coaching.

Generating returns and added value for all of our stakeholders

Customers

Solutions enable managers to enhance the quality of education and improve operational performance, to attract, engage and retain students throughout their learning journeys in a cost-effective and flexible manner.

Students

Supporting a student's life-long learning journey, through enhanced wellbeing, enriched experience beyond the academic curriculum, and seamless interaction with different learning channels (physical and virtual).

Shareholders

Shareholder value and returns from profitable, cash-generative growth with a high proportion of recurring revenue.

Employees

Interesting and rewarding careers, with the opportunity to work with the leading educational institutes across the globe.

Government agencies / education funders

Independent quality assurance services supporting the development of top-class education provision.

Risk management
See page 28

Corporate responsibility
See page 22

How we maximise value creation

Our strategy for profitable growth is outlined on page 6

Our opportunity

The customer challenge

Risk

Software has changed dramatically in recent years, and the risk – from both cyber-security and legacy software practices is now greater than ever.

As a leading provider of student information solutions, Tribal has a core role to play in helping education institutions reduce the risk they're facing by transitioning from legacy on-premise systems to our market-leading suite of products, delivered 'as-a-Service'.

Management burden

Education institutions are grappling with the significant burden of managing legacy systems, which complicates their operations, hinders agility, and diverts valuable resources away from strategic initiatives, all while facing mounting pressure to adapt and innovate.

Tribal's product strategy is focused around getting the sectors we serve ready for the future, with the burden of managing software applications eliminated thanks to our 'as-a-Service' delivery model.

Efficiency

The once desirable ability to create highly customised software configurations has now led to inefficiencies in business processes, compounded by the current financial constraints facing the education sector.

With demand for innovation increasing, Tribal has responded by transitioning to an EdTech SaaS business - leading the way in defining and delivering best practice through a standardised approach to business process, developed hand-in-hand with customers and partner organisations, and paving the way for the anticipated growth in AI and other emerging technologies.

Tribal's growth strategy

Journey to 'as-a-Service'

Infrastructure improvements

We are enhancing our cloud infrastructure with 'best-in-class' capabilities and efficient onboarding strategies through our 'cloud-first' approach.

Preparing customers for SaaS

Our SaaS roadmap offers clear pathways for customers to prepare through incremental or transformative approaches.

Subscription pricing

We are implementing a bundled subscription model to ease the transition to SaaS, increase customer share of wallet, and enable rapid rollout of new products.

Expanded product penetration

Upselling to existing customers

We are actively upselling additional products to our existing customers, enhancing their experience and increasing overall value.

Integrating product offerings

We are bringing our diverse product suite into existing customer sites, creating comprehensive solutions that meet a wider range of needs across the student lifecycle.

Expanding market reach

By leveraging our established relationships, we are broadening our addressable market and driving growth through deeper engagement with current customers.

Building strategic partnerships

We are continuing to form strong engagement with customers and partner organisations to facilitate the entry into new customer sites by leveraging relationships for accelerated growth.

Empowering digital transformation across the sector

Case study

The University of Exeter is a long standing, valued customer of Tribal, leveraging SITS to manage their student data effectively. As one of the largest universities in the UK, this is no small task. For Exeter to meet its 2030 sustainability strategy, opportunities to improve efficiency, flexibility and sustainability within their operations is critical.

In late 2023, following a rigorous consultation and review process, the University of Exeter made the decision to move away from managing SITS on-premise, something they'd done for 24 years, and migrate to the Tribal Cloud. With some 25,000 students, thousands of applications being received each year and a narrow migration window between cohorts, this was the sort of project Tribal's Director of Solution Architecture, relishes.

"With 20+ years' experience working in IT teams, I've seen first-hand the pressures that come with managing complex, critical systems like SITS. Often, large numbers of professionals are involved in the day-to-day operations, and migrating to the cloud is key to unlocking the efficiency that comes with reducing risk and management burden."

– Karl Walker, Tribal's Director of Solution Architecture

For Exeter, the challenge was set – leverage the strong relationship, trust and history of collaboration that has come from working with Tribal over 24 years to migrate SITS to the Tribal Cloud in record time – 9 months or less.

Exeter's Director of IT, Nathan Burden commented:
"As organisations we cannot afford to stand still, and we saw migrating to the Tribal Cloud as a foundational step to transforming the experience for students and staff at Exeter, and a key part of our Strategy 2030. Partnership with critical suppliers like Tribal forms the bedrock of our ability to respond to the challenges facing the sector, and we were certain we could achieve our goal if we worked with Tribal."

Fast-forward 6 months and in June 2024 SITS was up and running in the Cloud – beating the original timeframe and setting a new record.

Nathan Burden reflected on the project:
"By involving both professional services and academic communities, we ensured a shared understanding of both the drivers for change and the anticipated benefits. Collaborating with Tribal was easy, and allowed us to concentrate on the internal change needed, knowing the reshaping of infrastructure architecture was being taken care of by Tribal. We're now reducing our CO2 footprint by up to 95% and have none of the risk or management requirements."

Continuing the journey into 2025 and beyond

Looking ahead, the University of Exeter and Tribal are committed to continuing this journey of innovation. Becoming one of the first universities to move to Tribal's Higher Education Full-Service product bundle, the next phases will look at driving further efficiency, building on the solid foundation being in the cloud offers and continuing to push the boundaries of delivering a fantastic student experience.

Chair's statement

We are confident Tribal has the resources and strong recurring revenues to execute its growth strategy.

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.

Revenue Growth

+6.0%

Recurring Revenue

£57.0m

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 bases, 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.

“Tribal’s market leading position in multiple geographies means it is well positioned to lead the education industry’s transition to the cloud.”

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 pure-play 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 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 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 licence 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

CEO's review

Tribal made excellent progress in FY24, delivering revenue and adjusted EBITDA ahead of expectations.

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 pure-play 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.

> **"The transition to a pure-play EdTech SaaS business is at the forefront of our strategic vision.**

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 programme 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 customers base. One of the most strategically significant of these in FY24 was the University of Exeter, which successfully migrated to the Tribal 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 provide 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.

Revenue

£90.0m

Gross Profit Margin

48.3%

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 year. 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.

CEO's review continued

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.

Mark Pickett
Chief Executive Officer

Empowering transformation in mathematics teaching

Case study

In 2006, the National Centre for Excellence in the Teaching of Mathematics (NCETM) was established to improve maths teaching in England. Funded by the Department for Education (DfE) and delivered by Tribal's Etio business (formerly Tribal Education Services), the NCETM's Maths Hubs Programme has so far supported more than 4.7 million pupils to gain confidence and skills in mathematics.

In 2014, following NCETM Director Charlie Stripp's visit to Shanghai, where he observed how collaboration and structured, research-informed teaching deepened mathematical understanding, the decision was made to develop the Maths Hubs Programme. The programme was based on the principles of 'teaching for mastery'. Debbie Morgan, NCETM Director for Primary explains,

"Teaching for mastery emphasises a deep and connected understanding of mathematical concepts. It is based upon the principle that all children can learn and enjoy maths."

For Deb Friis, Sussex Maths Hub Lead, the programme has been career-defining:

"Becoming involved in the Maths Hubs has dramatically enhanced my teaching and positively impacted hundreds of students."

The programme has since grown to 40 hubs, with 12,900+ schools and 4.7 million pupils, from Early Years to post-16, supported over the last decade. Hubs are currently engaged with nearly 60% of schools in England.

Fostering community

A sense of community is central to Maths Hubs, reinvigorating careers, improving teacher retention, and providing vital support for teachers who often feel isolated in the classroom. For Aidan Gollaglee, Maths Hub Lead for London South East Plus, it was transformative:

"Maths Hubs reignited my career. I found a community of passionate educators putting teaching and learning first."

Looking ahead

As the programme launches its second decade, it continues to evolve with new initiatives that respond to the needs of pupils and teachers. Most recently, initiatives have been developed for **Further Education (FE), Key Stage 3**, and **targeted support for schools in need.**

NCETM Director, Charlie Stripp, summed up its success:
"By working collaboratively through their Maths Hub, teachers are improving maths education, enhancing young people's life chances, and contributing to national success."

The Maths Hubs Programme has played a pivotal role in transforming maths teaching in England, inspiring teachers and improving maths education for millions of young people.

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 6.
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 and 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.

Financial review continued

Education Services (ES)

£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 and Related Services	**14.8**	14.2	14.1	0.7	5.0%
i-graduate – Surveys and 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 6). 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	2023 Constant currency	Change	Change %
Software and Support	41.1	38.5	37.8	3.3	8.8%
Foundation Cloud Services	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 and 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%.

Financial review continued

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 investment in product development decreased and 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 6, 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 pure-play 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 19.

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

Stakeholder engagement

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

Long-term business success

Tribal's Board must consider, both individually and together, that they have acted in the way that 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.

The Board has regard to the following matters in its decision-making:

- Likely consequences of any decisions in the long term.
- Interests of the Company's employees.
- Need to foster the Company's business relationships with suppliers, customers and other key stakeholders.
- Impact of the Company's operations on the community and the environment.
- Desirability of the Company maintaining a reputation for high standards of business conduct.
- Need to act fairly between members of the Company.

In discharging its Section 172 duties the Board has considered the factors set out above and the views of key stakeholders.

Engaging, consulting and action on the needs of different stakeholders is critical for the development and delivery of a culture and strategy that achieves long-term success.

Tribal undertakes meaningful engagement with its stakeholder groups to build trusted, strong relationships and supports the ethos of Section 172 in order to support good decision-making.

Annually, the Board undertakes an in-depth review of the Company's performance against its strategy and five-year objectives. In 2024 this once more involved a detailed review of the Group's five-year financial model. Once reviewed by the Board, the five-year model and strategy was used to shape the financial budget, including investment decisions for the next financial year and future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of various stakeholders, the consequences of its decisions in the long-term and its long-term reputation.

The Board acknowledges that some decisions will not necessarily result in a positive outcome for all our stakeholders, however, it always strives to act in the best interest of the Group and to be fair and balanced in its approach to stakeholder management. The needs of different stakeholders are always considered as well as the consequences of any decision in the long term and the importance of our reputation for high standards of business conduct. By considering the Group's purpose, vision, values and commitment to responsible business, together with its strategic priorities and having a process in place for principal decision-making, the Board aims to ensure that its decisions are in the best interests of the business.

The Company's key stakeholders are set out in the table below. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions.

Stakeholder group	Why we engage	How we engage
Investors	Trust from our shareholders is key to delivering our strategy and long-term success. We endeavour to provide fair, balanced, and meaningful information to shareholders and potential investors to ensure they understand our performance and strategy. Shareholders play an important role in the success and growth of the Group and have historically provided a source of equity to help fund some of the acquisitions made. In addition, shareholders provide important feedback to the Executive Directors on market conditions, expectations, and economic performance.	The Chief Executive Officer and Chief Financial Officer meet with representatives of most major institutional shareholders at least twice a year. Feedback from these meetings is shared with the Board to ensure the Directors understand shareholder expectations and motivations. The Directors are also available at the AGM to answer questions raised by shareholders. Tribal encourages regular dialogue with both existing and potential shareholders throughout the year to understand their needs and expectations, and to ensure that the Group's strategy, business model and progress are clearly understood. Investor information including the Annual Report, investor presentations and announcements are available on the Company's website.
Employees	Our employees are vital to help us deliver on our strategic objectives. We seek to attract, develop, and retain high-calibre staff, and as a consequence, our customers can be assured that the service they receive is among the best available.	Employee performance reviews are conducted annually. In addition, managers are encouraged to hold regular, informal one-to-one sessions with each of their direct reports. Employees can ask questions regarding all aspects of the business during our regular Group-wide all-hands meetings with the Group's Executive Management team.
Customers and Suppliers	Delivering our strategic priorities and ensuring we continue to operate successfully requires strong mutually beneficial relationships with customers, suppliers, and government departments. Tribal aims to build strong and trusted business relationships with both customers and suppliers, all of whom are crucial to delivering many of our strategic objectives. We aim to maximise cost efficiencies and enhance positive outcomes for all.	The Group has regular communication via email, newsletters and the Group's website that includes news and regular blogs for all stakeholders to view. We have a team focused on Customer Success, facilitating ongoing meetings with existing customers to better service our customers and add value across our customer base. Last year we held two customer conferences in the UK, aimed at updating both our product 'users' and institution 'leaders'. Customers from across the globe joined us for a series of interactive sessions, panels and keynotes designed to inspire, and ultimately empower individuals and teams to get the very best from our suite of products and services.

Environmental, Social and Governance Report

Tribal is fully committed to delivering sustainable growth that benefits the environment, society and the communities that we serve, underpinned by good governance. We believe the credibility and sustainability of any business goes beyond pure financial gain; a principle demonstrated by our mission to empower the world of education.

Our core tenets

We believe our solutions have the potential to make a positive impact within the education sector in two key areas: increasing student wellbeing, diversity and success, while supporting the drive by the sector to lower carbon emissions.

The issues of emotional wellbeing and diversity of their student populations continue to be high on the agenda of the vast proportion of the world's educational institutions and we are committed to harnessing the power of cloud computing to help our customers in addressing these challenges and realising their goals. You can read more on this topic within the Social section of this report.

Educational institutions are also increasingly conscious of the role they can play in the global drive towards the reduction of carbon emission. We believe the continued progression from the use of servers running localised versions of our software on customer sites (via our traditional SIS offerings), to our next-generation offerings, hosted within larger datacentres (Tribal Cloud and Edge), will not only free our clients from the burden of running their own IT systems, but also reduce the overall power consumption required to deliver this technology. You can read more about this within the Environmental section of this report.

Our priority areas

Alongside these two core tenets and as part of our journey to continually improve our approach and performance, the ESG Committee, chaired by Non-Executive Director, Nigel Halkes, ensures effective oversight and investment in these increasingly important areas. The Committee meets twice a year and members include Diane McIntyre (Governance), Chloe Payne (Social) and Matt Davis (Environmental).

The Committee focuses on priority areas for the Group and each area has key initiatives and objectives for the coming year and appropriate ownership from across our Executive Leadership Team. We have demonstrated where these priority areas align with the UN's Sustainable Development Goals (SDGs), as shown below.

Since 2023, Tribal has had an ESG working group formed to implement our initiatives across the Group, including Finance, Human Resources and Governance.

Ultimate responsibility for Tribal's ESG performance lies with the Board. However, we recognise that these initiatives are important to, and rely on the commitment of all staff, and we continue to make efforts to encourage involvement across the business.

UN SDGs

Environmental

Tribal has been focused on reducing its environmental impact for a number of years.

KEY INITIATIVE:

Reduced travel with carbon offset: ongoing

Following the introduction in 2022 of a travel mindfulness framework and travel guidelines, we have continued to focus on reducing travel to those levels necessary for business operations. Whilst the pandemic contributed greatly to travel reductions, we have maintained air travel levels within our targets, and achieved a reduction in air travel from EMEA operations by 30% over the 5-year period to 2024 and saved an additional 275 tCO_2e during 2024 through our travel mindfulness approach. We will continue to promote a 'remote-first' model for service delivery and challenge any travel which is out of scope of our travel mindfulness ethos.

Our e-vehicle (EV) salary sacrifice scheme for staff, which was set up at the end of 2021, has saved 71.29 tonnes of CO_2e. The uptake in this scheme has continued to be impacted by the global supply shortage of EV components causing excessive lead times. Although many of our employees are remote workers, when travel cannot be avoided, we continue to look for new ways to offset our emissions with reductions elsewhere. We will continue to offer this scheme to our staff and work towards our target of having at least 10% of employees using the scheme.

KEY INITIATIVE:

Cloud consumption: ongoing

Our Cloud Optimisation Director has continued to develop and oversee our cloud consumption. Focus has been on developing policies and procedures to prevent waste in our cloud consumption, such as redundant resources, the over-provision of servers and excessive data retention policies.

The cloud commercial team are creating baseline plans to track standard business-as-usual sizings for our SITS customers, meaning engineers can refer to accurate customer data on cloud provisioning needs.

Tribal's cloud hosting providers, Amazon Web Services (AWS) and Microsoft, are also committed to building a sustainable business for customers and the planet. Ongoing discussions are being had with our providers about enabling visibility of carbon footprint data in order to actively reduce CO_2 emissions. AWS is on a path to met its goal to achieve 100% renewable energy in 2025 and continues to be the world's largest corporate buyer of renewable energy. Microsoft has been carbon neutral across the world since 2012 and commits to being carbon negative by 2030. Using cloud providers who are also committed to reducing carbon emissions, Tribal expects to see a positive impact on its cloud carbon footprint and thereby that of its customers going forward.

Social

Tribal is committed to contributing to a fairer and more socially inclusive world. As well as having a positive impact on our employees and customers, we are aware of the positive contribution we can make to wider society.

KEY INITIATIVE:

Diversity within Tribal: ongoing

It is important to ensure that we have an inclusive organisation where diverse talent is developed, engaged and retained. Building upon our work in previous years we have continued to partner with external diversity and inclusion experts, Business in the Community, who are supporting the design of our ongoing management development program, built upon insight from our employee survey information.

In 2024, we continued to focus on developing our approach to talent acquisition to ensure the business is hiring talent into the business at representative rates. Throughout the year, we made net positive progress in the recruitment rate of ethnic minority and female employees and continue to develop our strategy to attract and retain the right talent.

KEY INITIATIVE:

Supporting student welfare: ongoing

The challenges that students face today in colleges and universities are well documented, with increasing numbers reporting concerns about their mental health and struggling to balance financial, work and personal commitments. Education providers are also facing increasing demands to help and support students. Tribal has been a leader for many years in providing solutions for support services and is proud to continue this history of innovation with Tribal Student Support and Wellbeing. With a wide range of communication options, this is able to reach students with the services they need. Staff also have a comprehensive view of a student's wellbeing from within a single record, helping institutions provide more effective and efficient delivery of services.

ESG Report continued

Governance

Tribal is committed to maintaining high standards of corporate governance and has adopted the Quoted Companies Alliance Corporate Governance Code. The Board will continue to develop its governance arrangements particularly in respect of environmental and social issues, including changes required as a result of the requirements of the Taskforce on Climate-related Financial Disclosures.

KEY INITIATIVE:

Global ISO certification: ongoing

Tribal Group holds certification for both the ISO 27001 standard for Information Security and the ISO 9001 standard for Quality Management. Being globally aligned and ISO certified forms an essential part of our risk mitigation strategy and provides assurance for our customers. In 2025 we will maintain our current ISO certifications and will continue to align our business continuity activities with the ISO 22301 standard for Business Continuity.

KEY INITIATIVE:

Standardisation and simplification: ongoing

Following investment in the new finance and subscription system which went live in the previous year, the Global Business Services (GBS) organisation continued to work of their objective of driving internal efficiencies by simplifying, standardising and centralising back office processes into a single, global Centre of Excellence. Further business-critical processes have migrated to GBS throughout the year delivering immediate benefits and a solid foundation for continued improvements.

2024 Highlights:

With our values in mind, we made good progress against our ESG objectives in the year, including achieving the following:

Environmental

- Continued to promote a remote-first model for service delivery and challenge any travel which is out of scope of our travel mindfulness ethos.
- Octopus Electric Vehicle car scheme continued in the UK with saving 71.29 tonnes of C02e since the end of 2021.

Social

- Continued progress with our flagship reward and recognition programme, Tribal Achievers. This is a Company-wide, employee experience platform that enables all managers and colleagues to show appreciation, recognise, reward and celebrate colleagues within their own team and across the whole organisation. Each recognition aligns with one of our company values.
- Expended partnership with ChapterOne, a charity that supports children to reach their potential as happy and confident readers. This program focuses on supporting struggling young readers in areas of deprivation across the UK, including the government's designated Education Investment Areas. Tribal colleagues volunteer 30 minutes per week to provide much needed reading support to primary school children.

Governance

- Rolled out revised P2P processes to ensure supplier framework is followed .

ESG Report continued

Streamlined energy and carbon reporting (SECR)

The credibility and longevity of any business goes beyond pure financial gain; a principle long-embodied and supported by Tribal's strong values-based culture and approach to environmental, social and governance issues.

Tribal is subject to the Streamlined Energy and Carbon Reporting (SECR) Framework Regulations. Our energy consumption figures (see Table 1) and our greenhouse gas emissions relating to gas, electricity and transport (see Table 2) as well as an intensity ratio, and information relating to our energy efficiency action are presented as follows.

In 2024, our Scope 1 and Scope 2 emissions were 32.83 tC02e (2023: 83.2 tC02e). The greatest contributors to Scope 1 and Scope 2 operational emissions are the electricity and gas used in powering our buildings. Our purchased electricity has significantly decreased as we have reduced property space and moved to serviced offices, gas usage has remained broadly level. Scope 3 emissions are attributed to fuel used in employees' cars on business use.

In 2024 Scope 3 emissions were 21.37tC02e (2023: 70.35 tC02e), the decrease in the year was expected as we operate a policy of minimising unnecessary travel and of using public transport wherever possible.

We continue to operate a remote delivery policy for customer implementations but our sales teams and senior management have been traveling to customers for in-person meetings. We continue to be cognisant of all travel and operate a mindful travel policy to ensure travel is kept to a minimum where possible.

Our intensity ratio (Scope 1, 2 and 3 emissions relative to revenue) is 0.60 tC02e/£m (2023: 1.79 tC02e/£m) with all scopes driving the decrease. Tribal Group plc is an unquoted large company for the purpose of SECR, we are therefore only required to report on UK energy usage.

Tribal have followed the 2019 UK Government environmental reporting guidance. The figures relate to the required elements of each Scope 3 category rather than the optional elements. Tribal have used 2024 UK Government' s Conversion Factors for Company Reporting.

Only energy consumed in the UK has been reported and the Group have taken the exemption to exclude emissions and energy consumed outside of the UK and offshore area until we can be confident in reporting methodology.

Table 1: Energy consumption

Area	Category	Sub-category	2024 Consumption	2023 Consumption	Change	Units
Electricity	Electricity	Purchased electricity	109,923	352,293	(242,370)	kWh
Gas	Stationary combustion	Natural gas	56,437	60,215	(3,778)	kWh
Transport fuel	Combustion of fuel used in personal cars on business use		178,515	263,569	(85,054)	kWh

Table 2: Scope 1, 2 and 3 intensity ratios

Year ended 31 December 2024	Scope 1	Scope 2	Scope 3	Total
Tonnes of CO_2e	10.30	22.53	21.37	54.20
Percentage	19%	42%	39%	100%
Emissions intensity relative to revenue (tCO_2e/£m)	0.11	0.25	0.24	0.60

Year ended 31 December 2023	Scope 1	Scope 2	Scope 3	Total
Tonnes of CO_2e	10.99	72.21	70.35	153.55
Percentage	7%	47%	46%	100%
Emissions intensity relative to revenue (tCO_2e/£m)	0.13	0.84	0.82	1.79

Nigel Halkes
Chair, ESG Committee

CAUTIONARY STATEMENT

This information has been prepared solely to provide information to shareholders to assess how the Directors have performed their duty to promote the success of the Group. The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, which underlie any such forward-looking statement.

Climate-related Financial Disclosures Report

Tribal recognises the significant impact that climate-related risks and opportunities (CRROs) may have on our business and its impact on wider society. We proactively consider ways in which we can do our part. This report sets out our detailed climate-related financial disclosures in accordance with the Companies Act 2006, where we are in this journey, as well as our plans for reaching our Net Zero commitment.

Governance

We consider climate-related risks in our risk register, which is considered by the Board on a regular basis. The Board is fully aware of their responsibilities as they relate to the climate and its impact on the business. This is demonstrated through establishing the ESG Committee, as explained on page 22.

The day-to-day consideration of climate-related matters is currently situated with an ESG working group, under the oversight and responsibility of the ESG Committee. The ESG working group meets monthly with any decisions ratified by the ESG Committee. The ESG working group consists of senior management, ensuring representation from across the business.

Any strategies to manage and respond to identified CRROs can only be successful when everyone in the Group contributes. We continually raise awareness of our responsibilities and how everyone can assist. This awareness is raised through training initiatives, Executive vlogs, Tribal talks, poster campaigns, and an intranet ESG page.

Strategy

The Group's processes for identifying and assessing CRROs are described in the Risk Management section below. At present, none of the CRROs are assessed as being material to the Group, irrespective of timeframe. Accordingly, there are no material impacts on the Group's financial statements for the current financial year. Nevertheless, we remain aware of the continuously evolving landscape, the potential impact it may have on our business and stakeholders, and the importance that even small changes can have.

Even though there are currently no material impacts from CRROs, we have developed a longer term strategy to ensure we do our part in achieving a lower carbon economy for a sustainable future.

We previously communicated our Carbon Reduction Plan which sets out our commitment to achieve Net Zero GHG (greenhouse gas) emissions by 2050. The Carbon Reduction Plan, with the latest updates to our performance, can be found on our website and are summarised in the Metrics and Targets section. The key GHG metrics and targets are based on current emissions reporting, encompassing our operations in the UK, in accordance with statutory requirements. We are hard at work to assess data collection to expand our emissions reporting to operations outside the UK, as well as greater disclosure of Scope 3 emissions.

In addition to the above, we continue to invest in various initiatives to assist us in achieving our commitment. We exceeded our target to reduce our air travel by 25% per head over five years and an e-vehicle salary sacrifice scheme has been very successful, albeit falling short of our aim of at least 10% of our employees participating at the end of 2024.

Other ongoing initiatives include a 'remote-first' business, reducing general travel requirements, refitting offices with LED lighting, reducing reliance on paper, and ensuring upcycling or recycling of electronic equipment.

With our continued transition to a SaaS business, we are migrating services to the cloud. We recognise that our use of cloud-based resources has a climate impact and is impacted by climate-related matters. Our focus is currently on the climate impact of using these cloud-based resources. During 2024, we have continued to analyse and communicate with major cloud vendors to identify data and potential metrics that we can use to assess, monitor, and manage our climate impact. We continue to optimise our usage of the cloud through modernisation. We have also been using the monetary value of our usage (using constant rates) as a proxy for measuring a reduction in climate impact at a location basis. This is deemed relevant given that the usage is normally charged on a per-hour basis. However, it is imperfect and not comparable across locations.

To further cement our commitment to sustainability and reducing our climate impact, we joined the UN Global Compact in 2023. The UN Global Compact is the world's largest corporate sustainability initiative. This allows us to form part of a wider community of corporations where we can share and learn best practices to reduce our climate impact.

We are continually in communication with key suppliers to understand their sustainability goals and plans, ensuring that they are in alignment with our endeavours. We introduced our Supplier Management Framework in 2022 which forms the basis of our dealings with suppliers. The Supplier Management Framework includes considerations relating to sustainability and climate-related matters.

Although we have not yet formally assessed our resilience against different climate scenarios, we have robust business continuity management processes to ensure that we can continue to operate after experiencing shorter term shocks. We will continue to rely on these processes until we can perform a formal resilience assessment. Such an assessment can only occur once we have greater clarity on our current impacts and measures for reducing those impacts.

Risk management

Tribal's risk management process for climate-related risks (CRRs) is incorporated into our overall risk management process. This process requires senior leaders to identify all relevant risks, including CRRs, and populate the risk register for their respective risks. In addition, we have one senior leader who focuses specifically on CRRs. The risk register includes relevant details of each risk and its potential impact on the entity. All risks are ranked based on the risk's likelihood of occurring and its magnitude of impact. The risk register elaborates on any action plans or controls to reduce, mitigate, manage, and monitor each risk. A risk remains on the risk register for so long as it remains a risk and cannot be fully reduced.

This approach ensures the most complete identification of CRRs by those closest to them. The enhanced focus on CRRs through appointing a responsible senior leader ensures that we keep ahead of this changing field. In addition, we ensure that we maintain the same level of scrutiny in relation to CRRs as we do to all other risks.

We are continually exploring various ways to ensure that we capture and address all risks. One of the ways we've achieved this is to simplify the method of collating and monitoring risks. This process is achieved via an app with various reporting functionalities, which streamlines the entire process.

We do not currently classify risks according to timeframes, i.e., whether the risk is associated with the short-, medium-, or long term. Instead, the timeframe of the risk forms part of its overall assessment.

The risk register is regularly discussed in detail at various levels in the Group. The Board also has access to the risk register and various risks, based on ranking or importance, are specifically discussed on a regular basis.

Metrics and targets

We have set out our Scope 1 and Scope 2 GHG emissions on page 25. In addition, we set out limited Scope 3 GHG emissions. As statutorily required, these disclosures currently only include our UK operations, although we are in the process of collating data for our operations outside the UK and aim to report on them in future. Furthermore, we recognise that further Scope 3 emissions disclosure will be useful. As part of our broader initiatives, we are also assessing the requirements to collect, process, and disclose more Scope 3 information. As part of this process, we will also consider augmenting our targets as explained in this section.

We currently have limited formal metrics or targets as we build a robust and measurable strategy. As discussed in the Strategy section above, we committed to Net Zero GHG emissions by 2050. This commitment includes a Carbon Reduction Plan, which includes various targets to be met by 2050 with 5-year targets to be met by 2024. The detailed plan can be found in our Carbon Reduction Plan as published on our website. We set out the 5-year targets, associated metrics, and our current progress in the table below. We are in the process of developing the targets for the next 5 years and will report on these in the 2025 Annual Report.

In addition to the above, we continued our commitment to plant 25 trees for every new starter globally via accredited schemes. So far this initiative has resulted in 7,436 trees being planted, which equates to offsetting about 178.5 tCO2e.

We are also considering the data availability from our cloud providers to determine appropriate metrics and targets relating to our use of cloud services and the resulting carbon footprint (as discussed in more detail in the Strategy section).

Other initiatives, such as reducing the use of paper and the upcycling and recycling of electronic equipment, are ongoing as described in the Strategy section. Despite these initiatives not having any associated formal targets or metrics, they are important as part of our larger responsibilities.

Our 5-year targets, associated metrics, and the current progress to achieving those targets are as follows:

Target	Metric	Progress
Reduce air travel CO2 emissions by 25% per head.	CO2 emissions from air travel per head.	This target has already been met with air travel reducing by 30% per head between 2019 and 2024 and saved an additional 275 tCO2e during 2024 through our travel mindfulness approach. This is a reduction of 43% of air travel on FY 2023 levels.
Support 10% of employees within the first 2 years to obtain electric vehicles.	Percentage of employees supported to obtain an electric vehicle.	At the end of 2024, 6% of employees participated in the scheme. Although our interim target has not yet been met, this was partly due to supply and availability issues. We will continue to monitor this target and will endeavour to reach it as soon as possible.
Ensure that every UK office has electric vehicle charging points installed.	Percentage of UK offices with electric vehicle charging points.	Unfortunately we have not been able to achieve this target as most UK offices are within serviced office buildings. We have significantly increased our usage of electric vehicles and will look to develop a new target to be reported on.
Reduce our Scope 1, 2, and 3 carbon emissions in the UK by 5% per head.	Scope 1, 2, and 3 UK carbon emissions per head	Our Scope 1, 2, and 3 UK carbon emissions per head has reduced by just over 94% since 2019.

We are in the process of developing the targets for the next 5 years and will report on these in the 2025 Annual Report.

Principal risks and uncertainties

The Group is exposed to a number of risks and uncertainties, which could have a material impact on the future performance of the Group. The table below summarises the key risks that the Directors consider the business faces and how the Group seeks to mitigate them.

Risk Title	Risk Description	Mitigation
Strategic transformation Failure to successfully implement and manage growth strategies.	The Group continues to transform into a pure-play EdTech SaaS business, with a new entity established for the Education Services business - Empowering Education. Such transformation may present various challenges such as: ▪ Ensuring the effective transition of Empowering Education to a position of greater autonomy within the Group and managing its expansion into new geographies. ▪ Ensuring our business operations are able to scale effectively to support our SaaS products and strategy. ▪ Ensuring past acquisitions deliver on their growth potential. Failure can lead to impairment of assets, reputational damage and impact overall financial performance of the Group.	The Group has an experienced senior management team and performance against strategy is closely monitored, with oversight by the Board. Structured working committees and oversight boards are in place to focus on managing our internal transformation programmes and ensure delivery against our objectives and financial metrics. Transformation will continue to focus on building SaaS business processes, driving simplification, standardisation, and optimisation right across the value chain to enable delivery of our growth targets. Regular and effective communication with both employees and customers is one of the key components of the transformation programme, and key to its success. We will also continue to focus on effectively growing product sets associated with past acquisitions.
Project and service delivery Delivery of major projects and ongoing software and service delivery may not meet customer's expectations or contractual requirements.	The Group's activities include major software installation projects, which are typically one to two years in duration, and involve significant process change to our customers' core business operations, and major reform programmes for Government Agencies, with significant reputational implications for our clients if we fail to deliver. The complexity of our customers' systems and their ability to manage change can impact our ability to deliver to contract and requires adept project management. Our Tribal Cloud customers, in particular, rely on our ability to maintain our service levels and ensure appropriate continuity of service. A failure to deliver can lead to increased implementation costs, disputed invoices, penalty payments, reputational damage and an impact on other ongoing projects.	Strong controls are maintained to ensure successful project delivery and regular project progress reviews take place at Executive Management level with Board oversight, incorporating any learnings from previous projects. Our focus remains on Customer Success as a strategic driver and value creator for the business and our customers. We are heavily invested in enhancing our customer experience and in continually improving the governance of the contract lifecycle, from sales through to implementation and support. The Group engages with premium cloud service providers, such as Microsoft Azure and AWS, the architecture and contracts of which require high-level response SLAs and a quick recovery in the event of a single region failure. The Group maintains a formal Delegation of Authority matrix to ensure appropriate visibility and approval of all customer contracts and business costs to ensure risk is appropriately managed.
Innovation and technology The Group's software development programme needs to deliver to customers' requirements and keep pace with market developments.	Our customers continue to face increasing pressure to provide the best student experience and outcomes, and require flexible, cloud native, SaaS software solutions to help achieve this. Challenges arise from the ability to deliver new software products to time, budget and sufficient quality to ensure a successful implementation to our customers. A failure to deliver could result in lower sales, loss of market share, contractual penalties, higher churn, reputational damage, and obsolete products.	The product development roadmap is focused on ensuring the Group can fulfil our customer requirements. The Group continues to invest in its platform engineering and product development capability to enable delivery in line with the product roadmap. Over the next three to five years our customers' focus will be on transitioning their student management systems to the cloud and continuing to evolve our SaaS products. Management have adjusted the product roadmap to fit with customer trends, whilst maintaining a competitive advantage on our product offerings.

Risk Title	Risk Description	Mitigation
Information management and data security Security breaches, cyber-attacks and/or outages could harm the Group by disrupting our internal and customers' operations.	As with other software and cloud-based businesses, there is an increasing risk of our systems being compromised by deliberate attacks or unintentional acts, which could lead to a loss of IP, unauthorised data access, or data loss. This risk is further exacerbated by the rapid development in AI capabilities and the role of AI in facilitating data breaches through credential harvesting, impersonation, etc. However, AI also presents an opportunity to strengthen security strategies and enhance threat detection capabilities. A successful cyber-attack against our information assets could significantly impact our ability to function, retain and attract business, and could lead to potential financial penalties from regulators. With a wider geographic presence, there is increased risk from multiple regulatory data protection and information security requirements which need to be closely monitored. A failure to follow requirements could lead to financial penalties, reputational damage and a consequential impact on our overall performance.	The Group operates a Secure Data Centre and maintains ISO 27001 and Cyber Essentials Plus certification across the global business. As part of the certification, strong authentication and access controls have been implemented, with a least privilege principle, and AI related products have highly restricted account access. Continued investment in security software and training for all staff enforces good practice on system and data security. In addition to this, the Group operates a robust Supplier Management Framework, which incorporates information security due diligence checks in-line with NIS2 requirements. The Group has a dedicated Data Protection Officer who ensures compliance with all relevant data security legislation and regulations, including the GDPR, and a Director of Cyber Security, who is responsible for ensuring the security of our systems, software and hosting solutions, including ownership of our Global Information Security Group, which incorporates an AI working group. The Group annually renews its cyber insurance, reviewing the coverage needed to protect the business against the backdrop of a challenging global insurance market.
People Failure to attract and retain skilled sales, software development and other key operational employees could harm the Group's performance.	Business growth requires key skill sets which are in demand in product areas such as Tribal Cloud and Dynamics. With increased inflation and rotation in the market it becomes increasingly important to attract and retain people in our key roles. Increased staff turnover and vacancies may hinder our ability to manage operations effectively and could impact sales, product development and software implementations, resulting in reputational damage.	The Group has incentive schemes designed to attract, motivate, and retain key employees, whilst encouraging appropriate behaviours. We aim to provide competitive remuneration and reward packages, and training for all staff. The Group's commitment to improving diversity within our workforce will assist overall performance and help to widen our pool of potential candidates.
Legal and regulatory requirements Failure to adhere to legal and regulatory requirements in current and new jurisdictions and markets	The Group operates across several jurisdictions that have varying legal, tax and compliance requirements. Any non-compliance with customer contract, legislative or regulatory requirements could have an adverse effect on the Group's reputation and/or financial results.	The Group monitors proposed or adopted legal and regulatory changes, assessing the impact changes have on business operations and implementing appropriate safeguards to ensure compliance. External advisors are used when required. We operate a no-tolerance culture supported by our values and ethical standards. All relevant training is provided to staff and policies are updated regularly to reflect required changes.

The Strategic Report was approved by the Board of Directors:

Diane McIntyre
Chief Financial Officer
26 March 2025

Board of Directors

"The Board, has a good blend of backgrounds pertinent to the challenges and opportunities Tribal faces."

Key to Committee Membership

N Nomination Committee R Remuneration Committee A Audit Committee E ESG Committee

Richard Last
Chairman

N R E

Appointed
Richard joined the Board in November 2015.

Experience
Richard is currently Chairman and Non-Executive Director of AIM listed Gresham Technologies plc. Richard is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and has over 30 years experience of public companies, particularly IT software and services and communications businesses.

Mark Pickett
Chief Executive Officer

N E

Appointed
Mark joined the Board in July 2016.

Experience
Previously he was Chief Financial Officer and Finance Director, UK of Computer Sciences Corp (CSC), a US-based global leader in technology-enabled business solutions and services. Mark also spent 18 years in a variety of senior finance roles with Oracle across a number of geographies, primarily in its software businesses.

Diane McIntyre
Chief Financial Officer

E

Appointed
Diane joined the Board in June 2021.

Experience
Diane has over 25 years' experience in finance roles, including her most recent role as Director of Finance at Sky UK Limited, and previous senior financial and executive positions at Vodafone Group plc and Cable and Wireless plc. As an experienced finance leader, Diane has a wealth of knowledge across commercial negotiation, strategy development and operational expansion.

Roger McDowell
Senior Independent Director

N R A

Appointed
Roger joined the Board in November 2015.

Experience
Roger is currently serving as Non-Executive Chairman of Avingtrans plc, Hargreaves Services plc, Brand Architeckts plc, Non-Executive Director of Proteone Sciences plc and British Smaller Companies VCT 2 plc.

Nigel Halkes
Non-Executive Director

N R A E

Appointed
Nigel joined the Board in January 2020.

Experience
Nigel is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). He qualified with EY and had a successful career with EY, retiring as Managing Partner UK and Ireland in 2013. Nigel is a Non-Executive Director of Hargreaves Services plc. He is also a Non-Executive Director at Netcall plc, a leading provider of intelligent automation and customer engagement software. Nigel continues to take time to develop his non-executive leadership skills.

Executive Leadership

Mark Pickett
Chief Executive Officer

Appointed
Mark joined Tribal in July 2016.

Experience
See biography on page 30

Tawfiq Sleett
Global Customer Services Director

Appointed
Tawfiq joined Tribal in January 2022.

Experience
Tawfiq brings a wealth of experience having held senior leadership positions at global SaaS providers in AdTech, artificial intelligence, and learning and talent management. With over 20 years of experience working in software companies, Tawfiq led global services, customer success and support teams, implementing and transforming talent and processes with a focus on improving customer success, retention and value-added services.

Adam Fox
Chief Technology Officer

Appointed
Adam joined Tribal in January 2023.

Experience
Coming from a background creating immersive and engaging technology products, scaling businesses via digital and cloud transformation; Adam has two decades of experience in strategic, technical and creative leadership at board level. As a highlight of his career, Adam founded and built a technology company in 2011, steering it through to acquisition in 2017. He has been with Tribal since January 2023, exploring the width and depth of Tribal's business and products, in order to develop a future facing strategy for the next five years; before formerly taking the CTO position in January 2024.

Diane McIntyre
Chief Financial Officer

Appointed
Diane joined Tribal in June 2021.

Experience
See biography on page 31

Chloe Payne
People and Transformation Director

Appointed
Chloe joined Tribal's HR team in 2007.

Experience
Chloe has been part of many notable aspects in Tribal's evolution, including the early days of our internationalisation. Chloe was appointed to lead the function globally in April 2017. Prior to Tribal, Chloe worked in the health sector, supporting a large social care organisation through a period of sustained growth, and at Cambridge Assessment where she managed their recruitment function internationally.

Matt Davis
Managing Director – Etio

Appointed
Matt joined Tribal in March 2022.

Experience
Having worked as a teacher, teacher trainer and leader for a decade, Matt moved into education consulting ten years ago, working for an international non-profit, Education Development Trust. He spent five years there designing large, complex education reform programmes for governments around the world then became the UK Regional Director, leading on the Trust's work for the UK Department for Education.

Corporate Governance Statement

Tribal is committed to high standards of corporate governance and maintaining sound business ethics.

The Directors acknowledge the importance of good corporate governance and have formally adopted the 10 principles of the Quoted Companies Alliance Code (QCA). This Annual Report, together with the information on our website (www.tribalgroup. com/investors/ governance), sets out how we comply with the principles of the QCA Code and provides insights into how our governance framework underpins our day-to-day activities and decisions.

QCA Code Principle	Explanation	Additional Information
Establish a strategy and business model which promotes long-term value for shareholders	Tribal is a world-class company, providing the expertise, software and services needed by education and business organisations worldwide. Everything we do underpins the experience and success of our customers' students.	Pages 3 to 6
Seek to understand and meet shareholder needs and expectations	The CEO and CFO communicate regularly with shareholders, investors and analysts, including at our half-yearly results roadshows. The full Board is available at the Annual General Meeting ('AGM') to communicate with shareholders.	Pages 20 to 21 www.tribalgroup.com/ investors/governance
Take into account wider stakeholder and social responsibilities and their implications for long-term success	In addition to our shareholders, our customers, contractors, suppliers and employees are our most important stakeholders. We engage with these communities via regular communications in our day-to-day activities, and via formal feedback requests.	Pages 22 to 25
Embed effective risk management, considering both opportunities and threats, throughout the organisation	Ultimate responsibility for risk management rests with the Board but day-to-day management of risk is delivered through the way we do business and our culture.	Pages 28 to 29
Maintain the Board as a well-functioning, balanced team led by the Chair	The Board has four established Committees for Audit, Remuneration, Nomination and ESG. The composition and experience of the Board is reviewed regularly, primarily by the Nomination Committee.	Pages 30 to 31 www.tribalgroup.com/ investors/directors
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The Board is satisfied that its current composition includes an appropriate balance of skills, experience and capabilities, including experience of the education, software technology and international markets.	Pages 30 to 33
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board regularly considers the effectiveness and relevance of its contributions, any learning and development needs and the level of scrutiny of the Senior Management Team.	www.tribalgroup.com/ investors/governance/ management-framework
Promote a corporate culture that is based on ethical values and behaviours	Our Environmental, Social and Governance Report section sets out our corporate values, behaviours and culture, which are reinforced via collaborative working, training and performance management.	Pages 22 to 25
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	The Board is responsible for the Group's overall strategic direction and management, and for the establishment and maintenance of a framework of delegated authorities and controls to ensure the efficient and effective management of the Group's operations. The Board maintains a list of matters reserved for the Board.	www.tribalgroup.com/ investors/governance/ management-framework
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Investors section of our website includes our results, presentations and communications to shareholders. We release the results of general meetings through a regulatory news service and also on the Regulatory News section of our website.	www.tribalgroup.com/ investors

The Board applies the principles of good governance and supports a culture of open debate and constructive challenge to enable Tribal to meet its objectives. In fulfilling their responsibilities, the Directors govern the Group in the best interest of the Company and its shareholders whilst having due regard to the interests of other stakeholders including customers, employees, suppliers and regulators.

Governance structure

The plc Board

The plc Board is responsible for the Company's systems of Corporate Governance.

The Non-Executive Directors are Richard Last, Roger McDowell and Nigel Halkes, all are considered to be independent of management and free from any business or other relationships, including consideration of shareholdings that could materially interfere with the exercise of their independent judgement. The Non-Executive Directors meet at least once a year without the Executive Directors present.

All Directors are required to submit to re-election each year at the Annual General Meeting (AGM) of the Company. All the Directors have access to the advice and services of the Legal Counsel. Each Director is entitled, if necessary, to seek independent professional advice at the Company's expense.

The Board meets at least eight times each year with additional meetings when circumstances and urgent business dictate. At these meetings the Board reviews a schedule of reserved matters including trading performance, financial strength, strategy (including investment and acquisition opportunities), risk management, controls, compliance, reports to shareholders and succession management.

The Board evaluates its performance and that of its committees through a process of regular dialogue and periodic formal Board evaluations.

The Board may, on occasion, delegate authority to a sub-committee consisting of at least one plc Director and senior manager as appropriate to facilitate final sign-off for an agreed course of action within strict parameters.

Board Committees

The plc Board has established four Committees to assist with its effective operation: the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee. Each Committee has responsibilities to the Board which are outlined in formal Terms of Reference that have been approved by the Board. The Terms of Reference, are available on the Group's website www.tribalgroup.com, are subject to annual review to ensure the Committees continue to follow best practice. The Chairman of each Committee reports to the plc Board after each Committee meeting and minutes are tabled at the next plc Board meeting. The responsibilities and operation of the Committees are summarised below:

Audit Committee

The Committee, chaired by Nigel Halkes, meets at least twice a year. It monitors the integrity of the Half Year and Annual Report and Accounts and formal announcements relating to the Group's financial performance. It reviews significant financial reporting issues, accounting policies and disclosures, key judgements, reviews the effectiveness of internal controls, as well as overseeing the engagement and scope of the annual audit.

The Audit Committee report on pages 38 to 39 contains further information on the Committee's role and activities.

Environmental, Social and Governance (ESG) Committee

The Committee, Chaired by Nigel Halkes, meets at least twice a year. It makes recommendations to the Board on the overarching ESG vision and priorities within Tribal to advance our approach, engage our colleagues throughout the business, and further refine and develop the details of our ESG strategy.

The ESG Committee report on pages 22 to 25 contains further information on the Committee's role and activities.

Remuneration Committee

The Committee, chaired by Roger McDowell, meets at least twice a year. It reviews and makes recommendations as to the Directors' remuneration, including benefits, terms of appointment and share schemes.

The Remuneration Committee report on pages 41 to 45 contains further information on the Committee's role and activities.

Nomination Committee

The Committee, chaired by Richard Last, meets at least once a year. It leads the process for Board structure, size and composition of the Board and its Committees, and makes recommendations to the Board with regard to any changes required to ensure an appropriate balance of skills, expertise, knowledge, diversity and independence. The Nomination Committee report on page 40 contains further information on the Committee's role and activities.

Corporate Governance Statement continued

Membership of Board Committees and attendance at Board and Committee meetings during the 12-month period under review are as follows:

Committee	Plc Board	Audit Committee	Remuneration Committee	Nominations Committee	ESG Committee
Number of meetings in period	12	3	3	1	3
Richard Last	12	N/A	3	1	3
Roger McDowell	12	3	3	1	N/A
Nigel Halkes	12	3	3	1	3
Mark Pickett	12	N/A	N/A	1	3
Diane McIntyre	12	N/A	N/A	N/A	3

Executive Board

The Executive Board is chaired by Mark Pickett. The members of the Executive Board are drawn from the heads of the business units and other operational areas. The Executive Board typically meets monthly, but the members interact frequently in the normal course of their roles. The Executive Board oversees the Group's operational and financial performance and is responsible for day-to-day management decisions in line with the Group's strategy. It also considers succession planning and talent management. Further matters are outlined in the Delegated Authorities.

Global Governance Committee

Whilst not a formal Board Committee, the Global Governance Committee is chaired by the Chief Financial Officer and reports to the Chief Executive Officer. The Committee meets at least once every quarter and includes representatives from Finance; Corporate IT; Human Resources; Legal; Compliance; Cyber Security and Data Protection; Property; H and S; and our Global Business Service. There is a separate sub-committee which monitors and manages our Information Security posture across the group. This is overseen by the Chief Technology Officer.

Internal controls and risk management

The Board is responsible for establishing and monitoring internal control and risk management systems throughout the Group and assessing their effectiveness. The Board recognises that rigorous systems of internal control are critical to the Group's achievement of its business objectives and that those systems are designed to manage rather than eliminate risk of failure to achieve business objectives. The internal control and risk management systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Tribal maintains a risk framework that contains the key risks faced by the Group. The framework includes the impact and likelihood of key risks and the controls and procedures implemented to mitigate them. Risk management is embedded within Tribal by:

- Setting strategic direction, including targets.
- Maintaining a clear authorisation framework.
- Reviewing and approving annual plans and budgets.
- Maintaining documented policies and procedures.
- Regularly reviewing and monitoring the Group's performance in relation to risk through monthly Board reports.

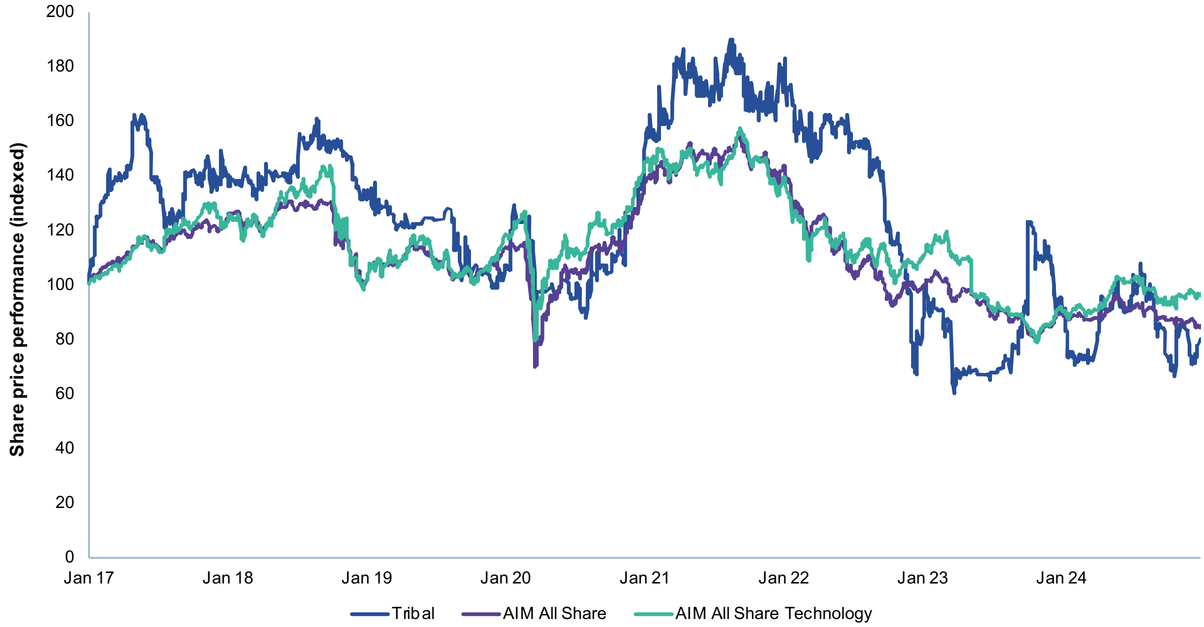
The Directors are also responsible for the Group's system of internal control and for reviewing its effectiveness. The Audit Committee reviews the Group's internal financial controls and risk management systems and the Board reviews the effectiveness of all the Group's internal controls including operational and compliance controls and risk management systems in effect during the period.

To further manage risks faced by the Group, the Company attempts to ensure that employees fully understand the Group's business strategy and objectives. The Group's communication and consultation programme includes regular internal briefings by Directors to all employees throughout the year. Regular meetings are held with staff and managers, both to discuss specific issues and provide an exchange of information. Email communication and the Group's intranet site also to provide information to employees.

The Group operates a comprehensive budgeting system whereby managers submit detailed budgets and forecasts, which are reviewed and approved by Executive Directors prior to submission to the Board for approval. Each month, actual results are reported against budget and forecast which are distributed to managers and are provided to the Board in advance of meetings.

Indexed share price performance

The following graph compares the Group's share price with comparable AIM indices over the past six years.



Communication with shareholders

The Group reports formally to shareholders when its annual and half-yearly financial statements are published. At the same time, Executive Directors present the results to institutional investors, analysts and the media. Notification of the date of the AGM is sent to shareholders at least 21 days in advance of the meeting. Details of the AGM are set out in the Notice of Meeting. The Directors are available at the AGM to answer questions, both during the course of the meeting, and informally afterwards. Contact with major shareholders is principally maintained by the Chief Executive Officer and the Chief Financial Officer, who ensure that their views are communicated to the Board as a whole. The Chairman is also available to discuss governance and other matters directly with major shareholders. At every Board meeting, the Board is provided with the latest brokers' reports and a summary of the contents of any meetings with shareholders. The Board considers that the provision of these documents is a practical and efficient way for both the Chairman and Senior Independent Director to be informed of major shareholders' opinions on governance and strategy and to understand any shareholder issues and concerns.

Approved by the Board of Directors on 26 March 2025.

Richard Last
Chairman

Audit Committee Report

The Audit Committee report details the key activities undertaken during the year

Activities of the Committee during the year

The Committee's activities have focused on the accuracy of financial reporting and the related statutory audit; and the assessment of internal controls. During the year, the Committee was involved in the reviewing and approving of the Annual Report and Accounts for 2023 and the half year report and accounts for 2024, overseeing the Group's adoption of new and revised accounting standards, continued compliance with the General Data Protection Regulations (GDPR) and Corporate Criminal Offence Rules. In addition, the Committee reviewed the position of the Group's independent external auditors and reappointed BDO LLP at the AGM on 20 May 2024.

Financial reporting and statutory audit

The Committee has reviewed with both management and the external auditors the annual financial statements, focusing on:

- The overall truth and fairness of the results and financial position, including the clarity of disclosures shown in the statements and their compliance with statutory and best practice requirements.
- The appropriateness of the accounting policies and practices used in arriving at those results.
- The resolution of management's significant accounting judgements or of matters raised by the external auditors during the course of their annual statutory audit.
- The quality of the Annual Report taken as a whole, including disclosures on Governance, Strategy, Risks and Remuneration, and whether it gives a fair and balanced picture of the Group.

External audit

The Committee discussed, challenged and agreed with the auditors their detailed audit plans prepared in advance of the full year audit, which set out their assessment of key audit risks and materiality. The Committee has primary responsibility for overseeing the relationship with the External Auditors, BDO LLP. This includes monitoring and reviewing their objectivity and independence on an ongoing basis, recommending their appointment, reappointment and removal, and approving the scope of the statutory audit and fees. There are no contractual restrictions on the appointment of External Auditors.

BDO was appointed as the Group's Auditor in October 2018, following a competitive tender process. BDO has confirmed to the Committee their continuing independence and compliance with the Group's policy on Auditor independence. The external Auditor is required to rotate the lead audit partner responsible for the audit engagement every five years, unless there are unusual extenuating circumstances. James Eastell was newly appointed as the lead audit partner in 2023.

Accounting policies, practices and judgements

The selection of appropriate accounting policies and practices is the responsibility of management, and the Committee discussed these with both management and the external auditors. Significant areas considered by the Committee in relation to the 2024 financial statements are set out below.

Going concern

The Group is required to assess its ability to trade as a going concern for at least 12 months from the signing of the annual financial statements. The Committee reviewed management's assessment and concluded that it remained appropriate to continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

The Group's operations include complex software delivery programmes and service activities that can require judgements to be made in relation to the timing of revenue recognition and contract profitability. The Committee reviewed the revenue recognition judgements taken, specifically the key judgements applied to variable consideration.

Goodwill

The Committee reviewed the Group's existing CGUs following the Board's decision to transition to a new bundled pricing model. It was concluded that the existing CGUs, that of SIS and Etio, were still the most appropriate as that is the basis on which the chief operating decision maker receives financial information.

The Group is required to test annually whether goodwill has suffered any impairment and consider whether the fixed assets used in the business are carried at an appropriate amount. The Committee reviewed management's impairment assessment and concluded that there was no impairment of goodwill or any of the fixed assets used in the business.

Capitalised product development costs

The Group's product development costs are capitalised where the expenditure meets the criteria of IAS38, and the recoverability assessed annually against expected future cash flows. The Committee reviewed management's capitalisation process and recoverability assessment and concluded the capitalisation was appropriate.

IAS 36 requires an entity to identify the lowest aggregation of assets that generate largely independent cash inflows and where an active market exists for the output produced by that asset or group of assets. The Committee reviewed the CGUs to which product development costs were allocated for impairment purposes and considered them to be appropriate.

The Group's capitalised product development costs are subject to impairment review where they are not yet available for use at the reporting date or if there is an indication that an asset is impaired. The Committee reviewed management's impairment reviews and reviews of indication of impairment and concluded that an impairment in respect of TDE (The Data Engine) was required.

Assessment of internal financial control

Management is responsible for putting in place internal financial controls over financial reporting and to protect the business from identified material risks. There is no formal Internal Audit function however the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. As described on pages 28 to 29 of the Annual Report, the Group has established a framework of risk management and internal control processes, policies and procedures to mitigate risks and the Committee continues to monitor these closely and is happy that they are appropriate for the business. The Committee reconsiders whether such a function is required annually.

New accounting standards

The Committee has continued to be kept appraised of new and revised accounting standards including the impact on the Group. Approved by the Audit Committee on 17 March 2025.

Nigel Halkes
Chairman, Audit Committee

Nomination Committee Report

The Committee, chaired by Richard Last, meets at least once a year

The Committee leads the process for Board structure, size and composition of the Board and its Committees, and makes recommendations to the Board with regard to any changes required to ensure an appropriate balance of skills, expertise, knowledge, diversity and independence.

The Nomination Committee is chaired by Richard Last and includes Roger McDowell, Nigel Halkes and Mark Pickett, who provides Executive Management insight. All but Mark Pickett are fully independent. Although only members of the Committee have the right to attend meetings, other individuals, such as other Board members and external advisors, may be invited to attend for all or part of any meeting. The Committee meets at least once a year.

Duties

The Committee's principal duties are to:

- Monitor the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- Give full consideration to succession planning for Directors and other senior Executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

The Committee's full Terms of Reference are available on our website.

Appointments in the year

During the year, the main focus of the Committee has been on succession planning for the Executive Committee and senior management. There were no new appointments in the year following the appointment of Adam Fox as CTO in January 2024.

Diversity

One area of focus is to continue to improve our Board diversity. We recognise the value of increased diversity at Board level in achieving our strategic objectives and in driving innovation and growth. Whilst Board appointments will continue to be based on merit and relevant skill, the Directors appreciate that contrasting backgrounds, experience and opinion can promote more balanced and nuanced debate and lead to improved decisions.

With regard to gender diversity, the Directors are mindful that as at the date of this Report the Board currently comprises 20% female representation and strives to achieve a balanced Board.

Succession planning

Ensuring that there are robust succession plans in place at Board and senior management level is fundamental to the long-term prospects of the business.

The Board recognises that effective succession planning also requires a thorough induction programme upon joining the Executive Board. Work has been conducted to improve this process for all incoming Executive Board members, whilst recognising too that each induction programme will also need to be tailored to the specific needs of the individual.

Richard Last

Chair of the Nomination Committee

Remuneration Committee Report

The Report details the Group's remuneration policy and the arrangements currently in place for remuneration of both Executive and Non-Executive Directors

Remuneration policy

The full Directors' remuneration policy is shown below for ease of reference, updated with minor changes. A shareholder vote on the remuneration policy is not required.

The Remuneration Committee (the Committee) operates the annual bonus plan and long-term incentive plans according to their respective rules, the Listing Rules and HMRC rules where relevant. The table below details each element of pay and demonstrates how the remuneration policy is linked to overall Group strategy.

Element of Pay	Purpose and Link to Strategy	Operation Including Maximum	Performance Criteria
Salary	To attract and retain high-quality individuals with the appropriate skills, experience and knowledge, while also recognising their ongoing performance.	Salaries are reviewed annually or when an individual changes position or responsibility. Salaries for the current year are set out on page 43. All appointments that attract either a base salary of £150,000 or a total remuneration package of £250,000, whichever being the least, must be approved by the Remuneration Committee.	Assessment of personal and corporate performance.
Benefits	To provide a range of cost-effective benefits which are typical market practice.	The main benefits provided include private medical insurance, a death in service benefit of four times salary and private fuel.	None.
Pension	To provide cost-effective long-term retirement benefits which are aligned with market practice.	Contributions of 10% of salary are paid to Executive Directors. An equivalent cash supplement may be paid to an individual if the annual or lifetime allowance has been met or exceeded.	None.
Annual Bonus	To incentivise and reward for the achievement of in-year objectives, which are linked to the Group's Adjusted EBITDA.	An annual cash bonus is payable up to a maximum of 125% of salary for the Chief Executive Officer, and 50% of salary for the Chief Financial Officer, subject to the achievement of performance targets. In all cases, bonus payments are subject to the overriding discretion of the Remuneration Committee.	The Remuneration Committee reviews the performance measures, sets and approves the level of final award.
Long-term Incentives	To incentivise and reward for the achievement of long-term performance, which is aligned to the generation of shareholder value.	An annual grant of nil-cost options, which vest after three years subject to continued service and the achievement of performance conditions. The plan limit for an award in any year is 200% of base salary. The normal policy will be to grant 100% of base salary to the Chief Executive Officer and Chief Financial Officer. Dividends which accrue on vested awards may be paid as cash, or treated as reinvested and paid in shares.	The Remuneration Committee reviews the performance measures and targets annually. The Remuneration Committee has determined that a target linked directly to the Group's adjusted EBITDA is an appropriate measure for awards granted in 2024 together with a free cash flow measure and other specific operational performance measures.
All Employee Plans	To encourage broad-based employee shareholding in the Group.	The past Share Incentive Plans and Save As You Earn Schemes provided all eligible employees with the opportunity to acquire shares at a discounted share price.	None.

Remuneration Committee Report continued

Director changes

There have been no Director changes in the year.

The use of performance measures

Annual bonus targets will include financial measures which reflect the performance of the business and are directly linked to an adjusted EBITDA margin measure, a free cash flow measure and specific operational performance measures appropriate to the relevant year.

Long-term incentive performance measures are chosen to be aligned to long-term shareholder value creation by using an adjusted EBITDA margin measure, a free cash flow measure and specific operational performance measures appropriate to the relevant year.

Directors' service contracts

Details of service agreements and notice periods are as follows:

Name	Director status	Effective date of contract	Expiry	Notice period for both parties
Mark Pickett	Chief Executive Officer	30 June 2016	Ongoing	6 months
Richard Last[1]	Non-Executive Chairman	17 November 2015	2025 AGM	—
Roger McDowell	Senior Non-Executive Director	17 November 2015	2025 AGM	3 months
Nigel Halkes	Non-Executive Director	20 January 2020	2025 AGM	3 months
Diane McIntyre	Chief Financial Officer	01 June 2021	Ongoing	6 months

1. Richard Last has no notice period.

Copies of each Director's service agreement will be available for inspection at the AGM.

Under the terms of their appointment, the Non-Executive Directors have agreed to commit no less than 25 days per annum to their roles. If they are required to commit in excess of 25 days per annum, they may be entitled to an additional fee at a suitable pro rata rate per day.

Policy on payments for loss of office

The Committee aims to deal fairly with cases of termination, while attempting to limit compensation. Executives' service contracts provide the Committee with the discretion to make a payment in lieu of notice limited to base salary. The Committee also retains the discretion to pay an annual bonus on a departure in certain circumstances. The rules of the long-term incentive plan set out the treatment if a participant leaves employment prior to awards vesting. If the participant is considered a good leaver (through death, retirement, injury or disability, redundancy, employment being transferred outside the Group, or any other reason the Committee decides) then awards would normally vest on the normal vesting date. In the event of a change of control, an award may vest early subject to the extent the performance conditions have been achieved and scaled back pro rata for service, although the Committee has the discretion to disapply time pro-rating.

Each Non-Executive Directors' notice period is defined in the table above and no compensation or other benefits are payable.

Risk

The Committee is cognisant of the need for the remuneration policy to operate within an effective risk management system. The Committee reviews the various elements of remuneration on an annual basis, to ensure that they do not encourage any undue risk-taking by Executive Directors or senior management. When setting performance targets for variable components of remuneration, the Committee remains mindful of environmental, social and governance (ESG) issues.

Shareholders' views

The Committee considers shareholder feedback received at the AGM and during meetings with investors throughout the year, and uses these views to help formulate the overall remuneration policy. The updated QCA corporate governance code (CGC) has established a new core 'principle' for directors' remuneration which mandates companies which follow the CGC to establish a remuneration policy that aligns with long-term value creation, the company's purpose, strategy, culture, and its stage of development. Alongside the new core remuneration principle, the new CGC specifically states that companies must submit their directors' remuneration report to an advisory shareholder vote on an annual basis. The Committee is committed to complying with this and will publish the remuneration policy in the Annual Report & Accounts 2025 and will put it, and the directors' remuneration report to an advisory shareholder vote at the 2026 Annual General Meeting.

Information subject to audit

Non-Executive Director fees

The fees for the year ending 31 December 2024, which took effect from 1 April 2024 are as follows. These exclude any expenses which the Non-Executive Directors may incur in relation to their duties.

	From 1 January 2024	From 1 January 2023[1]	Increase/(decrease)
Non-Executive Chairman	£116,064	£111,600	4%
Senior Non-Executive Director	£59,280	£57,000	4%
Non-Executive Director	£58,500	£56,250	4%

1. Subject to review in April 2025 in line with the Group's annual pay review process.

Information subject to audit

Remuneration payable for the financial year ending 31 December 2024:

Director	Salary[3]	Benefits[1]	Bonus	SBP[2]	Pension[3]	Total 2024	Total 2023
Mark Pickett	289,536	1,265	273,780	437,935	25,900	1,028,416	697,780
Diane McIntyre	214,552	1,706	81,120	181,686	10,469	489,533	389,434
Richard Last	114,948	—	—	—	—	114,948	111,600
Roger McDowell	58,710	—	—	—	—	58,710	57,000
Nigel Halkes	57,938	—	—	—	—	57,938	56,250

1. Benefits include private medical insurance and private fuel.
2. The cost reported in remuneration is equivalent to the share-based payment accounting charge incurred in the year, including dividends accruing on LTIPs and matching shares (see Note 7). SBP for Mark Pickett includes gains made on exercise of share options of £234,639 (2023: £nil) and a notional bonus repaid to the Company in relation to the exercise of share options equivalent to the nominal value of number of shares issued totalling £23,971 (2023: £nil). SBP for Diane McIntyre includes gains made on exercise of share options of £49,997 (2023: £nil) and a notional bonus repaid to the Company in relation to the exercise of share options equivalent to the nominal value of number of shares issued totalling £5,850 (2023: £nil).
3. The fixed element of Directors remuneration includes salary and employers pension contributions; all other elements are variable.

Long-Term Incentives Plan (LTIP) awards

On 13 June 2024 the Remuneration Committee approved LTIP awards to Mark Pickett and Diane McIntyre.

	Type	Number of shares	Face value[1]	Performance condition	Performance period	% Vesting at threshold
Mark Pickett	Nil-Cost Option	443,602	£235,109 (81% of salary)	Adjusted EBITDA, free cash flow and other specific operational performance measures	Measured over 2 years to 31 December 2025	50% of LTIP
Mark Pickett	Nil-Cost Option	665,403	£352,663 (121% of salary)	Adjusted EBITDA, free cash flow and other specific operational performance measures	Measured over 3 years to 31 December 2026	50% of LTIP
Diane McIntyre	Nil-Cost Option	262,875	£139,234 (64% of salary)	Adjusted EBITDA, free cash flow and other specific operational performance measures	Measured over 2 years to December 2025	50% of LTIP
Diane McIntyre	Nil-Cost Option	394,313	£208,985 (97% of salary)	Adjusted EBITDA, free cash flow and other specific operational performance measures	Measured over 3 years to December 2026	50% of LTIP

1. Face value calculated based on share price on 13 June 2024 (53p).

Remuneration Committee Report continued

Share award interests

The interests in share options were as follows:

	At 1 January 2024	Granted	Expected to lapse	Exercised	At 31 December 2024	Exercise price	Price on date of grant	Date from which exercisable	Expiry date
Mark Pickett									
LTIP – 7 July 2020	321,429	—	—	(321,429)	—	Nil	56.0p	Jul 2023	Jul 2030
LTIP – 28 June 2021	157,959	—	—	(157,959)	—	Nil	98.0p	Jun 2024	Jun 2031
LTIP – 11 April 2022	182,118	—	(26,471)	—	155,647	Nil	92.0p	Apr 2025	Apr 2032
LTIP – 16 October 2023	173,022	—	—	—	173,022	Nil	71.0p	Oct 2026	Oct 2033
LTIP – 13 June 2024	—	443,602	(55,450)	—	388,152	Nil	53.0p	Jun 2026	Jun 2034
LTIP – 13 June 2024	—	665,403	(55,450)	—	609,953	Nil	53.0p	Jun 2027	Jun 2034
Diane McIntyre									
LTIP – 28 June 2021	123,809	—	(6,803)	(117,006)	—	Nil	98.0p	Jun 2024	Jun 2031
LTIP – 11 April 2022	142,745	—	(19,608)	—	123,137	Nil	92.0p	Apr 2025	Apr 2032
LTIP – 16 October 2023	145,965	—	—	—	145,965	Nil	71.0p	Oct 2026	Oct 2033
LTIP – 13 June 2024	—	262,875	(32,860)	—	230,015	Nil	53.0p	Jun 2026	Jun 2034
LTIP – 13 June 2024	—	394,313	(32,860)	—	361,453	Nil	53.0p	Jun 2027	Jun 2034

The closing share price at 31 December 2024 was 46.4p and during the year ranged from 38.5p to 62.5p. There have been no variations to the terms and conditions or performance criteria for share awards during the financial year. There are no vested but unexercised options relating to the Directors as at 31 December 2024.

Of the applicable LTIPS 75% of Mark Pickett's and Diane McIntyre's shares vested in relation to the 2024 performance.

Annual percentage change in Directors' remuneration compared to FTE employees

	Year-on-year percentage change in remuneration				
	2024	2023	2022	2021	2020[1]
Group FTE employees	883	938	972	936	832
Average Remuneration/FTE £'000	57	56	54	54	52
Average FTE Employees percentage change[3]	1%	5%	(1)%	3%	(2)%
Directors' percentage change					
Mark Pickett	10%	55%	(51)%	4%	1%
Richard Last	3%	—	1%	5%	(35)%
Roger McDowell	3%	—	3%	5%	(5)%
Nigel Halkes	3%	—	2%	11%	100%
Diane McIntyre[2]	26%	33%	17%	—	—

1. Includes three months at 80% pay as a mitigating action to COVID.
2. Diane McIntyre's figures in 2021 relate to the period from 1 June 2021 to 31 December 2021.
3. Average percentage change is a result of investment in our GDC and Manila shared service centre in 2022 and 2023.

Information not subject to audit

Directors' shareholdings

The table below sets out the Directors' current shareholdings as at 31 December 2024. The shareholding guideline for the Chief Executive Officer is to hold two times base salary in stock (excluding invested LTIPs) within no more than five years of appointment.

Director	Beneficially owned	% of salary/ share value held	LTIP options
Mark Pickett	1,572,115	250%	1,326,774
Diane McIntyre	68,006	15%	860,570
Richard Last	3,095,726	1238%	—
Roger McDowell	3,975,726	3112%	—
Nigel Halkes	14,285	11%	—

Note: % of salary/share value held is calculated by reference to the value of the individual's shareholding in Tribal valued at the share price on the close of business on 31 December 2024.

All-employee plans

The Committee believes wider employee share ownership can act as an additional retention and motivation vehicle and has operated Save As You Earn (SAYE) Schemes and Share Incentive Plans (SIP) in the past. The Committee regularly considers the appropriate overall incentive schemes for all employees.

Position against dilution limit

The share incentive plans operate in line with the ABI principle, which requires that all commitments must not exceed 10% of the issued share capital in any rolling ten-year period. Given the Company's issued share capital, the number of employees and the level of participation in the LTIP, the Committee believes that operating a single 10% in ten-year limit for all share plans remains appropriate. The Group's position against the dilution limit at 31 December 2024 was 8.2%.

Executive Directors' external appointments

Executive Directors are permitted to accept an external non-executive position with the Board's approval. Any fees received in respect of these appointments may be retained by the Executive. No such fees were received by the Executive Directors during the year.

Approved by the Remuneration Committee on 19 March 2025

Roger McDowell
Chairman, Remuneration Committee

Directors' Report

The Directors present their report and audited consolidated financial statements for the year ended 31 December 2024.

Principal activities

Tribal Group plc is incorporated as a public limited company, and is registered in England and Wales with registered number 4128850. Its registered office is at St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN.

The Company acts as a holding company with a number of trading subsidiaries that provide education-related systems, solutions and consultancy services. There was no significant change in this activity during the year. The subsidiary undertakings of the Company are listed in Note 32.

Results and dividends

The profit for the year, after taxation, amounted to £5.5m (2023: of £5.3m). 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 ex-dividend date of 26 June 2025. As noted in the 2023 Annual Report and 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 an interim dividend in the year-ended 31 December 2024 of 0.65p per share was paid totalling £1.4m. The Board intends to continue a progressive dividend policy, with a single dividend payment each year following annual results.

Dividend policy

Meeting shareholder dividend expectations is a high priority as it supports our overall strategy. Our longer-term plan indicates that our progressive dividend policy can be met whilst making the investments we need to meet our strategic objectives. It is Tribal's expectation that only a final dividend will be paid going forward.

Business model and strategy

The business model and strategy section, on pages 3 to 6; set out the Company's strategy, business model and key performance indicators.

Long-term financing

On 29 December 2023 the Group entered into a three year £20m multicurrency revolving facility with HSBC with the option to extend by a further two years. In January 2025 the first option to extend the facility by one year was taken with the remaining year available to be taken in December 2025. The facility was put in place to cover general corporate and working capital requirements of the Group, as at 31 December 2023 £8.0m (2023: 14.0m) of the loan was utilised. The Group had 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.

Following a review of the Group's forecasts and projections, the Directors consider the Group is well placed to meet its funding requirements for the foreseeable future. Information about the use of financial instruments by the Group is given in Note 30 of the financial statements.

Board effectiveness

In respect of our operations as a Board, we continue to reflect upon our collective skills and experience and our ability to effectively lead Tribal.

Environment

The credibility and longevity of any business goes beyond pure financial gain; a principle long-embodied and supported by Tribal's strong values-based culture and approach to environmental, social and governance issues.

The ESG Report is on pages 22 to 25 and highlights our initiatives in relation to Environmental, Social and Governance matters concerning the Group.

Principal risks and uncertainties

The Group's principal risks and uncertainties are explained in the Strategic Report on pages 28 to 29. Risks of a financial nature are addressed in Note 30 of the financial statements.

Section 172

The Board's responsibilities to promote the success of the Group under Section 172 of the Companies Act 2006, as modified by the Companies (Miscellaneous Reporting) Regulations 2018 are outlined in the Section 172 Statement on pages 20 to 21.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which remain in force at the date of this report and throughout the year. Directors' and officers' liability insurance is provided for all Directors of the Company.

Going concern

Please refer to the going concern statement in the Strategic Report on page 19 for details on the assessment carried out by Directors with regard to going concern.

Directors retiring

The names of the Directors who served during the year and up to the date of signing the financial statements are set out on pages 30 and 31. All Directors are required to submit to re-election each year and will be proposed for re-election at the forthcoming AGM.

The appointment and replacement of Directors is governed by the Company's Articles of Association, the Companies Act 2006 and related legislations. The Articles themselves may be amended by special resolution of the shareholders.

Directors' interests in the Company and share capital information, including share options, are detailed in the Remuneration report on pages 41 to 45.

Share capital

Details of the authorised and issued share capital are shown in Note 23 to the financial statements. The Company has one class of Ordinary Shares, which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. During the year, the Company issued 1,632,952 shares (2023: nil Ordinary Shares of 5p).

Branches

The Group has overseas branches in New Zealand, Abu Dhabi, and Singapore.

Employees

Tribal is a business which is highly dependent on its people. We seek to attract, develop and retain high-calibre staff and, as a consequence, our customers can be assured that the service they receive is among the best available. The Group's commitment to its people is discussed in the Environmental, Social and Governance Report on pages 22 to 25.

The Board takes its responsibilities to employee engagement and interests very seriously and ensures any decisions made take into consideration the impact on the Group's employees. Employees have the opportunity to ask questions regarding all aspects of the business during our regular Group-wide update meetings with the Group's Executive Management team. The Group recognises the value of its employees and where possible seeks to promote internally within the business and aims to empower, where appropriate, employees to aid with decision-making within the Group.

Employee interests are considered in full when the Board is making key decisions regarding changes to the business, such as restructuring, acquisitions and streamlining of operating segments. Decisions impacting employees' interest are communicated in a timely manner.

The Group is an equal opportunities employer and bases all decisions on individual ability, regardless of race, religion, gender, sexual orientation, age or disability. Applications for employment by disabled persons will always be fully considered, having regard to their particular aptitudes and abilities. Should any employee become disabled, every practical effort is made to provide continued employment. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. Appropriate training is arranged for disabled employees, including retraining for alternative work for those who become disabled, to promote their career development within the organisation.

Research and development

The Group continues to invest in research and development of software products, as set out in Notes 5 and 14 of the financial statements. The investment is predominantly in the Group's next-generation cloud-based student information system, Edge. Total research and development expenditure decreased to £10.6m (2023: £12.4m) of which £4.4m (2023: £8.5m) was capitalised.

Future developments

An indication of likely future developments in the business of the Group is included in the Strategic Report.

Annual General Meeting

The Company's AGM will be held on 27 May 2025. The notice convening the AGM and an explanation of the business to be put to the meeting are contained in a separate circular to shareholders.

Directors' Report continued

Independent auditor

BDO LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be put to the AGM.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and 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 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of the profit or loss of the Group for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- For the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements.
- For the Company financial statements, state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the Company financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Corporate governance

The Company's statement on corporate governance compliance can be found in the Corporate Governance Statement on pages 34 to 37 of the Annual Report and Accounts. The Corporate Governance Report forms part of this Directors' report and is incorporated by reference.

Statement of disclosure of information to auditor

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' Report is approved, that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors and signed on its behalf by;

M Pickett.

Mark Pickett
Chief Executive Officer

Registered number 4128850

26 March 2025

Independent Auditor's Report

Independent auditor's report to the members of Tribal Group plc

Opinion on the financial statements

In our opinion:

- 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 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tribal Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company only Balance Sheet, the Company only Statement of Changes in Equity and notes to the financial statements, including material accounting policy information for the Group financial statements and a summary of significant accounting policies for the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the going concern assessment, approved by the Directors, including detailed cash flow and covenant compliance forecasts up to 31 March 2026 and where applicable agreed this to third party documentation including signed banking facilities;
- Inspecting the Group's signed 4 year £20m multicurrency revolving facility with HSBC and other bank overdraft arrangements to confirm that the Group has sufficient liquidity to meet its liabilities as they fall due over the going concern period. We also agreed the nature of the financial covenants included therein and checked that management's covenant forecasts and compliance over the going concern period were appropriately derived.
- Assessing the reasonableness of the Directors' assumptions included in the going concern forecast, including revenue growth and margins, with reference to the historical accuracy of the Directors' forecasts by comparing the current forecasts with actual trading results post year end; and
- Assessing the appropriateness of sensitivity analyses prepared by the Directors over the Group's cash flow forecasts. We also considered our own sensitivities including the effects of adverse movements in EBITDA by removing revenue growth from the Directors' forecasts.

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 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.

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

Independent Auditor's Report continued

Overview

Key audit matters		2024	2023
	Revenue recognition	✓	✓
	Accounting treatment – NTU contract	×	✓
	Accounting treatment of the NTU contract is no longer considered to be a key audit matter because the contractual dispute was settled between the parties in May 2024.		
Materiality	*Group financial statements as a whole*		
	£571,000 (2023: £497,500) based on 5% (2023: 5%) of Adjusted profit before tax		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group comprises twenty-six separate legal entities or branches, consisting of a mixture of trading and holding activities across various geographical jurisdictions in which the Group operates. The main holding company is in the United Kingdom which consolidates the results of the Group. The Group has a centralised control environment with a central management function based in the United Kingdom coupled with a shared service centre location in the Philippines.

The components in scope for audit procedures were selected based on our assessment of the likelihood of that component giving rise to a risk of material misstatement in the Group financial statements. Full scope audit procedures were performed on components with significant levels of aggregation risk. Specific audit procedures were performed on components where aggregation risk was considered to be limited or none.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls; and
- Procedures on one or more classes of transactions, account balances or disclosures.

We also obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of the Group journals and other adjustments performed on consolidation.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following;

- Full scope audit procedures were performed on the entire financial information of Tribal Education Limited, Tribal Group Pty Ltd and Callista Software Services Pty Ltd.
- Specific audit procedures were performed on one or more classes of transactions, account balances or disclosures of Tribal Group plc, Tribal Holdings Limited, Class Measures Inc., Tribal Education Limited (Abu Dhabi Branch) and Empowering Education International Limited.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to implementation revenue. We therefore designed and performed procedures centrally in this area.

The Group operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

In the current year we scoped in certain revenues in Class Measures Inc and Tribal Education Ltd (Abu Dhabi branch) which were not included in our scope in the previous year due to the identification of contracts with customers in these components which could give rise to a risk of material misstatement in the Group financial statements.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and any other relevant party and other papers related to climate change and performing a risk assessment as to how the impact of the Group's commitments as set out in the Environmental, Social and Governance Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and in management's judgements and estimates in relation to impairment of assets and the recognition of deferred tax assets.

We also assessed the consistency of management's disclosures included as Other Information with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue Recognition-Implementation Services (Refer to notes 1, 2 and 3 of the financial statements)	Implementation revenue comprises revenue received from customers for the configuration, set up and installation of the Group's software products. For fixed price implementation projects, judgement is required in determining the stage of completion which is driven by the estimated total implementation time required and the total time incurred to date. In light of the judgements required to be made by the Directors in this area, we have determined that revenue recognition in relation to these ongoing, fixed price revenue projects is a key audit matter.	As part of our audit procedures, we: ▪ Assessed the appropriateness of the Group's revenue recognition policies against the requirements of the applicable accounting standards; ▪ Performed an assessment of a sample of contractual terms and conditions of the services being provided to check that that the revenue recognition policy is appropriate in the circumstances; ▪ Made enquiries of project managers to understand the nature of the projects, how projects were progressing against key milestones and any impact on expected delivery times from changes in project scope; ▪ Assessed the appropriateness of the stage of completion and the resulting revenue recognised for a sample of contracts by: – Agreeing the number of days worked to date in the determination of the percentage complete on projects and compared this against the timecard system; – Reviewing management's time forecasts for ongoing projects and performing a review of historical forecasting on a sample of projects to confirm the accuracy of the project managers' forecasts. – Verifying progress against key milestones on a sample of projects by viewing correspondence between the customer and the Group. – Verifying timecard approvals by ensuring that for a sample of timecards, the timecards had been approved by an appropriate individual; and – Testing the monthly project review control performed by the commercial management and finance teams. **Key observations:** Based on the procedures performed, we consider the revenue recognised on the ongoing, fixed price Implementation Services projects to be appropriate.

Independent Auditor's Report continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Company financial statements	
	2024 **£**	**2023** **£**	**2024** **£**	**2023** **£**
Materiality	571,000	497,500	940,000	927,000
Basis for determining materiality	5% (2023: 5%) of profit before tax, adjusted for exceptional items as disclosed in Note 6 of the financial statements.		2% (2023: 2%) of the Company's net assets.	
Rationale for the benchmark applied	Adjusted profit before tax is a key measure for stakeholders		This entity is the holding company of the Group. The entity is purely for holding investments, financing and incurring Group expenditure. Net assets was chosen as the appropriate benchmark.	
Performance materiality	428,000	358,000	705,000	664,000
Basis for determining performance materiality	In determining performance materiality, we considered a number of factors including the areas of estimation within the financial statements and history of errors. On this basis performance materiality was set at 75% (2023: 72%) of Group materiality.		In determining performance materiality, we considered a number of factors including the areas of estimation within the financial statements and history of errors. On this basis performance materiality was set at 75% (2023: 72%) of Group materiality.	

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group based on a percentage of between 30% and 95% (2023: 30% and 90%) of Group performance materiality dependent on a number of factors including extent of disaggregation of the financial information across components, relative size of components, expectations about the nature, frequency, and magnitude of misstatements in the component financial information and history of errors and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £53,000 to £406,600 (2023: £146,000 to £441,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences more than £28,500 (2023: £24,500). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report & Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and ▪ The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: ▪ 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 ▪ The Company financial statements are not in agreement with the accounting records and returns; or ▪ Certain disclosures of Directors' remuneration specified by law are not made; or ▪ We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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.

Independent Auditor's Report continued

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and the Audit Committee;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- We considered the significant laws and regulations to be the applicable accounting framework, UK and overseas tax legislation and the AIM Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, UK employment law and UK and overseas tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation and testing a random sample of journals within the residual population; and
- Assessing significant estimates made by management for bias including the assessment of the stage of completion of the Group's ongoing, fixed price implementation projects and the estimates of future revenues and costs included in the Group's impairment models.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Eastell

James Eastell
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Bristol, UK

26 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

Financial Statements

Company Information

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	3	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	4,5	6,893	7,261
Analysed as:			
Operating profit (before exceptional items)	*4*	*12,465*	*10,581*
Exceptional items	*6*	*(5,572)*	*(3,320)*
Operating profit (EBIT)		*6,893*	*7,261*
Finance income	8	137	308
Finance costs	9	(1,172)	(939)
Profit before tax		5,858	6,630
Tax charge	10	(370)	(1,336)
Profit attributable to the owners of the parent		5,488	5,294
Earnings per share			
Basic	12	2.6p	2.5p
Diluted	12	2.5p	2.4p

All activities are from continuing operations.

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	26	(89)	(129)
Deferred tax on measurement of defined benefit pension schemes	21	(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	13	27,600	28,524
Other intangible assets	14	50,041	49,894
Property, plant and equipment	15	621	836
Right-of-use assets	25	1,693	2,117
Net investment in lease	25	-	21
Deferred tax assets	21	6,873	4,960
Retirement benefit scheme assets	26	102	81
		86,930	86,433
Current assets			
Trade and other receivables	16	16,197	13,690
Net investment in lease		-	49
Contract assets	3	3,441	5,918
Current tax assets		1,206	752
Cash and cash equivalents	17	5,293	6,797
		26,137	27,206
Total assets		113,067	113,639
Current liabilities			
Trade and other payables	18	(7,034)	(5,902)
Accruals		(9,193)	(9,194)
Contract liabilities	3	(29,783)	(27,732)
Current tax liabilities		(2,352)	(1,541)
Lease liabilities	25	(706)	(713)
Provisions	20	(502)	(1,205)
		(49,570)	(46,287)
Net current liabilities		(23,433)	(19,081)

Consolidated Balance Sheet continued

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current liabilities			
Other payables	18	(66)	(212)
Deferred tax liabilities	21	(2,547)	(2,740)
Contract liabilities	3	(26)	–
Lease liabilities	25	(903)	(1,320)
Borrowings	19	(8,000)	(14,000)
Provisions	20	(489)	(605)
		(12,031)	(18,877)
Total liabilities		(61,601)	(65,164)
Net assets		51,466	48,475
Equity			
Share capital	23	10,693	10,611
Share premium		83	83
Other reserves	24	29,287	28,893
Accumulated profits		11,403	8,888
Total equity attributable to equity holders of the parent		51,466	48,475

Notes 1 to 32 form part of these financial statements. The Company's registered number is 04128850.

The financial statements on pages 58 - 103 were approved by the Board of Directors and authorised for issue on 26 March 2025 and were signed on its behalf by:

Richard Last
Director

Mark Pickett
Director

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	11	–	–	–	(1,377)	(1,377)
Credit to equity for share-based payments	22	–	–	295	–	295
Tax credit on credit to equity for share-based payments	10	–	–	–	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	23	82	–	–	–	82
Equity dividend paid	11	–	–	–	(1,389)	(1,389)
Credit to equity for share-based payments	22	–	–	394	–	394
Tax charge on credit to equity for share-based payments	10	–	–	–	(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	27	12,710	8,308
Investing activities			
Purchases of property, plant and equipment	15	(273)	(390)
Expenditure on intangible assets	14	(4,427)	(8,479)
Payment of deferred consideration for acquisitions		–	(71)
Proceeds from sub-leases	25	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	23	82	-
Principal paid on lease liabilities	25	(768)	(911)
Interest paid on lease liabilities	25	(76)	(77)
Equity dividend paid	11	(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	17	5,293	6,797

Notes to the Financial Statements

1. Accounting policies

General information

Tribal Group plc (the Company) is a company incorporated, registered and domiciled in England and Wales in the United Kingdom under the Companies Act. The Company is a public limited company which is listed on the Alternative Investment Market (AIM).

The address of the registered office is given on page 111. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in Note 4 and in the Strategic Report on pages 1 - 29. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Amounts are rounded to the nearest thousand unless otherwise stated. Foreign operations are included in accordance with the policies set out below. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements on pages 58 - 103 have been prepared in accordance with UK adopted International Accounting Standards. The financial information has been prepared on the historical cost basis, except for contingent consideration, share-based payments and forward exchange contracts which are recognised at fair value.

The preparation of financial statements in accordance with UK adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 disclosed in Note 2.

Adoption of new and revised standards

In preparing these financial statements, the company has early adopted the amendment to IFRS 9, issued by the IASB in May 2024. The amendment clarified situations in which a financial asset or a financial liability is recognised and derecognised and provided an exception for certain financial liabilities settled using an electronic payment system. The guidance clarified that entities may be permitted to derecognise financial liabilities settled by an electronic payment system earlier than their settlement date, subject to certain criteria being met.

At the date of the authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the UK):

Mandatorily effective for periods beginning on or after 1 January 2025:

- Amendments to IAS 21 Lack of exchangeability

There are no standards or interpretations that are mandatorily effective for periods beginning on or after 1 January 2026.

None of the above standards are expected to have a material impact on the Group or are expected to be early adopted.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company:

- Has the power over the investee.
- Is exposed, or has the rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Adoption of the going concern basis

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 a £2.0m committed overdraft facility in the UK and a AUD$2.0m committed overdraft facility in Australia.

Both facilities are committed on a 12-month rolling period ending August 2025 and October 2025 respectively. At the year-end neither facility had been drawn down.

Tribal Group plc has a £20.0m loan facility to cover temporary working capital requirements of the Group and corporate merger and acquisition activity, if required, which expires in December 2027. See Note 19.

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.

Revenue recognition

Revenue is measured at the fair value of the consideration receivable from the provision of goods and services to third party customers in the normal course of business. Revenue is stated excluding sales tax and trade discounts. The particular recognition policies applied in respect of the various potential elements of short-term or repeat service contracts are as set out below.

For multi-element contracts that include more than one separable revenue stream, the stand alone selling prices of the component parts are established, and revenue recognised for each separable element in line with the relevant policy below.

Where legally separate contracts are entered into at or near the same time, with the same entity and were negotiated as a package, they are treated as a single arrangement for accounting purposes. Performance obligations are met in the same way for each relevant stream as noted below.

The Group has long-term contracts for the provision of more complex, project-based services including arrangements that involve significant production, modification, or customisation of software. Where the outcome of such long-term project-based contracts can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the project at the balance sheet date. This is measured by the proportion of development time incurred for work performed to date compared to the estimated total development time required. Variations in contract work are included to the extent that the amount can be measured reliably, and the revenue is considered highly probable not to reverse.

Where the outcome of a long-term project-based contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs that it is probable and be recovered. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense within cost of sales immediately.

The transaction price of contracted goods and services is shown separately in the contract with customers. The contracted prices of each component of a product sale are expected to provide a robust and appropriate starting point in seeking to allocate the total transaction price to the identified performance obligations. The time value of money is not expected to be significant as contracts where cash is disconnected from revenue by greater than one year are likely to be rare.

Notes to the Financial Statements

1. Accounting policies continued

Revenue recognition continued

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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 recognition of associated revenue.

Student Information Systems

Licence and Development Fees – applies to Software and Support

- Revenue on perpetual software licenses is recognised on the commencement of software implementation and related consultancy.
- Revenue on the implementation of fixed price software licenses is recognised over the duration of the project implementation period on a percentage complete basis being the number of days complete compared to the number of days expected for the project based on timesheet records. Revenue is recognised over time as the conditions as set out in IFRS 15.35(a) are met.
- Revenue from term software licenses is recognised on a pro-rata basis over the period of the license. This has the effect of spreading the recognition of License and Development Fees revenue over an extended period, rather than immediate, upfront recognition, to reflect the performance obligation of the license transferring over time in line with IFRS 15.B56.
- Customer paid enhancements (Development Fees) are recognised in line with Implementation Services as noted below.
- Support and Maintenance – applies to Foundation Software and Edge.
- Revenue from contracts for software maintenance and support is recognised on a pro rata basis over the contract period, reflecting the Group's obligation to support the relevant software products and update their content over the contract period.

Implementation Services – applies to Professional Services

- Revenue from software implementation, consultancy and other services that involve the purchase of a number of days is recognised as the service is provided.
- If implementation services are inherently linked to the delivery of fixed price software, revenue is recognised on a percentage complete basis being the number of days complete compared to the number of days expected for the project based on timesheet records.

Cloud Services - applies to Foundation Cloud Services

- Revenue from contracts for cloud services is recognised on a pro rata basis over the contract period, reflecting the Group's obligation to host the relevant software products over the contract period.

Other Services – applies to Other Software Services (including Bespoke Software, Software Solutions, Data Managed Services and SchoolEdge)

- Revenue from other services that are provided for a specific term are recognised on a pro rata basis over the contract period. This includes services such as hosting and managed IT services; and where services include any element of Licence and Development Fees, Support and Maintenance, Implementation Services or Cloud Services revenue recognition will be in line with the policy outline in the relevant section above.

Etio (formerly Education Services)

- Revenue from the sale of services is recognised upon transfer of control to the customer and assessment of performance obligations. This is generally when services are performed for customers. The method by which the Group measures the service being performed varies depending on the nature of the contract, but will typically be driven by either time incurred or deliverables delivered as appropriate to the particular arrangement with the customer. Performance obligations are considered to be met upon the transfer of deliverables as defined in the contract.

Deferred contingent consideration

The Group has deferred contingent consideration obligations arising from acquisitions.

The accounting for changes in the present value of deferred contingent and non-contingent consideration, that do not qualify as measurement period adjustments, and for which consideration is classified as a liability, are remeasured at subsequent reporting dates at present value with the corresponding gain or loss being recognised in profit or loss.

Any equity-based consideration is recognised in equity at the date it is agreed and would not be remeasured at subsequent reporting dates, with subsequent settlement accounted for within equity.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date).

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU (or groups of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (or group of CGUs) and then to the other assets of the CGU (or groups of CGUs) pro rata on the basis of the carrying amount of each asset. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a division, the attributable amount of goodwill is included in the determination of the profit and loss on disposal. Goodwill arising on acquisition before the date of transition to IFRS has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date.

Merger reserve

The merger reserve comprises the non-statutory premium arising on shares issued as consideration for acquisition of subsidiaries where merger relief under the relevant section of the Companies Act applies. To the extent that the creation of goodwill originally gave rise to a merger reserve, upon impairment, an appropriate amount is transferred from the merger reserve to the profit and loss reserve.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Tangible and Intangible assets are amortised over their estimated useful lives (see Notes 14 and 15).

The recoverable amount is the higher of fair value less costs to sell and the value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Unlike intangible assets and goodwill, right-of-use assets are not subject to a significant risk of material impairment, due to the nature and short-term duration of the leases held by the Group. Expected changes to the rental duration of office properties and the corresponding discount rate used to value lease liabilities are not considered probable within the course of normal business, so are excluded from the requirements set out in IAS 1.125.

Business systems

The Group's business systems (internal operational systems; i.e. finance, HR) are treated as an intangible asset where the probable future economic benefits arising from the investment can be assessed with reasonable certainty at the time the costs are incurred. Costs included are those directly attributable to the design, construction and testing of new systems (including major enhancements) from the point of inception to the point of satisfactory completion as defined by IAS 38, with the exception of cloud computing costs which are expensed as incurred. Maintenance and minor modifications are expensed against the income statement as incurred. These assets are amortised by equal instalments over 10 years.

Notes to the Financial Statements continued

1. Accounting policies continued

Internally generated intangible assets – research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's product development is recognised only if all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets

Intangible assets are stated at cost, net of amortisation and any recognised impairment loss. These assets are amortised on a straight-line basis over their useful economic lives as follows:

- Development costs – 3 to 15 years.
- Business systems – 10 years.
- Software licences – 3 to 5 years.

Acquired intangibles

Acquired intangibles are stated at cost, net of amortisation and any recognised impairment loss. These assets are amortised on a straight-line basis over their useful economic lives as follows:

- Acquired intellectual property – 15 years.
- Acquired software – 15 years.
- Acquired customer contracts and relationships – 3 to 12 years.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost of each asset, other than assets in the course of construction, by equal instalments over their estimated useful economic lives as follows:

- Leasehold buildings – life of the lease.
- Fixtures, fittings and other equipment – 3 to 7 years.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is measured by reference to the measurement of the lease liability on that date, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. 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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of buildings that have a lease term of 12 months or less and leases of low-value items including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

Sub-leases

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification as a sub-lease with reference to the right-of-use-asset arising from the head lease, not with reference to the underlying asset.

Other items

IAS 1, Presentation of Financial Statements, provides no definitive guidance as to the format of the income statement, but states key lines which should be disclosed. It also encourages the disclosure of additional line items and the reordering of items presented on the face of the income statement when appropriate for a proper understanding of the entity's financial performance.

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 be not directly related to the trading business or regarded as exceptional, or for which separate disclosure would assist in a better understanding of the financial performance achieved.

Both materiality and the nature and function of the components of income and expense are considered in deciding upon such presentation. Such items may include, inter alia, impairment and amortisation charges relating to goodwill and other intangible assets, the financial effect of major restructuring and integration activity, gains or losses associated with acquisitions (including the costs of such acquisitions, movements in deferred contingent consideration and the associated unwind of any discount thereon), profits or losses arising on business disposals, share-based payments and other items where separate disclosure is considered appropriate by the Directors, including the taxation impact of the aforementioned items.

Retirement benefit costs

The Group operates two defined contribution pension schemes that are established in accordance with employment terms set by the employing companies. The assets of these schemes are held separately from those of the Group in independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes, where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur.

Remeasurement recorded in the statement of comprehensive income is not recycled. Past service cost is recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Current service cost, past service cost and gains and losses on curtailments and settlements.
- Net interest expense or income.
- Remeasurement.

The Group presents the first component of defined benefit costs within cost of sales and administrative expenses in the consolidated income statement. Curtailment gains and losses are accounted for as past-service cost. Net interest expense or income is recognised within finance costs. The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the Group's defined benefit pension schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

A property-related provision is recognised and measured as a provision when the Group has a present obligation arising under a property-related contract. This includes dilapidation costs arising from exiting a leasehold property where the costs are not all expected to be incurred during the next year. For a business that is closed or to be discontinued the provision reflects the costs associated with exiting the property leased by the discontinued or closed business.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Notes to the Financial Statements continued

1. Accounting policies continued

Provisions continued

A legal claims provision is recognised and measured as a provision when the Group has a present obligation arising under a legal claim. This includes anticipated costs to resolve any contractual disputes and any anticipated costs in respect of disputes arising on previously disposed of businesses.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Foreign currencies

Transactions in currencies other than the local functional currency are recorded at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date, with differences recognised in profit or loss in the period in which they arise.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. These are considered to be approximate rates for the transaction dates. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising, if any, are recognised directly within equity within other comprehensive income. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. This is expensed on a straight-line basis over the vesting periods of the instruments.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of the particular vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves in equity.

Fair value is measured by use of an adjusted Black-Scholes model for the 2017 - 2024 LTIPs (including the CSOP) and a Monte-Carlo model for the LTIPs awarded in 2016, as these will vest dependent on market conditions.

Tax

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax provisions are recognised in accordance with IFRIC 23 and represent genuine uncertain tax treatments. The Group continually monitors the status of any tax provisions and will reassess annually based on any changes in facts or circumstances leading to a 'more likely than not' outcome.

Research and development tax credits are recognised in other revenue in the consolidated income statement.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax in the income statement is charged or credited, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified into the following specified categories: financial assets at Fair Value Through Profit or Loss (FVTPL) and Amortised Cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group does not currently hold any assets at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables) and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment of financial assets

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the expected credit loss for the trade receivables. Provisions are recorded net in a separate provision account with the loss being recognised in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since the initial recognition of the asset.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Cash comprises cash in hand and deposits repayable on demand. These instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or Amortised Cost. The only financial liability held at FVTPL by the Group is deferred contingent consideration.

Dividends

Dividends are recognised when they become legally payable. In the case of final dividends, this is when approved by the shareholders at the AGM.

Contingent liabilities

Contingent liabilities are disclosed when there are uncertainties related to the amount or timing of any outflows.

Notes to the Financial Statements continued

2. Critical accounting judgements and sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in Note 1, the Board has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Carrying value of goodwill

The carrying value of goodwill at the year-end is £27.6m (2023: £28.5m). An annual impairment review is required under IAS 36 Impairment of Assets involving judgement over the future cash flows and discount rates for CGUs. The Group prepares such cash flow forecasts derived from the most recent budgets approved by the Board of Directors.

Value in use has been estimated for each group of CGUs as part of the annual impairment test for the Group's goodwill allocated to its groups of CGUs. The key assumptions used in the calculations, and the sensitivity of value in use to these key assumptions are set out in Note 13 to these financial statements.

Carrying value of development costs

The carrying value of development costs is £45.0m (2023: £43.7m). Judgement is required to assess whether costs meet the criteria for capitalisation set out in IAS 38, the useful life of those assets, and subsequently the consideration of the potential need for impairment of these assets, in particular in relation to their expected ability to generate future revenue. Amortisation is charged once a product is ready for its intended use. Amortisation is charged on a straight-line basis over the useful economic life of the product to which the expenditure relates which range from 3 to 15 years, with a weighted average product life of 15 years.

Value in use has been estimated for each group of CGUs as part of the annual impairment testing.

In considering the appropriateness of the useful economic life of products management take into account typical product life cycles, technical, technological, commercial or other types of obsolescence and the stability of the industry in which the asset operates/changes in the market demand for the product.

Revenue recognition

The Group's revenue recognition policies are disclosed in Note 1. In some cases, particularly in relation to software implementation programmes on which we are engaged in a number of international settings, judgement is required to determine the most appropriate measure of the stand alone selling prices and separately the timing of the revenue and profit recognition related to the service and products that have been delivered to customers at the balance sheet date. Judgement is also required in the recognition of any variable consideration and in the associated risk of recoverability of any associated receivables and contract assets where invoicing and/or payment is subject to certain future milestones. Programme delivery requirements, software specification and customer expectations may evolve during the course of these major projects. This may result in developments to ongoing commercial arrangements that could materially impact the basis of financial judgements made at the period end.

Therefore, the potential impact of these evolving obligations and the overall customer project status must be considered carefully and where appropriate reflected in accounting judgements.

Uncertainty over income tax treatments

From time to time the Group encounters situations where there is uncertainty over income tax treatments that may affect both current and deferred taxes. Where the Group determines it is probable that a tax treatment will be accepted, then it measures its income taxes on that basis. In relation to the prior period, the Group has excluded an amount of £0.8m of current tax from the tax charge included in the consolidated income statement on the basis it believes that it is probable that the relevant tax authority will accept an amended and refiled tax return. During 2024 the full amount of £0.8m was paid. This amount is included in current tax assets in 2024 on the basis that it is expected to be recovered in due course.

3. Revenue from 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 and 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 and other related services (QAS)	9,343	2	6	5,487	14,838
i-graduate survey and 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 and 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 and other related services (QAS)	9,121	–	1	5,104	14,226
i-graduate survey and 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

The disaggregation of revenue in primary geographical markets is included within Note 4.

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.

Notes to the Financial Statements continued

3. Revenue from contracts with customers continued

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. See Note 30.

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 and services	3,938	2,133	996	268	7,335
Total SIS	63,076	54,053	25,238	2,236	144,603
Schools inspections and other related services (QAS)	13,830	7,488	6,856	4,890	33,064
i-graduate survey and 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 and services	6,120	2,346	1,066	56	9,588
Total SIS	63,216	51,972	30,824	1,832	147,844
Schools inspections and other related services (QAS)	11,396	6,190	275	22	17,883
i-graduate survey and 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, 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 4. 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.

4. 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.
- Etio (formerly Education Services) 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 and relationships			(961)	(725)
Adjusted operating profit			12,465	10,581
Exceptional items (see Note 6)			(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 described in Note 1. 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.

Notes to the Financial Statements continued

4. Business segments continued

Geographical information

Revenue from external customers, based on their geographical location, is shown below:

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

5. Operating profit for the year

	Note	2024 £'000	2023 £'000
Operating profit for the year is stated after charging:			
Staff costs (excluding amounts capitalised)	7	47,791	47,151
Depreciation and other amounts written off in property, plant and equipment	15	433	566
Depreciation of right-of-use assets	25	889	1,004
Amortisation of software and customer contracts and relationships	14	961	725
Amortisation of business systems	14	8	7
Amortisation of development costs and acquired intellectual property	14	1,910	1,485
Impairment of development costs	14	1,526	–
Fair value loss on financial asset		–	577
Research and development expenditure		6,139	3,951
Net foreign exchange (gains)/losses		(611)	130

The analysis of auditors' remuneration is as follows:

	2024 £'000	2023 £'000
Fees payable to the Company's auditor for the audit of the Company's Annual Report	376	399
Fees payable to the Company's auditor and its associates for other services to the Group:		
– the audit of the Company's subsidiaries pursuant to legislation	123	120
Total audit fees	499	519
Total non-audit fees	–	–
Total auditor's remuneration	499	519

A number of non-IFRS adjusted profit measures are used in this Annual Report and financial statements. 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 6).

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.

Alternative performance measures (APM)

	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 on 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 6)	5,572	3,320
Adjusted EBITDA	16,666	14,368

	2024 £'000	2023 £'000
Adjusted EBITDA	16,666	14,368
Exceptional items (Note 6)	(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

Notes to the Financial Statements continued

6. Exceptional items

	2024 £'000	2023 £'000
Acquisition related costs	-	103
Takeover costs	(191)	(1,420)
Etio restructure	(288)	(1,003)
Impairment of development costs (Note 14)	(1,405)	-
NTU Settlement and associated costs	(3,023)	-
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; £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 has been 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 pure-play EdTech, SaaS business.

Takeover costs: Amounts relating to the lapsed offer for Tribal Group plc by Ellucian. Costs of £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 14.

7. Staff numbers and costs

The average monthly number of persons employed under contracts of service by the Group (including Executive Directors) during the year was as follows:

	2024 number	2023 number
Selling, operations, marketing and development	772	833
Finance and administration	111	105
	883	938

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	44,596	46,691
Social security costs	3,924	4,013
Other pension costs	2,005	2,199
Restructuring costs	747	1,260
Share option charge	561	354
	51,833	54,517

The share option charge includes £nil (2023: £23,000) amounts paid and accrued on dividends on share options that have met performance conditions.

The total payroll costs above include £4.0m (2023: £7.4m) capitalised as development costs. £28.0m of payroll costs are included in cost of sales and £19.8m of payroll costs are included in administrative expenses.

8. Finance income

	2024 £'000	2023 £'000
Fair value movement on forward exchange contract	-	175
Net interest receivable on retirement benefit obligations	123	129
Interest receivable on leased assets	1	3
Other interest received	13	1
Total finance income	137	308

9. 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	77
Unwinding of discounts	15	33
Total finance costs	1,172	939

10. 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

Notes to the Financial Statements continued

See Note 21 for further analysis of movements in the deferred tax position. 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% (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% (2023: 23.5%).

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

11. Dividends

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

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

12. 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

Notes to the Financial Statements continued

13. 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 the 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	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 that 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 may cause impairment.

14. Other intangible assets

	Acquired software £'000	Acquired customer contracts and 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

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 Exceptional Items (Note 6).

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.

Notes to the Financial Statements continued

15. Property, plant and equipment

	Leasehold improvements £'000	Fixtures, fittings and other equipment £'000	Total £'000
Cost			
At 1 January 2023	2,344	996	3,340
Additions	52	338	390
Disposals	(220)	(192)	(412)
Exchange differences	(26)	(40)	(66)
At 31 December 2023	2,150	1,102	3,252
Additions	33	240	273
Disposals	(1,137)	(109)	(1,246)
Exchange differences	(24)	(45)	(69)
At 31 December 2024	1,022	1,188	2,210
Accumulated depreciation and impairment			
At 1 January 2023	1,973	323	2,296
Charge for the year	119	447	566
Disposals	(212)	(181)	(393)
Exchange differences	(19)	(34)	(53)
At 31 December 2023	1,861	555	2,416
Charge for the year	73	360	433
Disposals	(1,126)	(89)	(1,215)
Exchange differences	(9)	(36)	(45)
At 31 December 2024	799	790	1,589
Net book value			
At 31 December 2024	223	398	621
At 31 December 2023	289	547	836

There are £1.9m (2023: £2.9m) cost of assets that are fully depreciated within property, plant and equipment. A review of all assets was undertaken in the year and £1.2m (2023: £0.4m) of fully depreciated assets have been written off as no longer in use.

16. 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 credit loss allowance for trade receivables is as follows:

	Expected credit 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 credit loss allowance for trade receivables is as follows:

	Expected credit 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).

Notes to the Financial Statements continued

17. 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.

Cash and cash equivalents of £5.3m (2023: £6.8m) comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The credit quality of cash at bank can be assessed by reference to external credit ratings. The Group has not changed its risk appetite during the year. The following table has been sourced from Moodys credit ratings.

	2024 £'000	2023 £'000
Aa3	37	167
A1	3,493	4,655
A2	1,649	1,891
A3	65	34
Baa2	49	50
	5,293	6,797

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

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

18. 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

19. 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 year of the option to extend 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.

20. Provisions

	Restructuring £'000	Property related £'000	Other £'000	Total £'000
At 1 January 2024	779	850	181	1,810
Net additions to provision	233	26	28	287
Unwinding of discount	–	15	–	15
Utilisation of provision	(768)	(319)	–	(1,087)
Exchange rate movement	(19)	(9)	(6)	(34)
At 31 December 2024	225	563	203	991

The provisions are split as follows:

2024	Restructuring £'000	Property related £'000	Other £'000	Total £'000
Within one year	225	74	203	502
After more than one year	–	489	–	489
Total	225	563	203	991
2023				
Within one year	779	245	181	1,205
After more than one year	–	605	–	605
Total	779	850	181	1,810

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Property-related provision relates to the estimated future dilapidation costs arising from exiting leasehold properties, under IAS 37. This provision is discounted by property and is between 2.65% and 6.25%.

Other provision relates to the recoverability of input VAT in the Philippines. This provision is not discounted.

Restructuring provision represents amounts provided in respect of the Group's restructuring and reorganisation and principally reflects redundancy costs.

Notes to the Financial Statements continued

21. Deferred tax

The amounts provided for deferred tax and the amounts for which credit has been taken are set out below:

	2024 £'000	2023 £'000
Deferred tax assets		
Short-term timing differences	1,723	1,836
Share-based payments	157	356
Tax losses	4,993	2,768
	6,873	4,960
Deferred tax liabilities		
Retirement benefit schemes	(26)	(21)
Depreciation in excess of capital allowances	(1,409)	(1,383)
Intangible assets	(1,112)	(1,336)
	(2,547)	(2,740)
	4,326	2,220

The Directors are of the opinion, based on currently available forecasts, that these timing differences will reverse in the near future and when they do there will be sufficient taxable profits to recognise the impact of this in the income statement.

Accordingly, the Directors believe that it is more likely than not that the deferred tax assets will be recoverable.

The Group has recognised a deferred tax asset of £5.0m (2023: £2.8m) on tax losses carried forward in the UK of £20.0m (2023: £11.1m) and £0.02m in Canada. The Group has losses of £1.2m (2023: £6.0m) in the UK and losses of £nil (2023: £0.3m) in Singapore on which no deferred tax has been recognised. The losses have no expiry date. The Group and Company have no further unrecognised deferred tax assets or liabilities.

The movement in deferred tax during the year and prior year was as follows:

	Temporary differences on non-current assets £'000	Retirement defined benefit schemes £'000	Other temporary differences £'000	Total £'000
At 1 January 2023	(1,385)	(19)	3,538	2,134
Adjustments to opening balance	(12)	-	568	556
Credit/(charge) to income statement	14	(2)	(514)	(502)
Items taken directly to equity	–	–	32	32
At 31 December 2023	(1,383)	(21)	3,624	2,220
Foreign exchange differences	-	-	(49)	(49)
Credit/(charge) to income statement	(27)	2	2,222	2,197
Items taken directly to equity	–	–	(34)	(34)
Recognised in consolidated statement of comprehensive income	-	(8)	-	(8)
At 31 December 2024	(1,410)	(27)	5,763	4,326

Included in other temporary differences are deferred tax assets of £5.0m (2023: £2.8m) relating to tax losses carried forward and other timing differences of £1.9m (2023: £2.2m). The balance also includes a deferred tax liability, in relation to intangible assets, of £1.1m (2023: £1.3m).

The (charge)/credit taken to the income statement for items in 'other temporary differences' is split as follows: Tax losses £2.2m(2023:(£0.9m)); Intangible assets £0.2m (2023: £0.2m); Share schemes (£0.2m) (2023: £0.02m); and other timing differences (£0.1m) (2023: £0.2m).

The deferred tax assets are expected to be settled as follows: £1.6m (2023: £0.4m) less than 12 months from 31 December 2024 and £5.3m (2023: £4.6m) greater than 12 months from 31 December 2024. The deferred tax liabilities are all expected to reverse greater than 12 months from 31 December 2024.

22. Share-based payments

The Group recognised the following charges/(credit) related to equity-settled share-based payment transactions:

	2024 £'000	2023 £'000
LTIPs awarded in 2024	242	-
LTIPs awarded in 2023	94	21
LTIPs awarded in 2022	94	141
LTIPs awarded in 2021	16	80
LTIPs awarded in 2020 (2 year vesting)	-	89
Foreign exchange on retranslation	(52)	(37)
Total	394	294

Awards made to eligible employees under the LTIP schemes are nil cost options with an award period of three years, unless stated. Amount charged to the Consolidated Income Statement £0.4m (2023: £0.3m).

LTIPs awarded in 2024

New awards in 2024 to Mark Pickett (1,109,005) and Diane McIntyre (657,188) will vest equally over the next two and three years.

These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2024, 2025 and 2026 together with other specific conditions. During 2024 176,620 options lapsed as part of the 2024 performance condition was not met.

Eligible employees on the Executive Board received 552,291 awards under the LTIP Scheme. These will vest equally over the next three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the year ended 31 December 2024, 2025 and 2026 together with other specific conditions. During 2024 no options lapsed.

LTIPs awarded in 2023

New awards in 2023 to Mark Pickett (240,308) and Diane McIntyre (178,006) will vest after three years.

These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the year ended 31 December 2023 together with other specific conditions. There are 318,987 options available to vest in 2026.

Eligible employees on the Executive Board received 185,194 awards under the LTIP Scheme. These will vest after three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the year ended 31 December 2023 together with other specific conditions. During 2024 31,014 options lapsed. There are 136,236 options available to vest in 2026.

LTIPs awarded in 2022

New awards in 2022 to Mark Pickett (317,647) and Diane McIntyre (235,294) will vest equally over the next three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2022, 2023 and 2024. During 2024 46,079 options lapsed as part of the 2024 performance condition was not met. There are 278,783 options available to vest in 2025.

Eligible employees on the Executive Board received 294,117 awards under the LTIP Scheme. These will vest equally over the next three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2022, 2023 and 2024. During 2024 44,848 options lapsed. There are 142,015 options available to vest in 2025.

LTIPs awarded in 2021

New awards in 2021 to Mark Pickett (275,510) and Diane McIntyre (204,081) will vest equally over the next three years.

These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2021, 2022 and 2023. During 2024 274,965 options were exercised. There are no options outstanding as at 31 December 2024.

Notes to the Financial Statements continued

22. Share-based payments continued

LTIPs awarded in 2020

New awards in 2020 to Mark Pickett (482,143) will vest equally over the next three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2020, 2021 and 2022. The options met the three-year vesting condition on 7 July 2023. During 2024 321,429 options were exercised. There are no options outstanding as at 31 December 2024.

Eligible employees on the Executive Board also received 1,876,000 awards under the LTIP Scheme. These will vest equally over the next three years. These awards were granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ended 31 December 2020, 2021 and 2022. The options met the three-year vesting condition on 7 July 2023. During 2024 893,333 options were exercised. There are no options outstanding as at 31 December 2024.

In addition 1,920,000 options were granted to eligible employees under the LTIP Scheme. These awards were granted subject to time limit conditions. 50% of the options can be exercised from 1 July 2021 and 50% from 1 July 2022. During the year 335,810 options were exercised. As at 31 December 2024 there are 593,914 options outstanding.

LTIPs awarded in 2019 (including the CSOP)

Eligible employees received awards under the CSOP scheme on 7 June 2019 and on 16 September 2019. Those granted in June 2019 can only be exercised after a three-year period if the share price is above 71p, and those granted in September 2019 can only be exercised after a three-year period if the share price is above 61.5p. The options met the three year vesting condition on 7 June 2022 and 16 September 2022 respectively. No options were exercised in the year. As at 31 December 2024 there are 700,000 options outstanding.

LTIPs awarded in 2018 (including the CSOP)

Eligible employees received awards under the CSOP scheme on 26 March 2018. These can only be exercised after a three-year period if the share price is above 79.6p. The options met the three-year vesting condition on 26 March 2021. No options were exercised in the year. As at 31 December 2024 there are 125,000 options outstanding.

LTIPs awarded in 2017 (including the CSOP)

Awards in 2017 under the new CSOP scheme (as part of the 2010 LTIP Plan) can only be exercised after a three-year period and if the share price is above 80p. The options met the three-year vesting condition on 2 July 2020. No options were exercised in the year. As at 31 December 2024 there are 100,000 options outstanding.

LTIPs awarded in 2016

Awards in 2016, to eligible employees, vest according to a target share price. The amount of awards that will vest will range between 0% and 100% of those granted based on a target share price between 60p and 80p which could be met at any point over a three-year period. These awards have now vested. No options were exercised in the year. As at 31 December 2024 there are 75,000 options outstanding.

Options outstanding during the year are as follows:

	LTIP – nil cost (2 years)		LTIP – nil cost (3 years)		LTIP (inc CSOP)		SAYE	
	Number of options '000	Weighted average exercise price*	Number of options '000	Weighted average exercise price*	Number of options '000	Weighted average exercise price	Number of options '000	Weighted average exercise price
Outstanding at 1 January 2024	940	£0.05	2,570	£0.05	950	£0.70	18	£0.58
Exercised during the year	(336)	£0.05	(1,490)	£0.05	–	–	-	-
Granted during the year	–	–	2,318	£0.05	–	–	–	–
Lapsed during the year	(10)	£0.05	(305)	£0.05	(25)	(£0.80)	(18)	£0.58
Outstanding at 31 December 2024	594	£0.05	3,093	£0.05	925	£0.70	-	-
Exercisable at 31 December 2024	594	£0.05	75	£0.05	925	£0.70	-	-
Weighted average remaining contractual life (years)	5.5	–	6.8	–	3.7	–	–	–
Weighted average share price at date of exercise	–	£0.49	–	£0.55	–	–	–	-

* Under Companies Act 2006 rules a nominal value must be paid to issue new shares, however under the rules of the LTIP and Matching Share Schemes the Company will pay the nominal value to the participants as a bonus.

Share options outstanding at the year-end have the following exercise prices: LTIP: £0.05, CSOP £0.80, £0.71 and £0.615.

The Group has used a Monte-Carlo valuation model for the LTIPs awarded in 2016 and an adjusted Black-Scholes valuation model for the 2017 to 2024 LTIP awards (including the new CSOP plan) in order to incorporate discount factors into the fair value to reflect the performance conditions of the LTIP grants. The following table sets out the information about how the fair value of the grants are calculated:

Date of grant	2 Jun 2016	2 Jul 2017	26 Mar 2018	7 Jun 2019	16 Sep 2019
Type of grant	LTIPs	LTIPs (inc CSOP)	LTIPs (inc CSOP)	LTIPs (inc CSOP)	LTIPs (inc CSOP)
Share price	£0.505	£0.78	£0.796	£0.71	£0.615
Exercise price	£0.05	£0.80	£0.796	£0.71	£0.615
Expected dividend yield	0%	0%	1%	1.57%	1.79%
Risk-free interest rate	0.14%	0.14%	0.14%	1.04%	1.04%
Expected volatility	68%	61%	61%	26%	26%
Term (years)	3.0	5.0	5.0	5.0	5.0
Option fair value	£0.316	£0.407	£0.374	£0.32	£0.28
Expiry date	27 Jun 2026	2 Jul 2027	26 Mar 2028	06 Jun 2029	15 Sep 2029
No of options issued	3,591,020	3,535,000	3,975,000	2,600,000	300,000
No of options outstanding	75,000	100,000	125,000	400,000	300,000

Date of grant	7 Jul 2020*	11 Apr 2022	26 May 2022	16 Oct 2023	5 Jun 2024	13 Jun 2024
Type of grant	LTIPs	LTIPs	LTIPs	LTIPs	LTIPs	LTIPs
Share price	£0.59	£0.92	£0.91	£0.71	£0.43	£0.53
Exercise price	£0.05	£0.05	£0.05	£0.05	£0.05	£0.05
Expected dividend yield	2.12%	2.68%	2.68%	0.90%	0.01%	0.01%
Risk-free interest rate	0.40%	2.02%	2.02%	4.17%	4.05%	3.98%
Expected volatility	24%	30%	30%	28%	28%	28%
Term (years)	2.0	5.0	5.0	5.0	5.0	5.0
Option fair value	£0.51	£0.80	£0.81	£0.64	£0.38	£0.49
Expiry date	30 Jun 2030	11 Apr 2032	26 May 2032	16 Oct 2033	5 Jun 2034	13 Jun 2034
No of options issued	1,920,000	552,941	294,117	603,508	552,291	1,766,193
No of options outstanding	593,914	278,783	142,015	455,223	552,291	1,589,573

* These awards have no market-based performance conditions.

The expected term (the period from grant date to the estimated exercise date) used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Expected volatility was determined by calculating the historical volatility of the Group's share price over the term commensurate with the expected term immediately prior to the date of grant.

Notes to the Financial Statements continued

23. Share capital

	2024 number	2024 £'000	2023 number	2023 £'000
Allotted, called up and fully paid				
At beginning of the year	212,221,746	10,611	212,221,746	10,611
Issued during the year	1,632,952	82	–	–
At end of the year	213,854,698	10,693	212,221,746	10,611

The Company has one class of Ordinary Shares of 5p each which carry no right to fixed income. 1,632,952 shares were issued in the year in order to satisfy exercises of share-based payment schemes. The exercise costs of 5p per share for the LTIPs resulted in cash receipts of £0.1m.

24. Other reserves

	Capital reserve £'000	Merger reserve £'000	Own share reserve £'000	Share-based payment reserve £'000	Total £'000
At 1 January 2023	9,545	11,304	(198)	7,947	28,598
Movement in relation to share-based payment (net)	–	–	–	295	295
At 31 December 2023	9,545	11,304	(198)	8,242	28,893
Movement in relation to share-based payment (net)	–	–	–	394	394
At 31 December 2024	9,545	11,304	(198)	8,636	29,287

The capital reserve of £9.5m (2023: £9.5m) resulted from a share exchange when Tribal Group plc was listed in February 2001.

The merger reserve of £11.3m (2023: £11.3m) relates to the premium arising on shares issued subject to the provisions of section 612 of the Companies Act 2006 (previously section 131 of the Companies Act 1985), net of cumulative goodwill impairment of £58.7m (2023: £58.7m) in respect of related acquisitions deemed to be impaired.

The own share reserve of £(0.2)m (2023: £(0.2)m) represents the cost of 127,500 shares (2023: 320,086) in Tribal Group plc held by the Employee Share Ownership Trust (EBT) to satisfy certain options under the Group's share option schemes. During 2024 500,558 shares were purchased by the EBT, and 693,144 shares were sold to satisfy options granted in 2020 and 2021 under the LTIP Scheme (see Note 22).

The share-based payment reserve represents the reserve arising from the application of IFRS 2.

25. Leases

As a lessee

The Group's leases represent land and buildings. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	2024 £'000	2023 £'000
Balance at 1 January	2,117	1,435
Additions to right-of-use assets	622	1,856
Depreciation charge for year	(889)	(1,004)
Disposals during the year	(119)	(138)
Exchange differences	(38)	(32)
Balance at 31 December	1,693	2,117

Lease liabilities

Maturity analysis	2024 £'000	2023 £'000
Less than one year	757	744
One to five years	938	1,397
Total undiscounted lease liabilities at 31 December	1,695	2,141
Current	706	713
Non-current	903	1,320
Lease liabilities included in the consolidated balance sheet at 31 December	1,609	2,033

	2024 £'000	2023 £'000
Balance at 1 January	2,033	1,449
Additions	536	1,668
Lease payments	(844)	(988)
Interest expense	76	77
Disposals during the year	(155)	(142)
Exchange differences	(37)	(31)
Balance at 31 December	1,609	2,033

	2024 £'000	2023 £'000
Amounts recognised in the consolidated income statement		
Interest on lease liabilities	76	77
Interest received on leased assets	(1)	(3)
Depreciation on right-of-use assets	889	1,004
Expenses relating to short-term leases	59	17
Expenses relating to leases of low-value assets	12	16
	1,035	1,111
Amounts recognised in the consolidated cash flow statement		
Interest paid on lease liabilities	(76)	(77)
Principal lease payments	(768)	(911)
Total cash outflow for leases	(844)	(988)

The Group has lease contracts for office properties in various countries that the Group operates in. Leases of office properties generally have lease terms between two and ten years. The Group's obligations under its leases are secured by the lessor's title to the leasehold properties. The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised. As at 31 December 2024, management does not intend to exercise termination options (i.e. break clauses) in the existing leases. Total lease payments of £0.03m (2023: £0.1m) were potentially avoidable had the Group exercised break clauses at the earliest opportunity.

The Group also has certain leases of office properties with lease terms of 12 months or less and leases of vehicles and office equipment with low value as disclosed above. The Group applies the Short-Term Lease and Lease of Low-Value Assets recognition exemptions for these leases.

Lease payments for some property leases are subject to annual fixed increase. The total lease payments subject to annual fixed increase are £0.2m (2023: £0.2m) compared to total lease payments of £0.8m (2023: £1.0m).

Notes to the Financial Statements continued

25. Leases continued

As a lessor

Lease income from lease contracts in which the Group acts as a lessor is as below:

	2024 £'000	2023 £'000
Finance income on the net investment in the lease	17	50

During 2024 the sublease was terminated.

Maturity analysis	2024 £'000	2023 £'000
Less than one year	-	50
One to five years	-	21
Total undiscounted lease payments receivable at 31 December	-	71
Current	-	49
Non-current	-	21
Net investment in the lease at 31 December	-	70

26. Retirement benefit schemes

The Group operates a number of defined contribution and defined benefit pension schemes within individual subsidiaries and contributes to certain employees' personal pension plans. The pension charge for the year ended 31 December 2024 was £2.0m (2023: £2.2m), of which £2.0m (2023: £2.2m) related to defined contribution schemes and £nil (2023: £nil) to defined benefit schemes.

Both schemes are closed for new members and there is no further accrual on salary costs.

Contributions amounting to £0.4m (2023: £0.4m) were payable to the funds at the year-end and are included in current liabilities.

Defined benefit schemes

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.

Scheme 1 – the Prudential Platinum Pension Fund

Tribal Education Limited, a Group subsidiary, participates in the Prudential Platinum Pension Fund (PPP), which is a defined benefit arrangement. This is a multi employer plan whereby the Company has no liability for other employers' obligations. If there is any deficit on the wind up of the plan Tribal will augment the benefits payable on behalf of its members under an approved Group income protection scheme. If there is any surplus on the wind up of the plan after all other payments have been made, this will be returned to the Company. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 December 2021.

The Tribal Education section of the Prudential Platinum Pension Fund had three deferred members and two pensioners at the year-end. The weighted average duration of the Defined Benefit Obligation is 23 years (2023: 26 years). Employer contributions amounting to £14,000 were paid in the year ended 31 December 2024 (2023: £34,000). The accounting figures have been calculated using the valuation as at 31 December 2021, updated on an approximate basis to 31 December 2024 by a qualified independent actuary.

Scheme 2 – the Mercer DB Master Trust (formerly known as the Federated Pension Plan)

Tribal Education Limited, a Group subsidiary, participates in the Mercer DB Master Trust (MMT), which is a defined benefit arrangement. The Ofsted employees were transferred back to Ofsted in March 2017 and the plan closed to future accrual.

The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2024.

The Tribal Education section of the Mercer DB Master Trust had 71 deferred members and 89 pensioners/dependents at the year end. The weighted average duration of the Defined Benefit Obligation is 14 years (2023: 17 years). The Company does not have an unqualified right to apply any surplus in the scheme either on a ongoing basis or upon winding-up of the plan. Consequently a surplus of £3.1m has not been recognised in these financial statements. Employer contributions amounting to £0.1m were paid in the year ended 31 December 2024 (2023: £0.1m). The accounting figures have been calculated using the valuation as at 5 April 2024, updated on an approximate basis to 31 December 2024 by a qualified independent actuary.

The schemes are exposed to a number of risks, including:

- Investment risk: movement of discount rate used against the return from plans.
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation.
- Longevity risk: changes in the estimation of the mortality rates of current and former employees.

The assets of the funds have been taken at market value and the actuarial assumptions used to calculate scheme liabilities under IAS 19 Employee Benefits for both schemes are:

	2024 % per annum	2023 % per annum
Inflation	2.20-3.20	2.10–3.10
Salary increases	–	–
Rate of discount	5.55	4.5
Pension in payment increases	2.20-3.20	2.10–3.10

The salary increase assumption is nil as both the MMT and PPP only have deferred and pensioner members.

The mortality assumptions adopted at 31 December 2024 imply the following life expectations:

	Males	Females
Aged 65 in 2024	89.4	93.2
Aged 65 in 2044	91.0	94.8

The mortality assumptions adopted at 31 December 2023 imply the following life expectations:

	Males	Females
Aged 65 in 2023	91.4	93.2
Aged 65 in 2043	92.9	95.1

All assets are held in pooled investment vehicles. The analysis of these assets at the balance sheet date was as follows:

	2024 £'000	2023 £'000
Equities	1,190	1,219
Corporate bonds	141	143
Debt instruments	4,506	4,950
Gilts	117	126
Alternative assets	663	812
Property	1,201	1,187
Cash	62	28
Total fair value of scheme assets	7,880	8,465

All equities and corporate bonds are quoted on active markets.

Notes to the Financial Statements continued

26. Retirement benefit schemes continued

The sensitivities regarding the principal assumptions used to measure the schemes' liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.5%	Decrease by 7%
Rate of inflation	Increase by 0.5%	Increase by 6%
Rate of mortality	Increase by one year	Decrease by 3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit schemes is as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	(4,723)	(5,740)
Fair value of scheme assets	7,880	8,465
Surplus in schemes	3,157	2,725
Surplus in scheme not recognised	(3,055)	(2,644)
Asset recognised in the balance sheet	102	81

Reconciliation of opening and closing balances of the fair value of scheme assets:

	2024 £'000	2023 £'000
Fair value of scheme assets at beginning of year	8,465	8,131
Expected return on assets	376	383
Actuarial (losses)/gains due to investment returns different from the return implied by the discount rate	(711)	85
Contributions by employer	90	110
Benefits paid	(237)	(143)
Administration expenses	(103)	(101)
Fair value of scheme assets at end of year	7,880	8,465

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

	2024 £'000	2023 £'000
Defined benefit obligation at beginning of year	5,740	5,418
Interest cost	253	254
Actuarial (gain)/loss – experience	(251)	86
Actuarial (gain)/loss – demographic assumptions	(92)	84
Actuarial (gain)/loss – financial assumptions	(690)	41
Benefits paid	(237)	(143)
Defined benefit obligation at end of year	4,723	5,740

The Group's contribution rate for 2024 and 2023 for the Prudential Platinum Fund and for the Mercer DB Master Trust was 0%.

The Group expects to make contributions of £0.1m to the defined benefit schemes during the next financial year.

Analysis of amounts recognised in the consolidated income statement for the defined benefit schemes is as follows:

	2024 £'000	2023 £'000
Administration expenses	103	101
Recognised in arriving at operating profit	103	101
Other finance (income)/expense		
Interest on pension scheme liabilities	253	254
Expected return on pension scheme assets	(376)	(383)
Net finance income	(123)	(129)
Total credit to income statement	(20)	(28)

Analysis of actuarial gains and losses in the consolidated statement of comprehensive income:

	2024 £'000	2023 £'000
Actuarial (losses)/gains on pension scheme assets	(711)	85
Experience gains/(losses) arising on the scheme liabilities	251	(86)
Changes in assumptions underlying the present value of scheme liabilities	782	(125)
Surplus in scheme not recognised	(411)	(3)
Total actuarial losses recognised in the consolidated statement of comprehensive income	(89)	(129)

The history of experience adjustments is as follows:

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligations	(4,723)	(5,740)	(5,418)	(9,005)	(9,225)
Fair value of scheme assets	7,880	8,465	8,131	8,790	8,267
Surplus/(deficit) in the scheme	3,157	2,725	2,713	(215)	(958)
Experience adjustments arising on scheme assets:					
Amount	(711)	85	(736)	503	493
Percentage of the scheme assets	(9%)	1%	(9%)	6%	6%
Experience adjustments arising on scheme liabilities:					
Amount	251	(86)	(258)	(10)	6
Percentage of the present value of the scheme liabilities	(6%)	2%	5%	–	–

The recent Virgin Media case raised an issue relating to "Section 37" certification requirements for pension schemes that contracted out of the earnings related elements of the state pension (SERPS / S2P) after 1997. This found that certain scheme rule changes may be invalid without certification.

The Trustees are carrying out a detailed review of the Prudential Platinum Pension Fund Sub-Scheme's historical amendments to confirm whether or not changes made whilst the Sub-Scheme was contracted out complied with the principles established by the NTL v Virgin Media case, there have only ever been 5 members of this Sub-Scheme it was only created in 2009, hence it is not believed that any liability to the Group would be significant.

Notes to the Financial Statements continued

27. 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

28. Analysis of net debt

	2024 £'000	2023 £'000
Cash and cash deposits (see Note 17)	4,845	6,797
Borrowings	(8,000)	(14,000)
Net debt	(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 (Note 19)	6,000	(7,750)
Restricted Cash	(448)	-
Non-cash effect of foreign exchange rate changes	(314)	(208)
Closing net debt	(3,155)	(7,203)

29. 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).

As disclosed in Note 32, 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.

30. Financial instruments

Capital risk management

The Group manages its capital to ensure the entities in the Group will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents (see Note 17) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in consolidated statement of changes in equity and Notes 23 and 24.

Gearing ratio

The gearing ratio at the year-end is as follows:

	2024 £'000	2023 £'000
Net debt	(3,155)	(7,203)
Equity	51,466	48,475
Net debt to equity ratio	(6.1%)	(14.9%)

Categories of financial instruments

The Directors consider that the book value of the financial assets and liabilities is equal to their fair value.

Notes to the Financial Statements continued

30. Financial instruments continued

31 December 2024	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial liabilities measured at FVTPL £'000	Total £'000
Financial assets				
Cash and cash equivalents	5,293	–	–	5,293
Trade receivables and other receivables*	11,466	–	–	11,466
	16,759	–	–	16,759

31 December 2024	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial liabilities measured at FVTPL £'000	Total £'000
Financial liabilities				
Trade payables and other payables**	–	3,584	–	3,584
Bank loans	–	8,000	–	8,000
	–	11,584	–	11,584

31 December 2023	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial liabilities measured at FVTPL £'000	Total £'000
Financial assets				
Cash and cash equivalents	6,797	–	–	6,797
Trade receivables and other receivables*	8,858	–	–	8,858
	15,655	–	–	15,655
Financial liabilities				
Trade payables and other payables**	–	2,238	–	2,238
Bank loans	–	14,000	–	14,000
	–	16,238	–	16,238

* Excluding amounts that relate to non-financial instruments of tax, prepayments and contract assets.

** Excluding amounts that relate to non-financial instruments of tax.

Financial risk management objectives

Treasury management is led by the Group finance team, which is responsible for managing the Group's exposure to financial risk.

It operates within a defined set of policies and procedures reviewed and approved by the Board. This includes both foreign exchange risk and interest rate risk. The Group's exposure to interest rate fluctuations on its interest-bearing assets and liabilities is selectively managed, using interest rate swaps where appropriate. This is an ongoing risk and the Board will continue with this policy. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. No interest rate swaps were in place at 31 December 2024 (2023: none).

Market risk

As the Group's international activities grow, its exposure to overseas markets also increases in non-core territories outside of the UK and Australasia. There have been no other significant changes to the Group's exposure to market risk, or the manner in which it manages and measures the risk.

Foreign currency risk management

The Group undertakes an increasing number of transactions denominated in foreign currencies. Here, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters and the Group enters into forward foreign exchange contracts where appropriate. No forward contracts were in place at 31 December 2024 (2023: none).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	31 December 2024 £'000	31 December 2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Euros	202	770	-	59
Australian dollar	2,086	2,073	22	–
United States dollar	322	644	63	31
Saudi Arabian riyal	10	–	–	–
New Zealand dollar	358	819	5	–
Canadian dollar	49	69	–	–
Philippine peso	84	302	6	–
United Arab Emirates dirham	87	191	–	–
Malaysian ringgit	424	395	1	–
Bahraini dinar	31	16	–	–
Singapore dollar	22	11	6	–
	3,675	5,290	103	90

Foreign currency sensitivity analysis

The Group is primarily exposed to the following currencies: US dollar, Euro, Australian dollar, New Zealand dollar, Singapore dollar, Canadian dollar, United Arab Emirates dirham and Philippine peso.

If sterling were to strengthen or weaken by 10% against the relevant foreign currencies, the balances in the table above would give rise to an increase/reduction in profit of £0.4m (2023: £0.5m). This sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates.

10% represents management's assessment of the reasonably possible change in foreign exchange rates.

Interest rate risk management

The Group is exposed to interest rate risk because entities hold cash deposits. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. There are no hedges in place as at 31 December 2024 (2023: nil).

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. The Group's credit risk is relatively low because a high proportion of trade and other receivables have a sovereign or close to sovereign rating. 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).

Notes to the Financial Statements continued

30. Financial instruments continued

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring credit loss which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. In the absence of any seasonality to the business, 2% increase in defaults was considered appropriate and supportable as the risk of credit losses is relatively low.

Before applying the expected loss rate percentage to each respective ageing category of trade receivables an assessment of specific customers has occurred and these amounts have been excluded from the general loss allowance. The expected credit loss for these customers is separately assessed (using the same logic as above) and relates to customers where the probability of default is higher.

A reconciliation of closing loss allowances for trade receivables and contract assets as at 31 December 2024 to the opening loss allowances is in Note 16.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit.

Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include loans to related parties and key management personnel and other receivables. The loss allowance for other financial assets at amortised cost as at 31 December 2024 was £nil (2023:£nil).

Contract risk management

Contract assets inherently have some contractual risks associated with them related to the specific and ongoing risks in each individual contract with a customer.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities, and by continuously monitoring forecast and actual cash flows and covenant headroom. The Group has access to committed financing facilities; being a short-term UK overdraft facility of £2.0m and a short-term AUS overdraft facility of $2.0m. The total unused amount was £2.0m and $2.0m at the balance sheet date and no interest is being incurred on this balance (2023: £nil). The Group expects to meet its obligations from operating cash flows. The Group also had cash balances at 31 December 2024 of £4.8m (2023: £6.8m) as detailed in Note 17. Interest is received on this at applicable bank rates. 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 year of the option to extend was invoked. The facility was put in place to cover general corporate and working capital requirements of the Group, and as at 31 December 2024 £8.0m (2023: £14.0m) was utilised.

31. Related party disclosures

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

On 13 June 2024, Tribal Group plc (the Company) granted nil-cost options over a total of 1,766,193 Ordinary Shares (representing approximately 0.1% of the Company's issued shares) to Mark Pickett (1,109,005) and Diane McIntyre (657,188) under the terms of its 2018 Long-Term Incentive Plan. This award has been granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ending 31 December 2024 - 2026 together with other specific conditions. 706,477 options may not be exercised before 13 June 2026 and 1,059,716 not before 13 June 2027. During 2024 176,620 options lapsed as part of the 2024 performance condition was not met.

On 5 June 2024, Tribal Group plc (the Company) granted nil-cost options over a total of 552,291 Ordinary Shares (representing approximately 0.1% of the Company's issued shares) to eligible employees on the Executive Board under the terms of its 2018 Long-Term Incentive Plan. This award has been granted subject to performance conditions based on the Group's Adjusted EBITDA for the years ending 31 December 2024 to 2026 together with other specific conditions. The options may not be exercised before 5 June 2027.

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. The members of the Group Board and the Group's Executive Board are considered to be the key management personnel of the Group.

Remuneration of key management personnel

	2024 £'000	2023 £'000
Salaries and short-term employee benefits	2,756	2,765
Share-based payments	445	327
	3,201	3,092

Included within Directors' salaries and short-term employee benefits are pension costs of £36,000 (2023: £35,000) in respect of accruals and payments made to two (2023: two) Director's individual defined contribution pension schemes. Included within share-based payments are amounts paid on dividends on share options that have met performance conditions. Disclosures on Directors' remuneration, share options, long-term incentive schemes, and pension contributions are contained in the Directors' remuneration section within the audited part of the Remuneration Report on page 43 and 44 and form part of these audited financial statements. Arrangements with the Group's pension schemes are set out in Note 26.

Notes to the Financial Statements continued

32. Subsidiaries

The Group consists of a Parent Company (limited by shares) Tribal Group plc, incorporated and domiciled in England and Wales and a number of subsidiaries held directly and indirectly by Tribal Group plc, which operate and are incorporated around the world.

Tribal Education Limited operates branches in New Zealand and Abu Dhabi. Tribal Group Pty Limited operates a branch out of Singapore.

Tribal Group plc has guaranteed the liabilities of Tribal Holdings Limited, Tribal Dynamics Limited, International Graduate Insight Group Limited and Semestry Limited in order that they qualify for the exemption from audit under Section 394A/479A of the Companies Act 2006 in respect of the year ended 31 December 2024. Information about the composition of the Group at the end of the reporting period is as follows:

Name of entity	Address of the registered office	Nature of business	Proportion of Ordinary Shares held directly by Parent (%)	Proportion of Ordinary Shares held by the Group (%)
Tribal Education Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Education-related systems and solutions	100%	100%
Tribal Holdings Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	IP holding Company	100%	100%
International Graduate Insight Group Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Educational consultancy services	-	100%
Tribal Dynamics Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Education-related systems and solutions	-	100%
Tribal Dynamics Holdings Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Dormant Company	100%	100%
Semestry Limited	Dundee One, River Court, 5 West Victoria Dock Road, Dundee, D1 3JT, UK	Education-related systems and solutions	100%	100%
Semestry Netherlands BV	Kanaalpark 140, Leiden, 2321 JV, Netherlands	Education-related systems and solutions	100%	100%
Human Edge Software Corporation PTY Limited	G8 and 9 Glasshouse, 11 Mackey Street, 287-307 Melbourne Road, North Geelong, Victoria, 3215, Australia	Education-related systems and solutions	–	100%
Tribal Campus PTY Limited	G8 and 9 Glasshouse, 11 Mackey Street, 287-307 Melbourne Road, North Geelong, Victoria, 3215, Australia	Education-related systems and solutions	–	100%
Tribal Group PTY Limited	G8 and 9 Glasshouse, 11 Mackey Street, 287-307 Melbourne Road, North Geelong, Victoria, 3215, Australia	Education-related systems and solutions	–	100%
Callista Software Services PTY Limited	G8 and 9 Glasshouse, 11 Mackey Street, 287-307 Melbourne Road, North Geelong, Victoria, 3215, Australia	Education-related systems and solutions	–	100%
Tribal Middle East WLL Limited	Municipality 3457, Building 1398, Road 4626, Area 346, Sea Front, Manama, Kingdom of Bahrain	Education-related systems and solutions	–	100%
Tribal Group (Malaysia) SDN	12th floor, Menara Symphony, No 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Education-related systems and solutions	–	100%

Name of entity	Address of the registered office	Nature of business	Proportion of Ordinary Shares held directly by Parent (%)	Proportion of Ordinary Shares held by the Group (%)
Tribal Systems Canada Limited	1750–1755 West Georgia Street, PO Box 11125, Vancouver, BC, V6E 3PE, Canada	Education-related systems and solutions	–	100%
Tribal Software Philippines, INC	Units 1001,1005,1006, 10th floor Cyberpod One, Eton Centris, Barangay Pinahan, Quezon City, Philippines 1100	Education-related systems and solutions	–	100%
Class Measures Inc	419 Moody Street, #1001, Waltham, MA 02453, USA	Educational consultancy services	–	100%
Class Measures Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Dormant Company	–	100%
Empowering Education International Limited	St Mary's Court, 55 St Mary's Road, Sheffield, S2 4AN, UK	Educational consultancy services	–	100%
Empowering Education Australia PTY Limited	66 Stone Parade, Davidson, NSW 2085, Australia	Educational consultancy services	–	100%
Empowering Education New Zealand Limited	Suite 13741, Level 1, 6 Johnsonville Road, Johnsonville, Wellington, 6037, NZ	Educational consultancy services	–	100%
Empowering Education International Limited Educational Consultancy LLC OPC	Office 1878, Firdous Tower, Al Salem Street, Abu Dhabi, UAE	Educational consultancy services	–	100%
Tribal Arabia Co. For Business Service	6299, Saif Ad Dawlah Al Hamadani,3296,12815, Saudi Arabia	Educational consultancy services	–	100%
Tribal Group Asset Co Pty Limited	G8 and 9 Glasshouse, 11 Mackey Street, 287-307 Melbourne Road, North Geelong, Victoria, 3215, Australia	Dormant Company	–	100%

Company only Balance Sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Investments	35	84,895	84,859
Total fixed assets		84,895	84,859
Current assets			
Debtors	36	12,575	5,705
Deferred tax assets	37	1,348	1,174
Cash at bank and in hand		291	278
Total current assets		14,214	7,157
Total assets		99,109	92,016
Creditors: amounts falling due within one year	38	(44,105)	(29,968)
Net current liabilities		(29,891)	(22,811)
Total assets less current liabilities		55,004	62,048
Creditors: amounts falling due after one year	38	(8,000)	(14,023)
Net assets		47,004	48,025
Capital and reserves			
Called up share capital	39	10,693	10,611
Share premium	40	83	83
Merger reserve	40	11,304	11,304
Own share reserve	40	(198)	(198)
Share-based payment reserve	40	8,635	8,241
Retained earnings:			
At 1 January	40	17,984	22,207
Loss for the year attributable to the owners	40	(100)	(2,853)
Equity dividend paid	40	(1,389)	(1,377)
Other changes in retained earnings	40	(8)	7
At 31 December	40	16,487	17,984
Equity shareholders' funds		47,004	48,025

Notes 33 to 43 form part of these financial statements.

The financial statements on pages 104 - 110 of Tribal Group plc (registered number 04128850) were approved by the Board of Directors and authorised for issue on 26 March 2025. They were signed on its behalf by:

Richard Last
Director

Mark Pickett
Director

Company only Statement of Changes in Equity

	Note	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Own share reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023		10,611	83	11,304	(198)	7,947	22,207	51,954
Loss and total comprehensive expense for the year		–	–	–	–	–	(2,853)	(2,853)
Equity dividend paid	11	–	–	–	–	–	(1,377)	(1,377)
Credit to equity for share-based payments	22	–	–	–	–	331	–	331
Foreign exchange differences on share-based payments	22	–	–	–	–	(37)	–	(37)
Tax charge on credit to equity for share-based payments		–	–	–	–	–	7	7
Contributions by and distributions to owners		-	-	–	-	294	(1,370)	(1,076)
At 31 December 2023 and 1 January 2024		10,611	83	11,304	(198)	8,241	17,984	48,025
Loss and total comprehensive expense for the year		–	–	–	–	–	(100)	(100)
Issue of share capital	23	82	–	–	–	-	-	82
Equity dividend paid		–	–	–	–	–	(1,389)	(1,389)
Credit to equity for share-based payments		–	–	–	–	394	–	394
Tax credit on credit to equity for share-based payments		–	–	–	–	–	(8)	(8)
Contributions by and distributions to owners		82	–	–	–	394	(1,397)	(921)
At 31 December 2024		10,693	83	11,304	(198)	8,635	16,487	47,004

Notes to the Company Balance Sheet

33. Significant accounting policies

Tribal Group plc is a public limited company incorporated and domiciled in England and Wales.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial information has been prepared on the going concern and historical cost basis. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements except as noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

34. Loss for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. The loss for the Company (before dividends paid) amounted to £0.1m (2023: £2.9m). Dividends paid amounted to £1.4m (2023: £1.4m) The independent auditors' remuneration for audit services to the Company was £0.4m (2023: £0.4m).

35. Investments

	Shares in subsidiary undertakings £'000	Long-term loans £'000	Total £'000
Cost			
At 31 December 2022 and at 1 January 2023	30,925	54,248	85,173
Transfer of investment	(406)	–	(406)
Capital contribution relating to share-based payments	92	–	92
At 31 December 2023 and at 1 January 2024	30,611	54,248	84,859
Capital contribution relating to share-based payments	36	–	36
At 31 December 2024	30,647	54,248	84,895

Long-term loans are treated as investments as they are non repayable.

As Tribal Group plc grants share options to employees in subsidiary companies, a notional capital contribution is created in the books of the relevant subsidiary undertaking. This is treated as an investment by Tribal Group plc.

The Directors have considered the value of the above investments and are satisfied that the aggregate value of each investment is not less than its carrying value. The investments in subsidiaries are all stated at cost less provision.

Details of the Company's subsidiaries are given in Note 32 to the consolidated financial statements.

36. Debtors

	2024 £'000	2023 £'000
Amounts owed by Group undertakings	12,112	4,952
Other debtors	463	703
Current tax	-	50
	12,575	5,705

All amounts owed by Group undertakings are unsecured and have no fixed repayment date. No interest is charged and amounts are repayable on demand. All debtors fall due within one year.

The Company has applied the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for Group receivables. The Parent Company has guarantees in place for its UK subsidiaries, and management have assessed each entity's ability to repay amounts owed. As a result, no expected credit loss has been recognised.

37. Deferred tax asset

	2024 £'000	2023 £'000
Deferred taxation		
At start of year	1,174	1,142
Credit to income statement	182	25
Items taken directly to equity	(8)	7
At end of year	1,348	1,174

The deferred tax asset is analysed as follows:

	2024 £'000	2023 £'000
Share schemes	76	112
Other temporary differences	1,272	1,062
	1,348	1,174

Included in other temporary differences are deferred tax assets of £1.2m (2023: £1.0m) relating to tax losses carried forward and other timing differences of £0.05m (2023: £0.04m).

Deferred tax assets are all non-current assets.

38. Creditors

Amounts falling due within one year

	2024 £'000	2023 £'000
Amounts owed to Group undertakings	43,222	28,278
Trade and other creditors	261	216
Accruals	481	1,474
Current tax liability	141	-
	44,105	29,968

All amounts owed to Group undertakings are unsecured and have no fixed repayment date. No interest is charged and amounts are repayable on demand.

Amounts falling due after one year

	2024 £'000	2023 £'000
Borrowings	8,000	14,000
Other liabilities	-	23
	8,000	14,023

Notes to the Company Balance Sheet continued

39. Called up share capital

	2024 number	2024 £'000	2023 number	2023 £'000
Allotted, called up and fully paid				
At beginning of the year	212,221,746	10,611	212,221,746	10,611
Issued during the year	1,632,952	82	–	–
At end of the year	213,854,698	10,693	212,221,746	10,611

The Company has one class of Ordinary Shares of 5p each which carry no right to fixed income.

Details of options in respect of shares outstanding at 31 December 2024 are as follows:

Employee share option schemes:	Number outstanding '000	Exercise price payable	Date from which exercisable
2016 LTIP	75	£0.05	June 2019
2020 LTIP	594	£0.05	July 2021
2022 LTIP	421	£0.05	April 2025
2023 LTIP	455	£0.05	October 2026
2024 LTIP	618	£0.05	June 2026
2024 LTIP	1,524	£0.05	June 2027
	3,687		
2017 LTIP (inc CSOP)	100	£0.80	July 2020
2018 LTIP (inc CSOP)	125	£0.796	March 2021
2019 LTIP (inc CSOP)	400	£0.71	June 2022
2019 LTIP (inc CSOP)	300	£0.615	September 2022
Total Tribal Group plc share option schemes	4,612		

Details of share-based payments are given in Note 22 to the consolidated financial statements.

40. Share premium and other reserves

	Merger reserve £'000	Share premium reserve £'000	Own share reserve £'000	Share-based payment reserve £'000	Retained earnings £'000
At 31 December 2022 and 1 January 2023	11,304	83	(198)	7,947	22,207
Loss for the year	–	–	–	-	(2,853)
Equity dividend paid	–	–	–	–	(1,377)
Charge to equity for share-based payments	–	–	–	331	–
Foreign exchange differences on share-based payments	–	–	–	(37)	–
Tax charge on credit to equity for share-based payments	–	–	–	–	7
At 31 December 2023 and 1 January 2024	11,304	83	(198)	8,241	17,984
Loss for the year	–	–	–	–	(100)
Equity dividend paid	–	–	–	–	(1,389)
Charge to equity for share-based payments	–	–	–	446	–
Foreign exchange differences on share-based payments	–	–	–	(52)	–
Tax credit on credit to equity for share-based payments	–	–	–	–	(8)
At 31 December 2024	11,304	83	(198)	8,635	16,487

The merger reserve of £11.3m (2023: £11.3m) relates to the premium arising on shares issued subject to the provisions of section 612 of the Companies Act 2006.

The own share reserve of £(0.2)m (2023: £(0.2)m) represents the cost of 127,500 shares (2023: 320,086) in Tribal Group plc held by the Employee Share Ownership Trust (EBT) to satisfy certain options under the Group's share option schemes. During 2024 500,558 shares were purchased by the EBT, and 693,144 shares were sold to satisfy options granted in 2020 and 2021 under the LTIP Scheme (see Note 22).

41. Contingent liabilities and commitments

A cross-guarantee exists between Group companies in respect of bank facilities which was £nil as at 31 December 2024 (2023: £nil).

In addition the Company and its subsidiaries have provided performance guarantees issued by its bank on its behalf in the ordinary course of business, totalling £0.2m (2023: £0.1m). They are not expected to result in any material financial loss.

As disclosed in Note 32, Tribal Holdings Limited, Tribal Dynamics Limited, International 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. The liabilities of the subsidiaries at the year-end were £82.6m (2023: £72.8m). These are inclusive of intercompany liabilities of £16.7m (2023: £16.6m).

Notes to the Company Balance Sheet continued

42. Financial instruments

All Company risks are aligned to those of the Group. Details of the risks relating to the Group are given in Note 30 to the consolidated financial statements.

31 December 2024	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial liabilities measured at FVTPL £'000	Total £'000
Financial assets				
Cash	291	–	–	291
Debtors*	12,128	–	–	12,128
	12,419	–	–	12,419
Financial liabilities				
Bank loans	–	8,000	–	8,000
Creditors**	–	43,483	–	43,483
	–	51,483	–	51,483

31 December 2023	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial liabilities measured at FVTPL £'000	Total £'000
Financial assets				
Cash	278	–	–	278
Debtors*	4,958	–	–	4,958
	5,236	–	–	5,236
Financial liabilities				
Bank loans	–	14,000	–	14,000
Creditors**	–	28,517	–	28,517
	–	42,517	–	42,517

* Excluding amounts that relate to non-financial instruments of prepayments and tax.

** Excluding amounts that relate to non-financial instruments of accruals and tax.

43. Staff numbers and costs

The average monthly number of persons employed (including all Directors) under contracts of service by the Company during the year was as follows:

	2024 Number	2023 Number
	5	5

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	1,335	1,186
Social security costs	96	92
Other pension costs	36	35
Share option charge	358	226
	1,825	1,539

Directors' emoluments incurred by the Company are included in the Remuneration Report on pages 41 to 45.

Company Information

Tribal Group plc

Registered in England and Wales
Company number: 04128850

Registered office

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Company Secretary

Diane McIntyre

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Principal bankers

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BS1 6DZ

Independent auditor

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Solicitors

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Registrars

MUFG Corporate Markets
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E-communications

As an alternative to receiving documents through the post, shareholders can receive important information online, including annual and half-year reports and notices of meetings. Registering for e-communications also enables shareholders to obtain secure online access to personal shareholding details, change address details and check dividend payments.

To register for e-communications, please visit www.signalshares.com

Duplicate accounts

If you receive two or more copies of the Annual Report and Accounts and/or multiple cheques for each dividend payment, it means that you have more than one shareholder account.

To receive just one Annual Report and Accounts and one cheque for each dividend payment, please contact the Company's registrars, MUFG, on 0371 664 0445, and ask for your accounts to be amalgamated.

(Calls are charged at the standard geographic rate and will vary by provider. If you are outside the United Kingdom, please call +44 371 664 0445. Calls outside the United Kingdom will be charged at the applicable international rate.
We are open between 9.00am – 5.30pm, Monday to Friday excluding public holidays in England and Wales).

Financial calendar

Annual General Meeting
27 May 2025

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Through Premier Paper's Carbon Capture programme, for the period of December 2024 – March 2025, the Woodland Trust have planted 530,828 trees of native UK woodland to remove 122,792 tonnes of Carbon Dioxide over their lifetime. £2,062,864 in total has been raised for the Trust by the Carbon Capture Programme so far.