Elements Topco Limited

Report and Financial Statements

For the period ended 30 April 2025

Company Registration: 153457
Jersey

Elements Topco Limited

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Company Information
For the period ended 30 April 2025

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Mourant Secretaries (Jersey) Limited

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Introduction

The Directors present their first strategic report of Elements Topco Limited ("the Company"), and the consolidated group of companies (together "the IRIS Group") for the period ended 30 April 2025. The Company was incorporated in Jersey as a company limited by shares on 19 March 2024. The Company became the parent company of the IRIS Group ("IRIS") on 30 April 2024.

IRIS provides software solutions and services for finance, HR and payroll teams, educational organisations and accountancy firms that helps them comply with regulations, drive productivity and better engage with key stakeholders.

Ownership

On 30 April 2024, the IRIS Group was acquired by a consortium of investors. The completion of this Sale Transaction follows the announcement made on 23 December 2023, where the IRIS Group confirmed it had secured major US investment from Leonard Green & Partners, L.P. ("LGP"). LGP has taken a co-controlling stake alongside Hg, who reinvested in the business, acknowledging Hg's strong 20-year relationship and experience working with the IRIS team. Intermediate Capital Group ("ICG") also remains a minority shareholder. The transaction represented one of Europe's largest software buyouts for 2023, valuing IRIS at an Enterprise Value ("EV") of around £3.15bn.

The acquisition was effected via incorporation of a new holding stack of companies headed by the Company. The new holding stack includes Elements Midco 1 Limited and Elements Finco Limited which raised £450.0 million and £950.0 million respectively of external financing, and Elements Bidco Limited. The proceeds from the aforementioned borrowings, and the proceeds of the equity issued by Elements Topco Limited, were used to capitalise Elements Bidco Limited, which purchased the entire share capital of Perennial Newco 2 Limited (the previous parent company of the IRIS Group) and extended intercompany loans to IRIS Bidco Limited and IRIS Midco Limited to allow them to fully settle their previous external borrowings. Further details of the Group's borrowing facilities can be found on pages 13 and 23.

LGP is a leading private equity investment firm founded in 1989 and based in Los Angeles. LGP partners with experienced management teams to invest in market-leading companies. Their primary focus is on services, including consumer, healthcare, and business services, as well as distribution and industrials. The new US-based investment will support IRIS as the business continues to scale in North America, executing its long-term strategy with strong executive leadership and an exceptional track record.

Founded in 2000, Hg is a leading investor in European and transatlantic software and business services. Hg's focus is on building transatlantic champions that provide critical services for many thousands of businesses globally. Hg's purpose is to invest in the future – helping to progress workplace automation and digitisation trends still in early stages of adoption, set to transform the workplace for professionals over decades to come. Hg Capital has been a long-term investor in IRIS, first investing in 2004.

Founded in 1989, ICG is a global alternative asset manager focused on creating sustainable value by partnering with ambitious businesses.

Business Overview

Our Mission	Our Vision
To be the most trusted provider of mission critical software and services ensuring our customers get it right first time, every time	***People Empowered, Customer First, AI Everywhere global provider of mission-critical, market-leading, scalable cloud software.***

IRIS is one of the largest privately owned software companies in the UK, providing industry leading business critical software solutions and services to manage core business operations. IRIS exists to simplify the lives of businesses, schools, and organisations, by providing software solutions and services that substantially enhance operational compliance, efficiency, and accuracy, empowering the users of our technology to look forward with certainty and confidence. IRIS started over 45 years ago with accountancy software and have evolved to be relied on by more than 100,000 customers across 135 countries in accountancy, education and business.

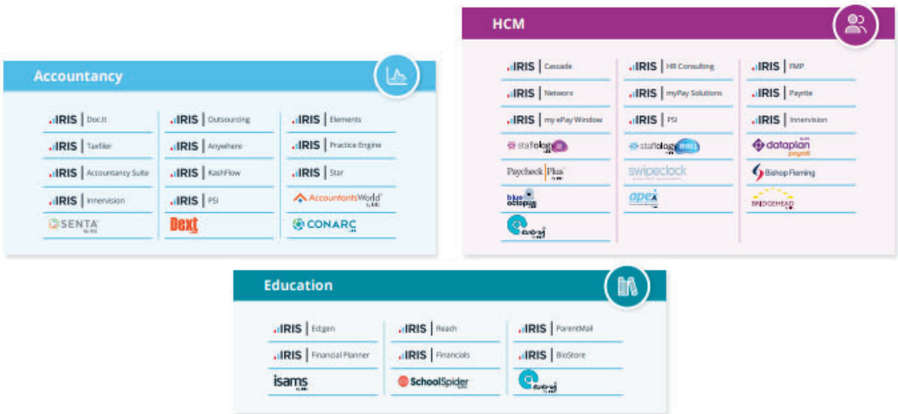
For more than 45 years, we have supplied innovative administrative solutions to businesses, charities and the public sector. With dedicated software solutions and services for finance, HR and payroll teams, accountancy firms and educational organisations, our award-winning products are the invisible, but essential, infrastructure of our customers' businesses.

Our software and services are used by accountancy and education professionals, and teams in payroll, HR and finance to solve some of the most essential operational business problems. From submitting a tax return and being paid on time, to improving work experiences and engaging with a child's school, our customers save money, save time and know it's right first time, every time.

Our core offering includes:

Accountancy Management	HR Management
IRIS offers a wide range of **services** and **software for accountants**. With specialist solutions for both **accountants in practice** and **accountants in business**, IRIS can provide everything needed to guarantee **compliance**, enhance productivity, and save time by cutting down on administrative tasks.	IRIS offers a diverse range of **HR management solutions** to suit any business. Our software equips busy HR teams to easily manage every stage of the employee lifecycle. From finding the best talent with specialist **recruitment software** and **recruitment services**, to using integrated **HR software** to manage people, and access to our **HR consulting and advice services** when there's a challenge to overcome. In addition, our **HR marketplace** boasts a range of additional HCM solutions from a wide variety of trusted partners.
Education Management	**Payroll Management**
Our **education management solutions** support schools and trusts with all areas of **school administration**, **workforce management**, **finance**, and **compliance**. IRIS Education software provides solutions for management information systems (**MIS**), **parental engagement**, **cashless catering**, **HR**, **payroll**, **financial management**, **budgeting**, and **data**.	IRIS offers a range of integrated **payroll software** and **payroll services**. Our **payroll management solutions** allow teams to cut down on payroll admin and improve accuracy. We also offer a range of **payroll bureau software** to help professional payroll providers throughout the UK.

IRIS' software solutions are managed under a number of leading product brands:



Leadership

The Group is led by an Executive Committee made up of key leaders across Sales, Product, Technology, Marketing, Operations, Finance & Legal, Human Resources, and Corporate Development to drive better alignment and acceleration of performance across all areas of the business, with a primary focus on customer success. Whilst the focus of the business is at a functional level, we also have sector and geography specific leaders (Accountancy, Education, HCM, Americas) to ensure we remain agile, dynamic and responsive to the ever-changing needs of our customers.

The change in ownership at the start of FY25 included the appointment of a new Chairman, Gus Malezis. The departure of the former CEO, Elona Mortimer-Zhika in December 2024 lead to a change within the Group's Executive team, with Gus stepping in as interim CEO whilst the search for a new CEO to drive the IRIS Group forward in this new period of ownership was conducted. These changes, which have subsequently included the appointment of Jason Dies as CEO in July 2025, provide valuable experience and expertise to support the future growth of the business.

Our business model

Revenue Generation

Our revenue is primarily generated through provision of software and services to end customers. Software services are principally provided through recurring maintenance or subscription, both through cloud/Software as a Service (“SaaS”) applications and on-premise solutions. We recognise that cloud-based solutions are becoming more desirable for businesses and continue to develop and invest in a comprehensive range of cloud applications using the latest computing technology to drive improved productivity and efficiency for customers. Some of our more recent acquisitions, such as Dext – acquired in December 2024 – are enhancing our portfolio of cloud-based products. 68% of our software revenue during the period was derived from cloud-based products (year ended 30 April 2024: 64%), a proportion that is growing rapidly. Contract lengths range from monthly rolling for certain solutions, through to multi-year arrangements.

Alongside subscription services, we provide implementation, managed payroll, and consultancy services, including specialist HR advice for customers globally.

In addition, transactional engagement services for our Education customers are offered through provision of SMS and payment platforms to allow schools and parents to better communicate and transact with each other.

Revenue is also earned on balances within our client accounts that are used as part of our managed payroll services.

Adding Value

We value the relationship we have with our wide range of customers. By understanding the needs of our customers, we focus on delivering what our customers want through continued development of existing products and solutions, as well as acquisition of new products to enhance our product portfolio. Our customers are therefore able to access a wide choice of modules and functionality that are not offered by our competitors. This has all been possible with the investment in highly skilled and experienced employees and teams who are able to deliver these mission-critical software solutions designed to meet the needs of customers as well as the strategic acquisitions we have made over a number of years – the most recent being the acquisition of Dext in December 2024. A strong culture and responsible leadership has enabled the business to grow and develop sustainably, giving customers confidence in IRIS as a strategic partner.

Why Customers Choose IRIS

Our specialist knowledge, deep understanding of our customers’ needs and trusted position in the market allows us to drive the adoption of new functionality and modules to existing customers. Our broad product offering is also attractive to new customers. With our increased investment in Cloud technologies which has continued at pace during the period, we remain well positioned to continue this growth strategy for many years to come.

Our scale allows us to invest in state-of-the-art infrastructure, including Cloud IT and related analytics. We believe that embedding AI into our products is critical to longer-term success and underpins our vision of being an AI everywhere business. This investment in technology and development means that customers can rely upon IRIS to consistently deliver regulatory updates alongside enhanced products and services.

We continue to identify opportunities to expand our footprint both domestically and internationally, where we can apply our expertise in compliance-driven software and services to ensure we can give our customers the best support on their own growth journeys. Our acquisition of Dext in December 2024 has expanded our operations in the UK, US and Canada as well as creating presence in mainland Europe and Australia.

Group Values

Our business success is underpinned by our values – created by employees to support our vision, mission and culture and designed to make an IMPACT:

Business Activity

Key highlights during FY25

Products

Our award-winning products are used by more than 100,000 organisations, ranging from micro-businesses to FTSE 100 companies – the majority having a tenure of five or more years. IRIS payroll, accounting and finance software is used in over 135 countries worldwide. Five million employees are using our payroll and HR software, with 1 in 6 people in the UK being paid through our payroll solutions. We are the largest third-party online filers of taxes with the UK Government. 300 million messages are delivered annually between schools and parents, with 500,000 pupils' activity being processed by us. More than 21,000 UK and 4,000 US accountancy practices use IRIS software, including 91 of the top 100 UK accountancy firms and 54 of the top 100 US certified public accounting (CPA) firms.

We are committed to delivering high quality products to our customers and continue to invest heavily in development. This includes further investment in our ground-breaking cloud platform, IRIS Elements as well as our NextGen Payroll and Education software, allowing our customers to access first class cloud-based products. IRIS Elements is an adaptive cloud-based platform that allows customers to access data in one place, consisting of a number of essential modules including IRIS

Elements Tax, IRIS Elements Accounts Production and IRIS Elements Practice Management. IRIS Elements allows our customers to add products as and when they need, allowing them to grow at their own pace. We have also expanded and enhanced our product portfolio through the strategic acquisitions made during the period – most notably our acquisition of Dext which provides online book-keeping software for small businesses.

We are proud of the continued recognition we receive for our products and services and are delighted to have received many awards for our effective and successful business solutions provided to our customers during the period. Our accolades also extend beyond our products and services, and we are thrilled to have been recognised as a Great Place to Work™ for the fifth year running in the UK and achieving similar recognition in IRIS' other territories.

Culture

We're proud to say that our employees are the heartbeat of our business. Our fantastic people, with their passion and dedication, make IRIS the award-winning business it is today and we've created a culture that takes a people-centric approach – recognising how important our employees are to our ongoing success. Our priority is to encourage and recognise every success with an emphasis on teamwork, individual contribution, inclusion and diversity.

Great Place to Work® is the global authority on workplace culture, built on the belief that great employee experiences are better for people, for business and for the world. It applies data and insights from approximately 10,000 organisations across the world to benchmark individual performance and advise employers on how to continuously improve employee engagement.

IRIS' Great Place to Work Certified™ status outlined above has been achieved through validated employee feedback gathered with Great Place to Work®'s rigorous, data-driven methodology. This certification confirms that our employees have a consistently positive experience at IRIS, with the survey considering employee wellbeing, diversity and inclusion, trust in management and leadership, effective communication, and recognition and reward.

We're extremely passionate about gender equality and are proud that women make up 48% of our workforce, a target we've been tracking and working towards for a number of years. This is significantly higher than the industry average for technology companies. With almost 50% of the workforce being female, IRIS leads the way in championing workplace inclusivity. More information on IRIS' gender diversity initiatives can be found on pages 15 to 18.

We also acknowledge our responsibility to the local communities in which we work and with which we do business. We actively encourage employees to recognise those responsibilities and behave in a responsible manner towards the society in which we function. We regard the setting of good example as an important practice in this area. Read more about our work in the community on page 14.

Acquisitions

During the financial period, our growth has been supported through acquisition of three businesses. These acquisitions, two of which are headquartered in the UK and one in the Americas, complement and enhance our product offering in our core markets. The US acquisition is instrumental to our strategic priority of expansion in the Americas. Our UK acquisitions not only add diversity to our product suite but expand our footprint in Europe. Businesses are selected where products complement our own products, as well as having proven success in our core markets.

On 14 May 2024, we successfully completed the acquisition of Swipeclock LLC, acquiring 100% of its shares for cash consideration of $192 million. Swipeclock is a US technology leader in SME workforce management solutions, best known for its cloud platform WorkforceHub. WorkforceHub connects core human resources, time and attendance, scheduling, PTO applicant tracking, onboarding and hiring tools within one unified solution. The acquisition was funded via a partial draw down of the new £500 million acquisition facility that was entered into on 30 April 2024.

During October 2024, we completed the UK acquisition of School Spider Limited, an all-in-one engagement platform used by 650+ schools across England, with comms, payments and website management functionalities. School Spider offers an all-in-one digital platform tailored for schools, providing a comprehensive suite of tools to enhance communication, streamline administrative tasks and engage the school community effectively. The acquisition costing £2.6 million was funded through available cash resources.

On 20 December 2024, IRIS completed its international acquisition of Dext, a leading bookkeeping automation platform provider for total consideration of £637.7 million. The acquisition unites two sector-leading cloud-based platforms – Dext's Bookkeeping Automation Platform and IRIS Elements – to deliver a complementary and fully integrated, end-to-end solution for accountants, bookkeepers, and businesses. The acquisition was funded via the remaining available resources on the £500.0 million acquisition facility and securing of a further £310.0 million loan in December 2024. Dext represents IRIS' largest acquisition to date and provides a platform to support the growth of the business globally.

Following the year end, in May 2025, IRIS announced it had made a strategic minority investment in Instead, an AI-powered tax platform helping accountants automate tax preparation and shift their focus from compliance to strategic advisory. By streamlining routine tasks and providing the tools to deliver deeper insights, Instead frees up time for firms to offer higher-value services. This significant minority investment marks a major step in our commitment to transforming the business of accountancy through intelligent automation, while also enabling Instead to accelerate product development and expand its sales and marketing capabilities.

The acquisition of Dext and the investment in Instead highlights our commitment to being an 'AI first' business.

Stability and growth

Following the Sale Transaction that completed on 30 April 2024, the IRIS Group had access to an undrawn Revolving Credit Facility ("RCF") of £100.0 million and an undrawn Committed Acquisition Facility ("CAF") of £500.0 million. The CAF was fully drawn during the period to support the acquisitions of Swipeclock and Dext, and a further £310.0 million facility was secured and fully drawn in December 2024, however, as at 30 April 2025, the Group had £105.9 million of cash resources excluding client funds (30 April 2024: £75.7 million) and the RCF remained undrawn as at the period end, the Group has significant headroom on both its leverage and covenant levels as prescribed by our lending arrangement. Covenants under the facilities are formally tested on a quarterly basis.

The acquisition of the Group on 30 April 2024 (as noted on page 2), in addition to the new financing arrangements, coupled with the increase in revenues achieved through both organic growth and acquisition, means the Group is very well positioned for further growth in the coming years.

Strategy

IRIS strives to generate revenue and profit growth, both organically and inorganically, and achieve high cash conversion whilst improving customer and employee experience to deliver our overall strategy. Our three key priorities during FY25 have been delivered through engaging and empowering our #1RIS talent. As we enter the next ph12ase of our journey, our priorities have evolved to ensure alignment with our vision to be a 'People Empowered, Customer First, AI Everywhere global provider of mission-critical, market-leading, scalable cloud software'.

Key priority in FY25	Bringing value to the business
Profit and revenue growth	
Grow revenue through maximising upsell, cross-sell, new logos and Value Creation Plans, supported by price increases and customer retention. Maintain tight cash controls, high cash conversion and minimal exceptional cost. Grow EBITDA by more than revenue growth %, benefitting from scale. Attract, retain and engage colleagues to deliver their best!	Our customers are at the centre of everything we do. We strive to provide exemplary customer service and ensure we respond to customer demands and provide the products they want and need, making IRIS their provider of choice. Through provision of excellent customer service and dynamic products, we are able to keep attrition rates low and improve our high recurring revenue rates, which consistently exceed 90%. Investment in our product offerings allows us to sell new products to our existing customer base, attract new customers to IRIS, in addition to maintaining customer retention rates. Investing in businesses whose product portfolios complement IRIS' existing products gives us access to new customers and markets and increases our ability to cross-sell.
Cloud Revenue Growth	
Continue to grow revenue generated through sale of our cloud products. Accelerate cloud adoption through migration of customers from on premise to our Cloud platforms. Complement cloud revenue bookings through an ecosystem of engaged third party value adding solutions. Product Engineering based in appropriate Centre of Excellence locations.	We understand how important cloud products are to our customers, with the pandemic emphasising how cloud products can transform the lives of users. Offering a comprehensive suite of integrated products will allow us to provide what our customers need and want. The acquisitions of AccountantsWorld, Every, iSAMS, Staffology, Senta and Dext in recent years have been pivotal in providing a quicker route to market through their cloud-based products which complement IRIS products. During the period, we have seen revenue from our cloud products increase to 68% (year ended 30 April 2024: 64%).

	Through continued investment, we will continue to develop our cloud offerings. Our Elements platform – the first ever end-to-end cloud accounting solution offers unique flexibility, scale and powerful automation to accountants. Following its launch, Elements has attracted significant interest. More detail on Elements can be found on our website: https://www.iris.co.uk/products/iris-elements/ In addition, we have been investing heavily in our Next Gen HCM platform which will revolutionise the traditional administrative functions of HR departments.
To Grow Americas Revenues	
Drive organic growth in Americas through cross-sell opportunity, maximising M&A Value Creation Plans and a clear Go-to-Market and Product strategy. Accelerate growth further with M&A	To date, we have been successful in the execution of our strategy to increase our presence in the Americas. During the period we successfully completed our largest acquisition in the Americas – Swipeclock, helping to drive further growth in the Americas in the period. Further detail can be found on page 8. To support our Americas expansion, we have continued to strengthen our local senior leadership team. This team will continue to focus on successful integration of our new businesses, ensuring we deliver on our value creation plans. In addition, we will continue to identify further acquisition opportunities to complement our existing product offerings.

Key priorities FY26	
Customer first experience driving recurring revenue and new orders	Empowering customer-centric excellence through market leading solutions, best-in-class end to end customer experience, supported by data and systems for exceptional results.
AI Everywhere with AI-Enabled Products and Platforms	Embed & leverage AI into every facet of IRIS: Enhancing strategy, solutions, services, efficiencies and effectiveness, supported by a culture of collaboration and teamwork.
Profitably grow recurring revenue and EBITDA	Strategic growth through focused Go To Market, portfolio optimization, sales enablement, cash controls, and M&A to drive annual recurring revenue increases and organic growth globally.

Our key priorities for FY26 will be driven by:

People: talented and empowered customer-focused people across all teams

Process: global and industry-leading customer journey

Technologies: optimised and automated data and systems, driven by AI

Key Performance Indicators (KPIs)

Performance of the Group is assessed through both financial and non-financial KPIs which are monitored and reported on a monthly basis by Management. ***Note: All comparatives for the years ending 30 April included in the strategic report related to the consolidated results of Perennial Newco 2 Limited, the previous parent company of the IRIS Group.***

Financial KPIs	Non-Financial KPIs
Management Revenue	Transition from non-cloud to cloud software delivery
Recurring Revenue	Number of acquisitions completed
Management EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)	Number of employees, and the associated gender split. Aligned to our goal to create an even better gender balance across the business
Management Operating Cash Flow	
Cash Conversion	

Financial Key Performance Indicators: Financial Management results (as defined below and in note 34) for the Group, which also include details for previous years where the Group existed under the previous ownership structure, are summarised as:

	2025	2024	2023	2022
Management Revenue (£m)	446.7	375.1	321.7	257.9
Recurring Revenue (%)	95	93	92	92
Management EBITDA (£m)	198.9	166.2	138.1	113.7
Management Operating Cash Flow (£m)	194.9	166.5	136.1	100.8
Cash Conversion (%)	98	100	99	89

* Note: Management Revenue, Management EBITDA and Management Operating Cash Flow are non-GAAP alternative performance measures that are presented to provide readers with additional financial information that is regularly reviewed by management. Such measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure. See note 34 to the financial statements for further details.

Management Revenue and Recurring Revenue

During the financial period, we reported an increase in revenue compared to the previous financial year and maintained high recurring revenue rates of over 90%. The increase in revenue was driven by sales of products into new and existing customers, as well as revenue achieved through new acquisitions and price increases to support continued investment in product functionality and legislation updates.

Management Revenue is made up as follows:

	2025	2024	2023	2022
Support & Subscription (£m)	321.0	262.2	230.9	194.3
Transactional (£m)	24.5	14.7	10.4	6.9
Managed services (£m)	78.7	73.6	58.8	36.8
Recurring revenue (£m)	424.2	350.5	300.1	238.0
Professional services (£m)	15.4	17.0	14.9	13.9
License & other (£m)	7.1	7.6	6.7	6.0
Total revenue (£m)	446.7	375.1	321.7	257.9
Year on year growth (%)	19.1	16.6	24.7	15.4
Proforma revenue (£m)*	491.8	382.3	351.7	*n/a*
Year on year growth (%)	28.7	8.7	*n/a*	*n/a*

** Proforma revenue is total revenue for the financial period assuming all acquisitions made in the period had completed on the first day of the period.*

Acquisitions during the current financial period and prior financial years contributed £53.4 million to the overall revenue increase from the date of acquisition. If the acquisitions had completed on the first day of the financial period, revenue would have been £491.8 million (year ended 30 April 2024: £382.3 million).

Management EBITDA

Management EBITDA, as defined in note 34, represents the basis on which management review the performance of the Group, taking account of non-trading and management exceptional items. During the period, the Group achieved an increase in Management EBITDA, representing a growth of 19.7%, and a margin of 44.5% (year ended 30 April 2024: 44.3%).

If the acquisitions had occurred at the start of the financial period, Management EBITDA for period ended 30 April 2025 would have been £210.3 million (year ended 30 April 2024: £168.1 million).

Management Operating Cash Flow

Management Operating Cash Flow is defined as net cash flows generated from operating activities adjusted to exclude the cash in respect of transaction related costs, management exceptional items and include the cash impact of rental costs. Cash conversion is the percentage of Management Operating Cash Flow generated from Management EBITDA.

During the period we achieved an increase in Management Operating Cash Flow and maintained a high cash flow conversion.

Statutory measures

The statutory equivalents of the above measures are presented below:

	2025	2024	2023	2022
Revenue (£m)	422.8	373.5	319.1	255.7
Operating profit (excluding depreciation and amortisation) (£m)	124.8	101.8	96.3	88.2
Operating Cash Flow (£m)	131.8	168.9	99.7	86.0
Cash Conversion (%)	106	166	104	97

The increase in statutory revenue of 13.2% during the financial period is driven by sales of products to both new and existing customers, as well as revenue attributable to new acquisitions and price increases to support continued investment in product functionality and legislation updates.

Operating profit (excluding depreciation and amortisation) increased to £124.8 million (year ended 30 April 2024: £101.8 million) primarily driven by an increase in revenue, offset by increased costs.

During the financial period to 30 April 2025 we achieved an Operating Cash Flow of £131.8 million (year ended 30 April 2024: £168.9 million) and maintained a high cash conversion rate.

Financial Position

At the period end, the IRIS Group had cash balances excluding client funds of £105.9 million.

Following the refinancing of the Group's facilities on 30 April 2024, the Group drew $198.0 million of its £500.0 million Acquisition Facility to support the acquisition of Swipeclock. In December 2024, the Group drew the remaining amount of its £500.0 million acquisition facility and raised a further £310.0 million borrowings to fund the acquisition of Dext.

A summary of the Group's facilities is as follows:

	Facility	Maturity	Amount Drawn Down
Senior:			
Facility B	£950 million	29 April 2031	£950 million
Additional Facility B	£310 million	29 April 2031	£310 million
Acquisition Facility	£500 million	29 April 2031	£500 million
Revolving Facility	£100 million	29 October 2030	£nil
PIK Notes Facility	£450 million	29 April 2032	£450 million

The financial arrangements include a leverage covenant which requires the leverage (the ratio of Consolidated Senior Secured Net Leverage to Consolidated Pro Forma EBITDA) does not exceed 15.06x. Consolidated Senior Secured Net Leverage is the total balance of the senior facilities less unrestricted cash. Consolidated Pro Forma EBITDA is the Management EBITDA of the Group combined with pre-acquisition EBITDA of acquisition in the relevant reporting period and adjusted for various metrics as defined in the facilities agreement. At 30 April 2025, the leverage was substantially below the covenant level at 7.02x (30 April 2024: 4.87x).

The PIK Notes Facility shown above is the original principal amount and does not include total accrued interest of £61.1 million which rolls quarterly and is compounded into the balance outstanding. The total balance at 30 April 2025 stood at £511.1 million (30 April 2024: £450.0 million).

Key Performance Indicators: Non-Financial

Key Performance Indicator	FY25	FY24
Transition from non-cloud to cloud software delivery	68%	64%
Number of acquisitions completed	3	6
Number of employees, and the associated gender split. Aligned to our goal to create an even better gender balance across the business	Total 3,771 (note 5) Male: 52% Female: 48%	Total 2,986 Male: 53% Female: 47%

Environmental, Social and Governance (ESG)

We take our ESG responsibilities seriously and are committed to doing business for good. At IRIS, ESG is about operating effectively while treating our colleagues, customers and other stakeholders fairly, minimising our environmental impact, supporting local communities and underrepresented groups and ensuring we run our business in an ethical, secure and compliant way.

Environment and Carbon Footprint

We are committed to managing environmental risks that are material to the organisation and its stakeholders. We seek to ensure that our commitment to minimising our environmental impact is implemented throughout our end-to-end business practices.

We have sought to reduce our greenhouse gas (GHG) emissions for several years, including by taking opportunities yielded by office closures, moves and refits to reduce operational emissions and install energy efficient lighting systems and optimise HVAC systems where possible. We have measured and reported on our UK Scope 1 and 2 – and some Scope 3 – carbon emissions for several years, and we conduct regular energy audits across our offices as part of our compliance with the ESOS and SECR energy assessment schemes. More information on our UK emissions can be found in the Directors' Report on page 31.

To further improve the scope and accuracy of our carbon footprint measurement, we contracted a carbon footprint consultancy in 2023 to support the measure our carbon emissions more comprehensively. This exercise allowed us to better understand our footprint and identify effective actions to drive down our GHG emissions. We have been working identify and quantify the benchmarks against which we measure ourselves and set science-based reduction targets in line with the temperature rise goals of the Paris Agreement and the Science Based Targets Initiative. We are now working to set reduction targets towards our goal of reaching net-zero by 2050.

We also have an active 'Green Group' – internal champions for sustainability at IRIS – which meets monthly to discuss environmental issues relating to our business, promote environmental awareness within IRIS, and encourage the adoption of green initiatives and targets. More information about IRIS' environmental and sustainability efforts can be found at www.iris.co.uk/sustainability.

IRIS gives our employees three 'Giving Back' days a year on top of their annual holiday entitlement to support local community and national charitable causes. Employees are encouraged to donate their time and skills to support community projects and charities. Our employees can make use of their three 'Giving Back Days' to volunteer in a number of ways, including fundraising for a charity of their choice, giving blood, being a school governor or charity trustee, reading with school children through the Bookmark Scheme and mentoring in schools. We actively highlight acts of kindness displayed by our employees through our communication channels, both internally and externally.

During the last financial period, 741 Giving Back Days (2024: 613 Giving Back Days) were used for charities and community projects, including schools, NHS, foodbanks, blood donations, hospices and acting as a trustee. IRIS and our employees also raised a total of £46,600 (2024: £56,600) for charitable causes.

IRIS Anti-Slavery Policy: We continue to take action to understand all potential modern slavery risks related to our business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business and supply chains. Third party organisations within the supplier/contractor pool and other companies that may be engaged with IRIS are expected to ensure their goods, materials and labour-related supply chains fully comply with the Modern Slavery Act 2015; and are transparent, accountable and auditable, and free from ethical ambiguities. Legal, risk and procurement teams review risk exposure. Suppliers are assessed prior to on-boarding and then re-reviewed annually. The Modern Slavery Act 2015 is included within our statutory and regulatory compliance risk register to ensure the risk continues to be flagged, assessed and appropriately addressed.

We seek to impose adequate and robust contractual provisions relating to modern slavery or human trafficking compliance with applicable suppliers we work with. The business uses only specified, reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

IRIS also has an employee awareness raising programme as part of our compliance training to educate staff on modern slavery issues. IRIS' Anti-Slavery Policy included as part of the induction process and available on our intranet.

Whistleblowing Policy: We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, or our supply chains. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.

Employee code of conduct: Our code of conduct and handbooks make clear to employees the actions and behaviour expected of them when representing the business.

Gender Diversity

At IRIS, we're delighted to be a business that is continually evolving, growing organically and through acquiring successful businesses, and welcoming fantastic people from across the world to our #1RIS family. As a global business located across eight countries and with over 3,500 employees worldwide, we're very proud to have a diverse workforce that champions inclusivity, is passionate about celebrating differences, and recognises the importance of representation at all levels. As we continue to grow, we're committed to keep making strides in improving gender equality and equal opportunities at IRIS.

We're especially proud that, as a technology company, women make up almost 50% of our workforce, both in the UK and across the globe. Championing women is at the heart of our diversity and inclusion strategy, and, for many years, we have invested in an extensive range of programmes to provide dedicated training and development to empower women across IRIS, increase female representation in senior and leadership roles, and support our staff through life's milestones and their IRIS journey.

Reducing our gender pay gap relies on us analysing our pay and representation data to understand where we stand, and using this insight to inform our plans for the future. It is important to acknowledge that IRIS' UK gender pay gap isn't due to paying people doing the same role differently based on their gender, but instead can be attributed to having a lower proportion of women in senior leadership roles and a higher proportion in the lower paid quartiles. We remain dedicated to reducing our gender pay gap through our key strategic programmes, including focusing on talent acquisition and talent management, learning and development, and diversity and inclusion. We also ensure that we have rigorous processes in place for our annual salary reviews and promotion practices. You can read more about our actions to reduce the gender pay gap at: www.iris.co.uk/corporate-governance.

We firmly believe that a diverse workforce is key to success. We have established three 'Pillars of Inclusion', which are promoted and embedded across the IRIS family: Workforce Diversity, Workplace Inclusion, and Embedding ED&I. Our Pillars of Inclusion are summarised as follows:

IRIS' Pillars of Inclusion		
Workforce Diversity	**Workplace Inclusion**	**Embedding ED&I**
Create attraction, recruitment, selection, onboarding and internal mobility processes that offer equitable opportunities for all. Support diversity in all levels across the IRIS family	Create an environment where people can bring their whole selves to work and where their differences are celebrated and valued. Foster a culture where everyone feels welcome and empowered to succeed	Ensure IRIS' pillars of inclusion and diversity are clearly communicated and understood at all levels and that everyone takes responsibility for upholding our inclusive and diverse culture
• Create career opportunities for diverse candidates through inclusive talent programmes and initiatives • Keep our application and selection processes fair and unbiased for all candidates • Provide clear pathways for progression and development to empower all employees to reach their career goals and maximise their potential	• Deliver a programme of training, development and awareness events to educate our staff and foster a culture of belonging • Empower our staff to share their perspectives, experiences and ideas to drive positive change for all • Ensure our policies and procedures are inclusive so that all staff are included fairly	• Ensure our senior leaders and ED&I Champions are role models across the IRIS family • Support our people managers by developing their skills and awareness of ED&I • Use KPIs and data to measure success and drive positive change

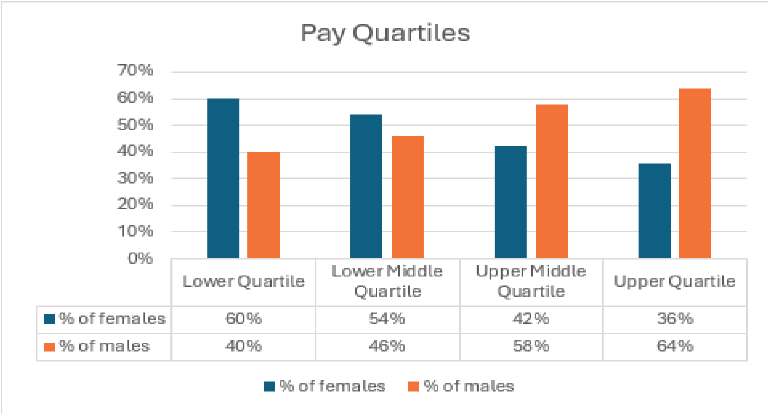
A core part of our gender diversity approach is to offer women a positive, supportive, and flexible working environment that empowers them to thrive and succeed.

Until December 2024, IRIS was led by eleven board members, of which one was female. The IRIS Group's Executive Team (including Executive Board members) during the period comprised of four female leaders and 12 male leaders.

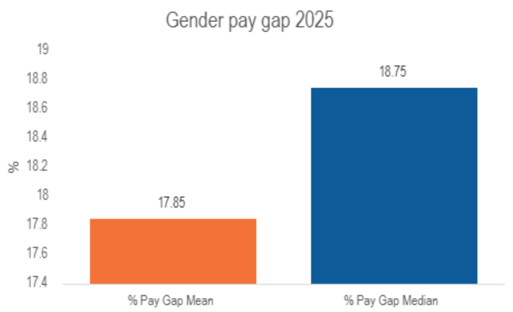
Gender Pay Gap

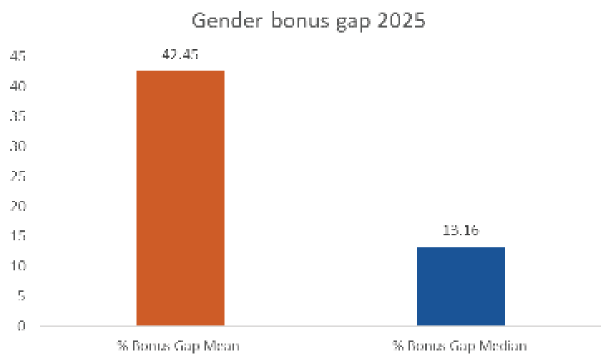
Our latest Gender Pay figures financial period ended 30 April 2025 covers the tax year ended 5 April 2025. The measures for the report are calculated using core IRIS Group employees (which excludes non-UK staff and employees still employed by newly acquired entities). We continue to focus on our target of having an equal number of men and women in our business and are proud to have increased the number of women in our UK workforce since our last report – with women representing 48% (2024: 47%) of our workforce - this exceeds the technology sector average of c.30%.

For the year in question, we were proud to see an increase on representation of women in the lower middle and upper middle quartiles, showing the impact of our efforts to promote women internally. Whilst we recognise there is still more to be done, we are pleased to have further increased our percentage of women in upper quartile jobs year on year.



Figures reveal that for the year ended 5 April 2025, our mean pay gap decreased to 17.9% (2024: 26.8%), while the median pay gap decreased from 22.3% to 18.8%. The median bonus gap decreased to 13.2% (2024: 17.6%), while the mean reduced to 42.5% (2024: 47.4%). The increase is attributed to new business acquisitions who on the whole have more women in lower quartile roles, however, we are proud to announce that 87.5% (2024: 83.1%) of women received a bonus, compared to 88.3% (2024: 88.5%) of men.





To ensure significant progress with our gender pay gap, our gender equality strategy is focused on increasing female representation at all levels within IRIS and ensuring that women at IRIS have the confidence to pursue their goals and succeed. We believe that leading by example and enabling the right conversations to take place in a safe environment will drive positive outcomes. To do this, we will build on our focus on increasing our female talent pipeline, employee welfare and development opportunities.

Studies have shown that encouraging fathers to take parental leave further supports in reducing the gender pay gap which can often be higher due to women taking maternity leave. We're therefore delighted to be further enhancing our UK paternity pay in support of reducing our gender pay gap.

Social Mobility

We've been a Real Living Wage employer in the UK since 2019. This means we commit to paying a fair wage to cover at least the real cost of living in the UK as calculated by the Real Living Wage Foundation. The Real Living Wage has risen significantly over the past few years, and we are proud to have passed this onto our employees. This particularly supports young people, women who work part time around caring responsibilities, and those from lower socio-economic backgrounds, who are traditionally in lower paying roles.

Tracking our Gender Pay Gap

Every month we run a report on our UK Gender Pay Gap by looking at our employee hourly pay. The pay gap is reported to the Executive and Senior Leadership Team on a monthly basis for their attention and to implement further action to reduce the pay gap. Part of this reporting forms the gender pay gap from the latest hires and leavers to further understand changes in our gender pay gap.

Equity in Pay Increases

We're delighted to run annual salary reviews at IRIS and embed practices that ensure fair assigning of pay increases. During the year we ran a training session for our HR Business Partners on Gender Pay Gap analysis and shared with them a tool to run assessments on current team pay impacts. We also set up a reporting query for them live in our HRMS which can be used to show managers the current pay gap in the team, and then use the tool to show how this would change with the new promotion. All out of cycle increases are also reviewed separately regarding internal gender pay gaps and external benchmarking for final decision-making.

Female Talent Pipeline

We recognise that people who have taken long-term career breaks to raise a family can struggle to find meaningful, fairly paid work that they can balance around their caring commitments, and that women are disproportionally affected by this. To combat this, our Returnship Policy offers candidates with limited or no recent corporate experience the chance to join IRIS in a part time role for 6 months, paid at the Real Living Wage or higher, to grow their confidence and assist their transition back into work. Successful applicants are assigned a dedicated coach to support and mentor them during the programme. We're proud to have taken on 14 returnships in the UK since the policy was launched. We also recognise the need to build a female talent pipeline for our senior positions, to ensure women are represented at all levels within IRIS. We have committed to having equally qualified female applicants represented in shortlists for management positions and roles earning above £50k. We are also identifying at least one female successor for every key role at IRIS and supporting them to reach their potential with a targeted development plan.

In addition to our focus on internal mobility and promoting women from within IRIS, we're committed to a fair hiring process that ensures equity in all aspects. We're proud to currently have a lower gender pay gap in regards to hires than our overall company pay gap which further demonstrates IRIS' commitment in hiring decisions to achieve gender parity.

Principal Risks and Uncertainties

Similar to other organisations, the Group is not immune to internal and external factors that may affect our business activities. The Directors and senior management are responsible for identification and ongoing monitoring and evaluation of the principal risks and uncertainties that may affect the Group, including emerging risks and other external factors. Where necessary, changes and/or mitigating actions will be implemented to ensure any risks are reduced to manageable levels. The quality of earnings is underpinned by strong legal and financial governance, coupled with a focus on improving customer service and increasing the lifetime value of customers.

Key	Risk impact	Risk Movement	FY25 vs FY24
	High		Risk decreasing
	Medium		No movement
	Low		Risk increasing

Risk		Mitigation
Disruption of IT Systems and Networks, including Cyber Risk The IRIS Group's business operations rely on the efficient and uninterrupted operation of its information technology systems and networks. Loss of access, loss of customer data, and GDPR fines present a risk if not properly managed.		IRIS continues to invest in cyber security measures, including improvements to identity protection, security monitoring and ransomware defence. We have increased the scope of our cyber essentials certification to cover the whole UK business and have implemented a new security policy framework to support our global regulatory requirements. Extensive investments have been made in preventative security capabilities within our software development processes. These include developer training, improvements in architectural governance and standardisation, as well as technical capabilities to ensure all strategic products use tools to detect threats from our software supply chain and threats from defects in code. Additionally, our Internal Audit team have performed a review of our corporate Cyber Security governance.
Wider Economic Environment The Directors acknowledge that the economic environment can affect the overall performance of the IRIS Group's businesses in terms of both revenues and cost, including inflationary pressures, fluctuating interest rates, political environment and global events such as international conflicts. The acquisition of Dext has increased our international footprint - with a material presence in continental Europe.		We keep up to date with external factors which may affect our business directly and indirectly through our supplier and customer base and wider relationships, e.g. with our lenders. We seek to limit any risks presented by external factors through close relationships with our suppliers, customers, external advisors, bankers and lenders, as well as appropriate use of hedging strategies, where relevant. We do not have any direct financial exposure in Russia, Ukraine, Israel or Palestine.

Risk		Mitigation
Evolving Technology Market The software market in which the IRIS Group operates is characterised by evolving technology, market practices and industry standards. There is a risk that IRIS may be left behind if it does not continue to invest in its products and solutions and therefore becomes uncompetitive. The pace of change in the technology has increased with the rise of generative AI, particularly large language models such as ChatGPT. IRIS must embrace these modern technologies to remain competitive but must ensure that it is adopted in a way that quality of customer service and compliance with laws and regulation is maintained.		We have a strong commitment to Research and Development (R&D), which allows for identification of, and adaptation to technological, compliance and market changes, thereby ensuring demands of customers are met and products are delivered on the latest technology platforms. We have also continued to invest heavily in our ambitious IRIS Elements multiyear programme, adding more products to our cloud platform, which will deliver product functionality across our core Accountancy product suite going forward. In addition, we continue to develop our NextGen payroll, education, practice management and document management cloud products. IRIS was one of the first companies to the market to embrace and integrate generative AI functionality into 2 of its product lines (Networx and ParentMail). In addition, IRIS has long leveraged machine learning as a fundamental pillar of the internal data strategy, built by an experienced data science team. IRIS also has an AI Council, of which has embedded digital ethics as part of their remit. This group focuses on upstream/downstream impacts, business/technical feasibility alongside regulatory/compliance considerations. Further supporting education and awareness, IRIS has a well-defined AI policy, paired to a mandatory training program for large language models to ensure that all employees are up to date on the latest risks/mitigations and opportunities.
Regulatory Change **Customers:** Customers come to IRIS as they want to ensure that their compliance needs are taken care of, and these essential operations are right first time. If IRIS was unable to ensure that our products remained up to date for regulatory change, customers would be less confident in the products and may choose to go elsewhere. **External:** We are exposed to changes in regulations across all of the jurisdictions we operate in. If IRIS were unable to keep up with regulatory changes, we risk penalties and reputational damage for non-compliance		As a provider of regulatory software, it is imperative products are kept up to date, and product updates and releases are right first time. We have a privileged relationship with HMRC in the UK, working closely with them to ensure that our products meet all requirements. We ensure we are able to react promptly to changes in government legislation so that business critical software products are kept fully up to date and can continue to support our customers and their businesses. In addition to our own internal regulation and compliance teams, we work closely with our advisors to ensure we mitigate any risk associated with non-compliance of local regulations, sanctions and financial crime.

Risk		Mitigation
Breach of Copyright The IRIS Group relies on intellectual property laws including laws on copyright, trade secrets and trademarks to protect its products. Despite such laws and regulations being in place, unauthorised copying of software may still occur.		To mitigate this risk, we endeavour to monitor and police the unauthorised use of our products, use secure storage of our source code and engage the services of specialists to enforce and protect the IRIS Group's intellectual property rights both in the UK and the Americas.
Competitive Market Environment The IRIS Group operates in a competitive environment where the quality of products is paramount. All technology companies are vulnerable to disruptive market entrants.		Product quality is paramount. As the largest third-party tax filer with the government, we have a market leading position and reputation for quality. We also have the largest and the most integrated suite of Accountancy products in the market. The combination of our market standing and value our solutions deliver, results in customers renewing their subscription from year to year. We employ quality assurance teams and involve customers in reviewing new product releases to reduce risk and to improve both the quality and the timeliness of releases. We also attach enormous importance to providing the highest levels of customer service to differentiate ourselves in the market.
Retention and recruitment of key employees Legislative software is complex and requires in-depth knowledge of legislation and software development expertise, to build, deploy and maintain the solutions. Recruitment of skilled software engineers and retention of key employees, including our leaders, is therefore important to ensure the business is able to continue to deliver great software to customers.		We strive to limit reliance on third party expertise by employing directly and promoting from within. We place significant focus on our employees, ensuring we attract the highest calibre individuals and maintain high employee satisfaction through continued development, linking to the strategy of #1RIS. This includes identification of Top Talent employees across the business and personalised development plans aligned to IRIS' career framework. We also cross train staff across multiple products to remove any single points of failure. We are proud to be growing our workforce globally, including our centres of excellence in India and Romania. For our senior leaders, we focus on ensuring we have appropriate succession plans in place and providing a range of development and training opportunities for employees at all levels.
Acquisition Integration There is a risk that businesses acquired by IRIS do not integrate effectively within the business, and investment objectives are not met.		As a highly acquisitive business, acquisition integration is planned and monitored closely to ensure the investment objectives for each acquired business are met and value creation plans are delivered.

Future Outlook

Looking ahead, the Directors believe that there continue to be substantial opportunities for further growth, both organically and through acquisition. There will be continued focus on investment in Cloud technologies, growth within the Americas and further acquisitions to strengthen core product portfolios, as well as taking advantage of significant cross-sell opportunities following the acquisition of Dext and operational synergies within our core markets.

We will continue to work with our customers to understand their needs, keep abreast of changing legislation and evolve our product offering to respond to these factors. Our investment in Cloud technologies and product integration will ensure we are able to keep pace with the growing demand for these products.

The Directors are confident in the Group's prospects going forward.

The Directors would like to express their personal thanks to everyone who has played their part in IRIS' achievements for another fantastic year. A big thank you to all IRIS employees for their excellent service to our customers and contribution to our results, and also our customers for continuing to choose IRIS.

On behalf of the Board:

Michael Cox
Chief Financial Officer
17 October 2025

The Directors present their first report and the audited consolidated financial statements of Elements Topco Limited ("the Company"), and the consolidated group of companies (together "the Group" or "the IRIS Group") for the period ended 30 April 2025. As at 30 April 2025, Elements Topco Limited is the ultimate parent company of the Group.

Principal Activities

IRIS provides software solutions and services for finance, HR and payroll teams, educational organisations and accountancy firms that helps them comply with regulations, drive productivity and better engage with key stakeholders.

The IRIS Group, headed by Elements Topco Limited, predominantly operates in the UK, but also has a growing presence in the Americas, with operations in the US and Canada achieved through acquisitions, as well as other territories across Europe.

The future outlook of the IRIS Group is outlined in the Strategic Report on pages 2 to 22.

Financial Risk Management Objectives and Policies

The IRIS Group's activities expose it to a number of financial risks including credit risk, interest rate risk, cash flow and liquidity risk.

Cash Flow and Liquidity Risk

The Group manages its day-to-day cash flow requirements through its highly cash generative business model, in addition to free cash reserves excluding client funds of £105.9 million as at the period end (30 April 2024: £75.7 million) and the use of an available revolving credit facility of up to £100.0 million (30 April 2024: £100.0 million). At year end the balance drawn on this facility was £nil (30 April 2024: £nil).

The Group's borrowing consists of a £950.0 million Unitranche facility (£760.0 million denominated in GBP and £190.0 million denominated in USD), which was fully drawn at period end. The Group also has a £500.0 million Committed Acquisition Facility and during the period entered into an additional facility of £310.0 million. Both the Committed Acquisition Facility and the additional £310.0 million facility were fully drawn at the period end. The Group's £100.0 million Revolving Credit Facility remains undrawn at the period end.

The Group's debt facilities specify certain financial covenants and these are monitored at Board level on a monthly basis.

Interest Rate Risk

The IRIS Group's borrowings consist of long-term variable rate facilities. To protect against market volatility, the Group has a number of interest rate swaps in place. The contracts consist of a series of fixed SONIA and SOFR interest rate swaps which cover a portion of both GBP and USD denominated debt, all maturing in May 2027. The fixed SOFR swaps cover 75% of the USD debt, with the fixed SONIA swaps covering 40% of GBP debt.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced.

The current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered. IRIS has assessed that there is no material adjustment to provisions required to reflect the lifetime expected loss.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. For continuing operations in the period ended 30 April 2025, no income derived from a single customer exceeded 1% of the Group's revenue.

Going Concern

The Group has very strong liquidity with £105.9 million of cash excluding client funds as at the reporting date (30 April 2024: £75.7 million). Following the Sale Transaction on 30 April 2024, the IRIS Group has no debt repayable until 2031 and continues to have significant headroom in its only financial covenant test. This, coupled with highly recurring and cash generative nature of the business model, mean the Group is very stable from a profit and cash perspective. Board approved forecasts are used as the basis for the going concern assessment, to which severe but plausible downside scenarios are then applied. Management have considered every plausible scenario and do not foresee any of them causing this covenant test to fail.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they believe there is no material uncertainty in respect of going concern and continue to adopt the going concern basis in preparing the financial statements for the coming 12 months from the date of this report. Further information is included in Note 2.

Dividends

During the period, the Company did not pay a dividend. Preference shares held by the Group are treated as debt. The Directors do not recommend the payment of a final dividend for the period.

Donations

Charitable donations made by IRIS during the year are disclosed on page 14.

The Group made no political donations during the period (year ended 30 April 2024: £nil).

Events after the Reporting Date

In May 2025, IRIS announced it had made a strategic minority investment of $5.0 million in Instead, an AI-powered tax platform helping accountants automate tax preparation and shift their focus from compliance to strategic advisory. By streamlining routine tasks and providing the tools to deliver deeper insights, Instead frees up time for firms to offer higher-value services. This significant minority investment marks a major step in our commitment to transforming the business of accountancy through intelligent automation, while also enabling Instead to accelerate product development and expand its sales and marketing capabilities.

In June 2025, the Group listed its PIK debt on The International Stock Exchange ("TISE").

In July 2025, the Group disposed of its minority investment in US based business HubSync for $2.0 million. HubSync was acquired as part of the acquisition of Practice Engine in 2019.

Directors

The Directors of the Group who served throughout the period, and up to the date of signing, unless stated, were as follows:

Anastasios Malezis (appointed 30 April 2024)
Jason Dies (appointed 14 July 2025)
Elona Mortimer-Zhika (appointed 30 April 2024 and resigned 20 December 2024)
Michael Cox (appointed 30 April 2024)
David Lockie (appointed 30 April 2024 and resigned 31 May 2025)
David Packford (appointed 30 April 2024)
Christopher Jurasek (appointed 30 April 2024)
James Carr (appointed 2 May 2025)
Nicholas Humphries (appointed 30 April 2024 and resigned 30 September 2025)
Richard Pan (appointed 30 September 2025)
Joseph Jefferies (appointed 30 April 2024)
Usama Cortas (appointed 30 April 2024)
Tommy Yin (appointed 30 April 2024)
Daniel Simon (appointed 30 April 2024)

Directors' roles on the Board of the IRIS Software Group were as follows:

Executive Directors	
Jason Dies **Chief Executive Officer** **Appointed 14 July 2025** ***Industry experience: 30+ years***	Jason Dies is CEO of IRIS Software Group, bringing over 30 years of global leadership experience across large complex technology and services businesses. He joined IRIS in July 2025 to lead the company's next phase of international growth, delivering innovation and long-term value for our customers worldwide. Before joining IRIS, Jason served as Interim CEO of Pitney Bowes, a $3.3B global technology, logistics and financial services company, where he delivered significant financial improvements, rebuilt stakeholder confidence, and simplified the organisation to unlock greater value. Prior to that, Jason was President and EVP of Sending Technology Solutions, leading a $1.3B business unit and launching new digital growth initiatives that added over $200M in annual revenue. Jason began his career at IBM, where he spent nearly 20 years in senior roles across services, hardware, marketing, and global operations, managing a billion-dollar portfolio and leading teams around the world. Jason graduated from Cornell University with a Bachelor of Arts in Government, and holds a Masters of Arts in Political Science from the University of Pennsylvania.
Gus (Anastasios) Malezis **Non-Executive Chairman** **Appointed 30 April 2024** ***Industry experience: 30+ years***	Gus Malezis serves as Chair at IRIS Software Group and also held the role of Interim Chief Executive Officer between December 2024 and July 2025, bringing more than 30 years of executive leadership and product innovation with discipline and focus on profitable growth. Gus most recently led Imprivata as President and Chief Executive Officer, restoring the business to profitability and record growth, with strategic customer relationships, and implemented a vision of Digital Identity. Prior to Imprivata, Gus was the President of Tripwire, a leading global provider of endpoint detection and

	response, security and compliance solutions. His track record of performance extends also to leading technology and security companies such as mCircle, McAfee, 3Com and Merisel. Gus combines extensive knowledge of global markets including North America, Europe, and Asia with strong technical knowledge and a passion for enabling customer success in the rapidly changing IT marketplace. He has extensive background and expertise across various enterprise-focused sectors including CyberSecurity, SaaS, mobile platforms, software, hardware and network systems.
Elona Mortimer-Zhika ***Chief Executive Officer*** ***Appointed 30 April 2024; resigned 20 December 2024*** ***Industry experience: 20+ years***	Elona served as the Chief Executive Officer of IRIS Software Group and all of its subsidiaries until December 2024. Elona joined IRIS in 2016 as Chief Financial Officer and was promoted to Chief Operating Officer in 2018, and then Chief Executive Officer in 2019.
Michael Cox ***Chief Financial Officer*** ***Appointed 30 April 2024*** ***Industry experience: 20+ years***	Michael is Chief Finance Officer at IRIS, having originally joined the business in 2016 heading the financial planning and commercial team. Prior to joining IRIS, Michael held senior leadership roles across both Operational and Commercial Finance at Xura, a PE-backed leading digital communications services provider. During this time, he led international teams and helped take the business through two transformative sale processes under both PE- and US-listed environments. His most recent role was Vice Pres dent Corporate Finance. Michael is a Chartered Accountant, having begun his career at PwC focused on technology and software clients before moving into industry.
David Lockie ***Chief Operating Officer*** ***Appointed 30 April 2024; resigned 31 May 2025*** ***Industry experience: 23+ years***	David Lockie served as the Chief Operating Officer during the year, being responsible for a wide range of functions, including Revenue, Customer Success, Systems Transformation and M&A Integration. He joined IRIS in 2018 as Chief Customer Officer.

Non-Executive Directors	
David Packford ***Appointed 30 April 2024***	David is a Chartered Accountant and has been a Non-Executive Director at IRIS since October 2012. David is also a Non-Executive Director of Marston Holdings. David has a BA in Economics from the University of Liverpool and an MSc in Mathematical Economics from the London School of Economics and Political Science.
Jim Carr **Appointed 2 May 2025**	Jim Carr is an Advisory Board Member and the Audit committee Chair for IRIS. He brings over 25 years of industry experience leading successful teams within both public and private companies. Jim's responsibilities at IRIS include providing independent oversight and strategic guidance, serving as Audit Committee Chair, and supporting and participating in company-wide initiatives to help drive efficiency and scale for growth. Prior to joining IRIS, Jim held leadership roles within several prominent technology companies. Most recently, Jim served as CFO for GradientAI. While at GradientAI, he oversaw accounting, finance and tax. Jim has also held senior leadership positions at Imprivata, PlumChoice, Akamai, CA Technologies, and Oracle. Jim holds a Master of Science degree in Finance from Bentley University and a Bachelor's degree in Business Administration from Saint Michael's College in Vermont.
Chris Jurasek ***Appointed 30 April 2024***	Chris Jurasek, Non-Executive Director at IRIS Software Group, is an American investor and business executive. Over the past decade, Chris has served as Operating Executive with Clearlake Capital, holding multiple President, CEO and board member roles, including at technology firm EagleView, where he was appointed Executive Chairman last May following three years as CEO. Prior to that, Chris was President and CEO for Calero Software, creating a leader in the Telecom Expense Management industry, having previously transformed the way consumers buy private aviation as President of JetSmarter. Earlier in his career, Chris held executive leadership roles at TE Connectivity, ADC Telecommunications, and Rexnord Corporation. Chris earned an MBA at Northwestern University at the Kellogg School of Management and holds a BSBA from Bowling Green State University.
Nic Humphries ***Appointed 19 March 2024, resigned 30 September 2025***	Nic is a Non-Executive Director of IRIS and led the original buyout of the business by Hg in 2004. Nic is the Senior Partner and Executive Chairman of Hg and Head of the Saturn fund. He has ultimate responsibility for Hg's strategy, management and governance. Nic started his investing career in 1990. He joined Hg in 2001 as founder of the firm's Technology Team. From 1990-2001 he was a director at Barclays Private Equity (now Equistone), Geocapital and

	3i plc. He holds a first class degree in Electronic Engineering and was a IEEE and National Engineering Council scholar.
Richard Pan ***Appointed 30 September 2025***	Richard is a Non-Executive Director of IRIS. He joined Hg in 2019 and focuses on large-cap investments in the software and services space. Prior to joining Hg, he was part of the investment banking team at Credit Suisse. Richard holds a BSc in Economics from University College London (UCL).
Joe Jefferies ***Appointed 19 March 2024***	Joe is a Non-Executive Director of IRIS. He is a Partner at Hg focused on large-cap investments in the Saturn fund. Joe joined Hg in 2020 after more than seven years in private equity at Montagu and Three Hills Capital Partners, and before this started his career at J.P. Morgan in investment banking. Joe holds a BA in Economics & Management from the University of Oxford.
Usama Cortas ***Appointed 30 April 2024***	Usama is a Non-Executive Director of IRIS. He is a Partner at LGP, leading investments in the Software and Business Services space. Usama joined LGP in 2003 and started his career at Morgan Stanley in Investment Banking. He holds a BA in Economics-Political Science from Columbia University.
Tommy Yin ***Appointed 30 April 2024***	Tommy is a Non-Executive Director of IRIS. He is a Principal at LGP, focused on making investments in the software and services space. Tommy joined LGP in 2015 and started his career at Bain Capital. He holds a BS in Economics from University of Pennsylvania.
Dan Simon ***Appointed 30 April 2024***	Dan is a Non-Executive Director of IRIS. He joined ICG in 2018 and is part of ICG's UK investment team. Prior to joining ICG, he worked in turnaround investing and at PwC within their financial and operational restructuring team. Dan is a Chartered Accountant and holds a BA in History & Economics from the University of Oxford.

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of certain of its Directors and these remain in force at the date of this report.

Risk Management

IRIS provides mission-critical software and services to its customers. As the business continues to grow, both organically and inorganically and through expansion into more territories, the business and risk environment become more complex. It is therefore vital that IRIS effectively identifies, evaluates, manages and mitigates the risks, and that it continues to evolve the strategic approach to risk management.

For details of IRIS' principal risks and uncertainties, and how it manages its risk environment, please see pages 19 to 21.

Employees

Our employees are our most valuable asset and we recognise the importance they play in our success. We therefore need to ensure we are supporting and managing our employees' careers, offering opportunities for learning and development and recognising success – both internally and externally. Common values inform and guide internal behaviour so we can achieve our goals in the right way. We encourage recognition of every success with an emphasis on teamwork, individual contribution, inclusion and diversity. Our Company Values are included on page 4.

We have a committed and skilled workforce and our reward strategy aims to reinforce the link between employee performance and business performance. In addition to a competitive basic salary, total reward may include variable pay elements such as bonuses, commission, recognition awards and employee share schemes. We listen to feedback on the benefits we offer and continue to enhance flexible benefit schemes which gives UK employees the opportunity to choose appropriate benefits to suit their lifestyles, whilst still ensuring a core benefit package that supports our duty of care to employees.

Employee Consultation

We place considerable value on the involvement of our employees, and we continue to keep them informed on matters affecting them as employees, as well as on the various factors affecting the performance of the wider business. This is achieved through formal and informal channels, including monthly 'all hands' meetings, the IRIS Group's intranet site and the CEO's weekly blog. We continue to gain employee feedback through monthly Peakon surveys, allowing us to understand how employees are feeling. Since we launched these monthly surveys in December 2020, we've had an aggregated participation rate of 88%.

Learning and Development

The education and development of our employees remain a priority. Employee development is encouraged through a dedicated Learning and Development function as well as through informal Lunch and Learn sessions run in various departments.

We have further developed our learning and development offering, enhancing opportunities for our employees and offering more courses for our people. Many courses are delivered virtually, which makes them accessible to all employees, however, there are some programmes which are specifically run as face-to-face sessions, such as some of our leadership courses. As well as our standard offering of courses, we regularly launch new courses for our employees to participate in.

With the intent of attracting, recruiting, developing and retaining key employees, we maintain a number of policies and procedures, such as an Equal Opportunities Policy.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a current employee becoming disabled, every effort is made to ensure their employment with the Group continues and appropriate training is arranged. It is the policy of the IRIS Group that the training, career development and promotion of disabled employees should, be identical to that of other employees as far as possible, unless they require reasonable workplace adjustments to support them

Environmental, Social and Governance (ESG)

We are focussed on minimising our environmental impact; engaging with local communities and ensuring we run our business in an ethical, secure and compliant way.

For further details on ESG and how we interact with communities and the environment, please see page 14.

Streamlined Energy and Carbon Reporting (SECR)

Greenhouse Gas Emissions (GHG) and Energy Consumption

Our office spaces

Since the last reporting period, IRIS has taken significant steps to reduce energy consumption by accelerating its programme of office closures and space consolidation.

Key locations in Manchester, Heathrow and Leeds have been fitted with motion-sensor lighting to cut down on unnecessary electricity usage. To build on this, we plan to install real-time energy monitoring systems to track peak usage times. These insights will help shape targeted initiatives to reduce energy spikes throughout the day. These should help reduce our Scope 2 emissions per head.

We are also working closely with our landlords to gain a clearer understanding of our energy consumption patterns. This collaboration will support the development of a comprehensive action plan to reduce energy usage across our property portfolio.

Travel

IRIS provides a travel scheme, managed through Tusker, enabling employees to acquire electric or hybrid vehicles via salary sacrifice. This scheme is actively promoted through our employee benefits programme and our Green Group.

Additionally, Concur, our expense reporting system, will soon introduce enhanced reporting to break down vehicle usage by type—diesel, petrol, hybrid, and electric. While this feature won't be available for the current reporting period, it will allow us to identify key areas for promoting more sustainable travel choices once the data becomes available.

Our travel policy has also been updated to encourage employees to prioritise the most sustainable travel options. Research into car-sharing schemes is currently underway, with plans to promote these alternatives more widely. These actions should all help to reduce our Scope 3 grey fleet emissions per head.

We measure and monitor our Scope 1, 2 and 3 GHG emissions with the support of a carbon footprint consultancy, Normative. We have collated two years' worth of data and identified our key emissions sources. We are now working on our baseline and most recent trading year global carbon figures, as well as setting science-based targets and developing a carbon reduction plan to drive down our emissions.

Our GHG emissions and energy consumption for the year are summarised below, in line with our SECR reporting requirements:

		Year ended 30 April 2025			Year ended 30 April 2024		
Type of emission	**Source**	**kWh**	**tCO_2e**	**% of total**	**kWh**	**tCO_2e**	**% of total**
Scope 1	Natural Gas	37,256	7	2.82%	27,675	5	1.66%
Scope 2	Electricity	545,991	113	41.31%	644,316	133	38.75%
Scope 3	Grey Fleet	738,527	178	55.87%	990,964	240	59.59%
Total gross emissions		**1,321,775**	**298**		**1,662,955**	**379**	**100%**
Intensity metric:							
Number of employees within organisational boundary (see below)			2,000			2,042	
Tonnes of CO_2e per employee			0.15			0.19	

Quantification and Reporting Methodology

We have followed the GHG Protocol Corporate Accounting and Reporting Standard and the 2020 UK Government Environmental Reporting Guidelines. We have used the 2024 UK Government Conversion Factors for Company Reporting.

Organisational Boundary

We have used the control approach, whereby the company accounts for 100 percent of the GHG emission (and energy) over which it has control. The report is at group level and includes information of subsidiaries. However, the option has been taken to exclude energy and carbon reporting for any subsidiary which itself would not be obligated if reporting on its own, as per the reporting guidelines.

Health and Safety

We have well-developed health and safety policies and procedures, safeguarding employees, contractors and visitors in compliance with applicable registration and practice. Mental health continues to be a key focus for IRIS and our main priority is the wellbeing and safety of our colleagues. We are proud to have 29 mental health first aiders supporting our people.

Customers

Ensuring customers are provided the best quality products and services is fundamental to our strategy. We are constantly looking to develop products to ensure they are in line with the latest regulation and meet customers evolving needs. Customer service is key to success, and a key metric measured in our annual performance. For further details on how we work with customers, please see page 5.

Suppliers

We have an established procurement framework and have policies in place for supplier selection, onboarding and ongoing management. This includes completion of due diligence activities prior to engaging with suppliers, as well as monitoring compliance with regulatory requirements, such as modern slavery and Corporate Criminal Offence, on a periodic basis. At the point of onboarding, suppliers are assigned a risk rating and are managed accordingly. Suppliers are subject to rescreening. The frequency of rescreening activities is driven by the supplier's risk rating.

Investors

The IRIS Board is committed to openly engaging with investors. For more information on our investors, please see page 2.

Corporate Governance

The Board discharges its responsibilities by providing effective leadership within a framework of prudent and manageable controls, which enables risk to be assessed at an early stage and proactively managed. During the period, the Board set the Group's strategic aims, ensured that the necessary financial and human resources were in place for the Group to meet its business commitments and regularly monitored management's performance.

During the period the Board of the Group had adopted a schedule of matters, which are specifically reserved for its decision. Such matters included, but were not limited to:

- final approval of the annual budget and strategic plan;
- major acquisitions and disposals;
- material contracts; and
- any changes to the Group's financing arrangements.

The Board has also adopted a framework of delegated commercial and operational authorities which define the scope of the executive officers' powers and those of subsidiary management.

The Group's Board of Directors' intention is to convene at least six times a year at formal Board meetings, however, has met more often in recent years and a total of 10 times during the current financial period.

Our overriding objective is to maximise long-term shareholder value whilst exceeding the needs of customers and employees. The Board has overall responsibility for the Group's approach to assessing risk and the systems of internal control and for monitoring their effectiveness in providing its ultimate stakeholders with a return that is consistent with a responsible assessment and mitigation of risks. This includes reviewing financial, operational and compliance controls and risk management procedures. The role of Executive Management is to implement the Board's policies on risk and control and present assurance on compliance with these policies. All employees are accountable for operating within these policies.

The Group has an Audit and Risk Committee, which consists of members of the Group's Board, including a Non-Executive Chairman, David Packford (see biography on page 27). The Audit and Risk Committee meets regularly with the external Auditors to review audit planning, audit and non-audit fees and the results of the Group's audit and financial statements prior to finalisation. The Audit and Risk Committee is also responsible for the appointment of the Auditors. The Audit and Risk Committee also meets the Group's Internal Auditors to review and approve the internal audit plan and the results of internal audits performed throughout the financial period under review. The Audit and Risk Committee also receive regular updates on risk from management.

The Board have chosen not to formally apply a specific corporate governance code, such as the UK Corporate Governance Code or the Wates Corporate Governance Principles for Large Private Companies. As a privately held company with a concentrated ownership structure, we have fewer external shareholders or stakeholders compared to a publicly listed company. As a result, many of the formal governance provisions found in external codes, which are designed to protect diverse shareholder interests, are not directly applicable to the Group.

Statement of Directors' Responsibilities in respect of the financial statements

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

Companies (Jersey) Law 1991 requires the Directors to prepare consolidated financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the profit or loss for that period.

Under that law the directors have prepared the group and the company financial statements in accordance with EU-adopted international accounting standards.

Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable EU-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with Companies (Jersey) Law 1991.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Compliance with Walker Guidelines

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

Auditors' limited liability agreement

The directors have agreed with the group's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the group's financial statements for the year to 30 April 2025 should be limited to the greater of £5m or 5 times the auditors' fees, and that in any event the auditors' liability for damages should be limited to that part of any loss suffered by the group as is just and equitable having regard to the extent to which the auditors, the group and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 12 March 2025.

Approved by the Board and signed on its behalf by:

Michael Cox
Chief Financial Officer
17 October 2025

Independent auditors' report to the members of Elements Topco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Elements Topco Limited's group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2025 and of its loss and cash flows for the period from 19 March 2024 to 30 April 2025;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet as at 30 April 2025; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statements of Changes in Equity for the period then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Independent auditors’ report to the members of Elements Topco Limited

Report on the audit of the financial statements

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 30 April 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors’ responsibilities for the audit of the financial statements

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

Independent auditors' report to the members of Elements Topco Limited

Report on the audit of the financial statements

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies (Jersey) Law 1991, Companies Act 2006, employment law, UK tax legislation and Data Protection Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to increasing profit by posting inappropriate journal entries to increase revenue and/or reduce expenses included within EBITDA and applying management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries with the management, including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our audit testing;
- Identifying and testing a sample of journal entries, in particular any journal entries posted with unusual account combinations that could increase profit and/or reduce expenses included within EBTIDA; and
- Assessing management estimates for any bias or inconsistency.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Elements Topco Limited

Report on the audit of the financial statements

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Gareth Murfitt
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
17 October 2025

Consolidated Income Statement
for the Period ended 30 April 2025

	Note	Period ended 30 April 2025 £'000
Revenue	4	422,753
Interest income on client funds	15.1	6,213
Cost of sales		(39,936)
Gross profit		**389,030**
Administrative expenses		(397,220)
Operating loss	6	**(8,190)**
Finance income	7	13,220
Finance costs	8	(438,256)
Loss before tax		**(433,226)**
Income tax credit	9	38,314
Loss for the period		**(394,913)**
Attributable to:		
Equity holders of the parent		(395,772)
Non-controlling interests	32	860
		(394,913)

		2025 £'000
Management Revenue	33	**446,687**
Management EBITDA	33	**198,946**

These are non GAAP measures as defined in note 33

Consolidated Statement of Comprehensive Income
for the Period ended 30 April 2025

	Note	Period ended 30 April 2025 £'000
Loss for the period		**(394,913)**
Other comprehensive income		
Items that will be reclassified to profit or loss:		
Exchange differences on translation of foreign operations		(2,480)
Total other comprehensive expense		**(2,480)**
Total comprehensive expense for the period		**(397,393)**
Attributable to:		
Equity holders of the parent		(397,926)
Non-controlling interests	32	533
		(397,393)

Consolidated Balance Sheet
As at 30 April 2025

	Note	2025 £'000
Assets		
Non-current assets		
Intangible assets	10	4,234,064
Property, plant and equipment	11	3,568
Contract assets	4.1	18,426
Right-of-use assets	12	9,224
		4,265,282
Current assets		
Inventories		326
Trade and other receivables	14	59,843
Corporation tax		4,842
Contract assets	4.1	9,300
Cash and cash equivalents	15	303,884
		378,195
Total assets		**4,643,477**
Current liabilities		
Client obligations	15	198,021
Trade and other payables	16	32,550
Corporation tax		5,859
Lease liabilities	18.4	3,173
Contract liabilities	4.1	114,468
Accruals	22	34,127
Provisions	19	-
		388,198
Non-current liabilities		
Financial Instruments	18.3	14,830
Borrowings	20	4,324,556
Lease liabilities	18.4	8,084
Deferred tax	17	293,508
Provisions	19	2,472
		4,643,450
Total liabilities		**5,031,648**
Net liabilities		**(388,171)**
Equity		
Called up share capital	23	94
Share premium	23	873
Foreign exchange translation reserve		(2,480)
Accumulated losses		(390,866)
Equity attributable to owners of the parent		(392,378)
Non-controlling interests	32	4,208
Total equity		**(388,170)**

The directors acknowledge their responsibilities for complying with the requirements of Companies (Jersey) Law 1991 with respect to accounting records and the preparation of financial statements

The consolidated financial statements on pages 38 to 69 of Elements Topco Limited (registered number 153457, company number FC041660) were approved by the Board of Directors and authorised for issue on 17 October 2025. They were signed on its behalf by:

M Cox
Director

Consolidated Cash Flow Statement
for the Period ended 30 April 2025

	Note	Period ended 30 April 2025 £'000
Operating activities		
Loss before tax		(433,226)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and loss on disposal of property, plant and equipment		1,304
Depreciation and profit/loss on right-of-use assets disposed on lease termination		3,302
Amortisation of acquired intangibles	10	127,158
Amortisation of other intangible assets	10	962
Amortisation of borrowing costs	20	4,309
Share based payments	26	4,906
Finance income	7	(13,220)
Finance costs	8	438,256
Foreign currency losses		548
Working capital adjustments:		
Decrease in inventories		103
Decrease in trade and other receivables		5,382
Decrease in accruals and contract liabilities		(2,204)
Increase in client obligations		7,512
Decrease in trade and other payables		(4,274)
Increase in provisions		(4,157)
Cash generated from underlying operations		**136,661**
Income tax paid		(4,832)
Net cash flows generated from operating activities		**131,829**
Investing activities		
Acquisition of subsidiaries, net of cash acquired		(3,713,452)
Purchase of property, plant and equipment	11	(937)
Proceeds from disposal of property, plant and equipment		1,179
Development expenditure	10	(22,725)
Interest received		13,220
Net cash flows used in investing activities		**(3,722,715)**
Financing activities		
Interest paid		(125,674)
Borrowings acquired from acquisitions	24	1,427,811
Proceeds from new borrowings	20	4,046,127
Repayment of borrowings	24	(1,427,811)
Purchase of right of use assets	12	(1,214)
Proceeds from issue of share capital	2.27	967
Repayment of capital on lease liabilities		(903)
Net cash flows used in financing activities		**3,919,303**
Net increase in cash and cash equivalents		**328,417**
Cash and cash equivalents at beginning of period	15	-
Effects of exchange rate changes on cash and cash equivalents		(24,533)
Cash and cash equivalents at end of period		**303,884**

Changes in liabilities arising from Financing activities	**At start of the period £'000**	**Cash flow £'000**	**Non cash flow £'000**	**At 30 April 2025 £'000**
Bank Loans	-	950,000	-	950,000
PIK Debt	-	450,000	61,127	511,127
Preference Shares	-	1,870,142	224,372	2,094,514
Acquisition Facility	-	810,000	(11,377)	798,623
Lease liabilities	-	(903)	12,160	11,257
	-	**4,079,239**	**286,282**	**4,365,521**

Non-cash flows for the current period relate to interest, amortisation of borrowing costs, foreign exchange gains and losses, revaluation of derivative financial instruments and the impact of acquisitions.

Consolidated Statement of Changes in Equity
for the Period ended 30 April 2025

	Called up Share capital	Share Premium	Foreign exchange translation reserve	Accumulated losses	Total Equity attributable to equity holders of the Company	Non-Controlling Interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 19 March 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(Loss) / profit for the period	-	-	-	(395,772)	(395,772)	860	(394,912)
Other comprehensive expense	-	-	(2,480)	-	(2,480)	(327)	(2,807)
Total comprehensive (expense)/income for the period	**-**	**-**	**(2,480)**	**(395,772)**	**(398,252)**	**533**	**(397,719)**
Transactions with owners in their capacity as owners:							
Arising on acquisition	-	-	-	-	-	3,675	3,675
Share based payments (Note 27)	-	-	-	4,906	4,906	-	4,906
Issue of Share Capital	94	873	-	-	967	-	967
	94	**873**	**-**	**4,906**	**5,874**	**3,675**	**9,549**
At 30 April 2025	**94**	**873**	**(2,480)**	**(390,866)**	**(392,378)**	**4,208**	**(388,170)**

Notes to the Financial Statements
for the Period ended 30 April 2025

1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS AS ADOPTED IN THE EUROPEAN UNION

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union and the requirements of the Companies (Jersey) Law 1991. These are the first financial statements for the Company and represent the period from the incorporation date of 19 March 2024 to the period end of 30 April 2025.

The consolidated financial statements for the period ended 30 April 2025 were approved and authorised for issue by the Board of Directors on 17 October 2025.

The largest and smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member is Elements Topco Limited and copies of these financial statements are available to the public at the Company's registered office set out below. The smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member is of Elements Finco Limited and copies of these financial statements are available to the public at the Company's registered office set out below.

The Company is a private company limited by shares and is registered and incorporated in Jersey. The registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX.

The Company is the parent of the IRIS Group ("IRIS"). IRIS provides software solutions and services for finance, HR and payroll teams, educational organisations and accountancy firms that helps them comply with regulations, drive productivity and better engage with key stakeholders.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied consistently to all periods presented, unless otherwise stated, in the preparation of these consolidated financial statements are summarised below.

2.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except where International Financial Reporting Standards as adopted in the European Union requires an alternative treatment. The principal variations from the historical cost convention relate to derivative financial instruments which are measured at fair value through profit and loss and fair value acquisition accounting.

As per the exemptions available under clause 105 (11) of Companies (Jersey) Law 1991, the directors have not prepared separate accounts for Elements Topco Limited, given it is a holding company and consolidated accounts for the company are prepared.

2.2 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 30 April each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the date the Company gains control unless this date is within sufficient proximity to the Period end to result in an immaterial impact to the financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. An applicable share of total comprehensive income is attributed to non-controlling interests.

2.3 Adoption of accounting standards

The following new standards and amendments to IFRS Accounting Standards as adopted in the European Union issued by the International Accounting Standards Board (IASB), which are mandatorily effective for accounting periods beginning on or after 1 January 2024, have been applied for the first time in the financial statements for the Period ending 30 April 2025. Their adoption has not had a material impact on the disclosures or on the amounts reported in these financial statements

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

These amendments primarily clarify classification requirements, enhance transparency around supplier financing, and address tax implications of global reforms.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised accounting standards and interpretations that have been published but are not yet effective and in some cases not adopted:

- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)

Management has performed a preliminary impact assessment of the these standards and do not expect that they will have a material impact on the Company or the Group in the current or future reporting periods and on foreseeable future transactions.

2.4 Going concern

In assessing whether Elements Topco is a going concern, management consider the IRIS Group. The Group has very strong liquidity with £105.9 million of cash excluding client funds as at t reporting date (note 15). Following the Sale Transaction on 30 April 2024, the IRIS Group has no debt repayable until 2031 and continues to have significant headroom in its only financial covenant test. This, coupled with highly recurring and cash generative nature of the business model, mean the Group is very stable from a profit and cash perspective. Board approved forecasts are used as the basis for the going concern assessment, to which severe but plausible downside scenarios are then applied. Management have considered every plausible scenario and do not foresee any of them causing this covenant test to fail.

In assessing going concern, management have considered the IRIS Group's budget for the Period ended 30 April 2026, as well as on longer term forecasts and growth rates. The strong liquidity position coupled with the recurring and highly cash generative nature of the business model, mean the Group is very stable from an operating profit perspective.

The IRIS Group had Net cash flows generated from operating activities of £131.8 million for the Period ended 30 April 2025 and operating profit (before amortisation and depreciation) of £124.8 million.

The Directors confirm that they have no intention to liquidate the Company in the 12 months following the date that the financial statements were signed.

The Directors are satisfied that the Company and the IRIS Group have sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the consolidated financial statements have been prepared on the going concern basis and in accordance with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS as adopted in the European Union.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. On all of the acquisitions in the period, the best estimate at the acquisition date of contractual cash flows within trade receivables acquired that are not expected to be collected was £nil. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financ instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to Other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Goodwill recognised on the acquisition relates primarily to the expected synergies from combining the operations of the acquiree and the acquirer, anticipated revenue growth, future market development, and the assembled workforce of the acquiree. All of goodwill that is expected to be deductible for tax purposes.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The Group conducts annual impairment tests on the carrying value of goodwill, the recoverable amount is determined from a combination of value-in-use calculations and observable relevant market transactions. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) which for the Group results in there being three cash generating units: the Core IRIS businesses (business acquired in April 2024 plus integrated acquisitions to date), North America and Dext (Busine acquired in December 2024 that remains stand alone withing the group).

The key assumptions in the value-in-use calculations are the discount rate applied, revenue growth, the long-term operating margin (EBITDA) and the long-term growth rate of net operating cash flows. In all cases, the approved budget for the following financial year forms the basis for the cash flow projections. The approved cash flow projections in the four financial years following the budget year reflected management’s expectations of the medium-term operating performance of the business and growth prospects in the market.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Deferred consideration

Deferred consideration arises when settlement of all or part of the cost of a business combination falls due after the date the acquisition was completed.

Where the payment of deferred consideration is not contingent upon continuing employment of the vendors by the Group, deferred consideration is stated at the fair value of the total consideration outstanding. In these cases all deferred consideration has been treated as part of the cost of investment. At each balance sheet date deferred consideration comprises the fair value of the remaining deferred consideration valued at acquisition.

Where the payment of deferred consideration is contingent upon the continuing employment of vendors by the Group, it is treated as a remuneration expense and accounted for as an employment benefit under IAS 19. A charge is made through the Consolidated Income Statement as a cost of employment. The cost associated with each payment is accrued over the period it is earned. At each balance sheet date the contingent deferred consideration balance comprises the accrual for unsettled remuneration which has been expensed to the balance sheet date.

2.7 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 Fair value measurement

The Group measures some financial instruments, such as derivatives, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 19.2.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivatives, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per its accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares each change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Group's review includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.9 IFRS 9 Expected Credit Loss

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered.

2.10 IFRS 15 Revenue from Contracts with Customers

In recognising revenue under IFRS 15, Management have followed the five step model and considered identification of the contract with a customer; identification of performance obligations of each contract; transaction price; allocation of transaction price to performance obligation and recognition of revenue at the point the performance obligation has been satisfied.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

2.11 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue represents invoiced software licence fee income, support and maintenance income and services income.

• Subscription income which is billed annually up front is deferred at the date of invoicing and released to the profit and loss account over time across the duration of the contract. The balan of subscription income and SaaS revenues not released to the profit and loss account is carried in the balance sheet within contract liabilities. Subscription and cloud based Software as a Service (SaaS) income which is billed monthly is recognised over time in the month the service is provided.

• Support and maintenance income is deferred at the date of invoicing and released to the profit and loss account over time across the duration of the maintenance contract. The balance of maintenance income not released to the profit and loss account is carried in the balance sheet within contract liabilities.

• Transactional and Payment revenue is recognised at a point in time on fulfilment of the service.

• Professional services income is recognised at a point in time in the month the services are performed. Training and implementation revenue is recognised at a point in time when delivered, or by reference to the stage of completion of the transaction at the end of the reporting period. This assessment is made by comparing the proportion of contract costs incurred to date to the total expected costs to completion.

• Managed services income, principally comprising managed payroll services, is recognised at a point in time in the month the services are performed.

• Perpetual and on premise term licence fee income is recognised at a point in time on delivery of the licence and the issue of authorisation codes to activate the software. Where legislative updates are required to on-premise software in order to remain functional, the Group recognises revenue from that software over the period of the license.

When a sale involves multiple performance obligations, such as a combination of services, the performance obligations are evaluated and revenue allocated amongst these performance obligations in a manner that reflects the consideration the Group expects to be entitled to based on standalone selling prices (SSP). SSP is estimated for each distinct performance obligation. Revenue is recognised when the revenue recognition criteria for each performance obligation is met. There is no element of variable consideration or non-cash consideration included within the transaction price. Also, no adjustment required on the transaction price for the effects of the time value of money because payments terms are less than 12 months.

The Group measures refunds/returns are measured at the original transaction price and has no other obligations to customers other than those reflected in deferred revenue.

2.12 Cost of sales and administration expenses

Cost of sales includes items such as third-party subcontractors, customer hosting costs, transaction and credit card fees, and the cost of hardware. These also include the third-party costs of providing training and professional services to customers. All other operating expenses, including acquisition related expenses, are recorded in administrative expenses.

2.13 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.13 Taxes (continued)

Judgements and estimates

Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, provision is made for the amount that is expected to be settled, where this can be reasonably estimated. Provisions for uncertain income tax positions/treatments are measured at the most likely amount or the expected value, whichever method is more appropriate. Generally, uncertain tax treatments are assessed on an individual basis, except where they are expected to be settled collectively. It is assumed that taxing authorities will examine positions taken if they have the right to do so and that they have full knowledge of the relevant information. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. Judgements mainly relate to transfer pricing including inter-company financing and expenditure deductible for tax purposes.

Taxation information, including charges and deferred tax assets and liabilities, are presented in Notes 9 and 18.

2.14 Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Sterling, which is the functional currency of the parent company.

Transactions and balances

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary items are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in Other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other comprehensive income.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into sterling at the rate of exchange prevailing at the reporting date and their income statements are translated at the average rates of exchange during the period. The exchange differences arising on translation for consolidation are recognised in Other comprehensive income. On disposal of a foreign operation, the component of Other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by (for final dividends) or paid to (for interim dividends) the Company's shareholders.

2.16 Intangible assets

Intangible assets arising on business combinations are stated at fair value at date of acquisition less accumulated amortisation and impairment losses.
Amortisation is charged to the Income statement on a straight-line basis over their estimated useful lives as follows:

Brand	10 years
Development expenditure	5 years
Intellectual property rights	5 to 12 years
Customer relationships	7 to 21 years

Research & development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

• The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
• Its intention to complete and its ability to use or sell the asset;
• How the asset will generate future economic benefits;
• The availability of resources to complete the asset;
• The ability to measure reliably the expenditure during development; and
• The ability to use the intangible asset generated

Where the Directors are satisfied as to the technical, commercial and financial viability of individual projects, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. Amortisation relates to the period in which future cash flows are expected to arise which is expected to be five years.

2.17 Property, plant and equipment

Property, plant and equipment is stated at cost net of depreciation and any provision for impairment. Depreciation is provided on a straight line basis at the following annual rates in order to write off the cost less residual value of each category of asset over its estimated useful life as follows:

Freehold land	nil
Freehold buildings	2.7%
Leasehold improvements	the lower of 20% and the period of the leasehold
Computer equipment	10% to 33%
Fixtures and fittings	10% to 20%

2.18 The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
• fixed lease payments, less any lease incentives;
• variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

2.19 Investments

Fixed asset investments are stated at cost less provision for impairment.

2.20 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) which for the Group results in there being two cash generating units: the Core IRIS businesses (business acquired in April plus integrated acquisitions to date), North America, which following significant growth in recent years is viewed as a standalone CGU and Dext that reamins as a standalone operation within the group.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Income Statement.

2.21 Inventories

Inventories are valued at the lower of cost and net realisable value after making allowances for slow moving or obsolete items.

Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost is calculated using the first-in-first-out method.

2.22 Contract Assets

Contract assets represent the Company's right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are recognized when the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

- The Company recognizes contract assets primarily in the following circumstances:
- Software development services performed under fixed-price contracts where revenue is recognized over time but billing milestones have not yet been achieved
- Delivered software licenses where payment is contingent upon future performance obligations being satisfied

Professional services rendered where invoicing is dependent on customer acceptance or other contractual conditions

Contract assets are initially measured at the amount of consideration to which the Company expects to be entitled in exchange for the goods or services transferred to the customer, excluding amounts collected on behalf of third parties.

Contract assets are subsequently measured at amortized cost, subject to impairment assessment. The Company assesses contract assets for impairment in accordance with IFRS 9 Financial Instruments using the expected credit loss model.

Impairment losses are recognized in profit or loss and presented as a separate line item or disclosed in the notes to the financial statements.

2.23 Financial instruments

Financial assets and liabilities are recognised in the Consolidated Balance Sheet when the Group becomes a party to the contractual provision of the instrument.

Financial assets are unrecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is unrecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Trade receivables from contracts with customers

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional less provision for impairment. Because of their short term nature the carrying amount of trade receivables approximates to their fair value.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered.

Cash and cash equivalents

For the purpose of preparation of the Consolidated Cash Flow Statement and the Consolidated Balance Sheet, cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of a subsidiary’s cash management are included in cash and cash equivalents where they have a legal right of set-off and there is an intention to settle net, against positive cash balances, otherwise bank overdrafts are classified as borrowings.

Interest expense is recognised within Financing Activities on the Consolidated Cash Flow Statement. Interest receivable is recognised within Investing Activities.

The Group also provides certain customers with a managed payroll service whereby the Group receives funds from customers and holds these funds for a period of time before using them to pay the payroll amounts and associated payroll taxes due to those customers' employees and HMRC. The entity has the right to control these funds which are reported as 'Restricted cash - client funds' on the Consolidated Balance Sheet, with a corresponding liability presented as 'Client obligations'. The Group earns interest on the invested funds with this interest being reported in Interest income on customer balances/client monies.

Trade payables

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of borrowing on an effective interest basis.

Derivative financial instruments

All derivatives are initially recognised at fair value, and are subsequently remeasured at fair value, through the Income Statement. The Group does not hold or issue derivative financial instruments for trading purposes.

Where deemed significant, fair values are adjusted to reflect the impact of our credit risk for the derivatives that are in a liability position and counterparty credit risk for the derivatives that are in an asset position.

2.24 Borrowing costs

Where borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale they are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.25 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions for dilapidations

Provisions for dilapidations in respect of property leases are recognised when the property lease contracts are entered into. Initial recognition is based on the obligations within the contracts to return the properties to their original state on conclusion of the lease terms. The initial estimate of dilapidation costs is revised annually.

2.26 Post-employment benefits

The Group operates a personal defined contribution pension scheme which is open to all employees. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions payable to the scheme in respect of the period are recognised as an operating cost in the income statement.

2.27 Management Exceptional Items (non GAAP measure)

Management exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Group's underlying trading performance.

2.28 Share based payments

The IRIS Group gives senior management, who are employed by a subsidiary company, the opportunity to acquire shares in the ultimate parent company at market value. These shares, which are administered by Ocorian Limited, following the completion of the takeover of Estera Trust (Jersey) Limited, cannot be traded and must be sold back to the IRIS Group when employment ceases. The shares are only redeemed on sale of the Group. The fair value of the shares is measured at the issue date and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

2.29 Preference Shares

The preference shares are accounted for in accordance with IAS 38. The preference shares have a fixed repayment date and are interest bearing. The preference shares are redeemable at the option of the holder. As such the preference shares are accounted for as a financial liability and included within borrowings.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS as adopted in the European Union requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Critical judgements in applying the Group's accounting policies

Capitalisation of development costs

The Group capitalises internal costs of software development, where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Judgement is required in determining whether a project is suitable for capitalisation and in determining the useful economic life (note 10).

Assets relating to contracts with customers

Assets relating to contracts with customers represent commissions paid to employees which are deferred over a five year period. The five year period represents the expected length of time that the customer relationship will be retained and as such the cost is recognised over that time period.

Critical Accounting Estimates and Assumptions

Acquisition accounting

Accounting for acquisitions requires a fair value exercise to assess the assets and liabilities acquired, including any separately identifiable intangible assets. The process of determining fair values may require management to make estimates which are subjective in nature. For each acquisition an appropriate discount and royalty rates were determined, along with detailed expected future cashflows to calculate the fair value of each identified intangible asset.

Impairment - goodwill and other intangibles

IFRS as adopted in the European Union requires management to perform impairment tests to determine whether goodwill and other intangible assets are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable.

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. This reflects the greatest value of an asset in terms of the cash flows that can be derived from it, either by selling it or by continuing to use it in the business.

Impairment testing requires management to judge which is higher of fair value less costs of disposal and value in use (including the key 'value in use' assumptions such as growth rates and discount rate.)

Assessing impairment and fair value is considered to be a critical estimate that could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses. Further details are included in Note 10 "Intangible Assets".

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Trade and other receivables

There is uncertainty regarding customers who may not be able to pay as their invoices fall due. The Group applies the IFRS 9 simplified approach to measuring expected credit losses for all trade receivables and contract assets. The expected loss rates are estimated using payment profiles of sales and the corresponding historical credit losses experienced. Judgement is used b management in adjusting the expected credit loss rates to incorporate current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables (see note 14).

Uncertain tax provisions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group uses in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional adviso where appropriate. The Group recognises provisions for uncertain tax positions when the Group has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits from the Group to settle the obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate either using management's estimate of the most likely outcome where the issues are binary, or the expected value approach where the issues have a range of possible outcomes. Tax figures set out in notes 9 and 18 are stated after provisions for uncertain tax positions.

Contingent Consideration

Any deferred contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, are recognised either in the profit and loss account or in other comprehensive income, in accordance with IAS 39. Depending on the conditions of these future consideration payments, judgements are made as at the acquisition date and then subsequently updated at the balance sheet date. These include profit related consideration for which detailed forecasts are produced and the fair value of the likely payments are calculated using an appropriate discount rate.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities (primarily interest rate swaps) recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments (note 19).

4 REVENUE

Revenue reported for the period relates solely to revenue from contracts with customers, with customers typically paying in advance at the start of the contract. When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer at that time, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

Revenue is disaggregated into both groups of similar products and services that depict the nature, amount, and timing of revenue and cash flows for the Company's various offerings, and geography. The analysis of the company's revenue for the period by class of business, and geography is as follows:

Revenue analysis by class of business	**Period ended 30 April 2025 £'000**
Support & Subscription	297,055
Transactional	24,473
Managed Services	78,740
Professional Services	15,414
Licence & Other	7,071
	422,753

Revenue analysis by geography	**Period ended 30 April 2025 £'000**
United Kingdom	313,005
North America	103,727
Rest of the World	6,021
	422,753

4.1 Assets and liabilities relating to contracts with customers

Assets relating to contracts with customers represent commissions paid to employees which are amortised over a 5 year period. Contract assets increased during the year as the Group continued to pay commissions to employees, the expansion of the Group's operations following acquisitions during the period (see note 25). Accrued revenue at 30 April 2025 totalled £5,678,000 and is presented within Prepayments and accrued income. Amortisation of contract assets recognised in the Consolidated Income Statement for the period ending 30 April 2025 was £5,772,000.

	As at 30 April 2025 £'000
Non-current assets relating to contracts	18,426
Current assets relating to contracts	9,300
	27,726

Contract liabilities represent revenue received up front for contracts which are recognised over 12 months. The Group expects that substantially all of the £114,468,000 recorded as current contract liabilities at 30 April 2025 to be recognised in the next financial period ending 30 April 2026. During the financial period, substantially all of £106,049,000 contract liabilities acquired as part of the Sale Transaction was recognised as revenue in the period.

	As at 30 April 2025 £'000
Contract liabilities	114,468
	114,468

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

5 STAFF COSTS

GROUP

Employee costs (including Directors) during the period were:	Period ended 30 April 2025 £'000
Wages, salaries and bonuses	136,656
Share based payments	4,906
Social security costs	12,277
Other pension costs	4,032
	157,871

The amounts above are stated net of employee cost capitalised in respect of development of software assets in the period of £20,218,000.
The Company had no employees.
The average monthly number of employees (including Directors) of the Group during the period was as follows:

	Period ended 30 April 2025 Number
Technical	697
Administration	2,590
Sales	484
	3,771

Directors' emoluments	Period ended 30 April 2025 £'000
Salaries and bonuses	1,353
Post-employment benefits	29
Compensation on leaving office	1,075
	2,457
Number of Directors remunerated	6
Number of other Directors not remunerated but for whom a management fee is payable (See note 32)	5
Number of Directors who held shares under a long term incentive scheme	6

Three Directors accrued benefits under the Group's defined contribution pension scheme.

The highest paid Director in the period received total emoluments while serving as a director of £1,370,000 which included £11,000 of contributions to a pension scheme. The highest paid director held shares under a long-term incentive scheme.

Key management remuneration	Period ended 30 April 2025 £'000
Short-term employee benefits	4,725
Post-employment benefits	138
	4,863
Number of key management remunerated	16
Number of key management who held shares under a long term incentive scheme	16

Key management personnel comprises the Executive Committee of the IRIS Software Group, which includes three Executive Directors.

6 OPERATING PROFIT

GROUP

The operating profit is stated after charging/ (crediting):	Total Group Period ended 30 April 2025 £'000
Staff costs - *net of share based payments*	152,965
Research and development expenditure	12,054
Amortisation of intangible assets	128,120
Costs in relation to the Sale Transaction (see page 2)	24,049
Transaction related costs	12,753
Depreciation of property, plant and equipment	1,736
Depreciation of right-of-use-assets	3,174
Contingent consideration fair value adjustment	-
Share based payments	4,906
Foreign currency gains	548

Fees payable to the Group's Auditors comprise the following:	Period ended 30 April 2025 £'000
Tax advisory and compliance services	375
Transaction due diligence services	450
Other advisory	1,510
Total non-audit fees	2,335
Audit fees - for the audit of parent Company and consolidated financial statements	25
Audit fees - for the audit of subsidiary companies	750
Total fees	3,110

7 FINANCE INCOME

GROUP

	Period ended 30 April 2025 £'000
Deposit account interest	929
Unrealised gains arising on foreign exchange movements relating to the USD denominated Senior debt	12,291
Total finance income	13,220

8 FINANCE COSTS

GROUP

	Period ended 30 April 2025 £'000
Bank loan interest	130,634
PIK notes	61,532
Amortisation of loan issue costs	4,309
Unwinding of discount	121
Bank facility fees	908
Interest expense on lease liabilities	720
Preference share interest	224,807
Loss on financial instruments at fair value through profit or loss (note 19.3)	15,225
Total finance costs	438,256

9 INCOME TAX CREDIT

GROUP

	Period ended 30 April 2025 £'000
The major components of income tax credit are:	
Current income tax:	
UK tax charge for the current period	1,196
Impact of overseas income tax	4,224
	5,420
Deferred tax:	
Relating to origination and reversal of temporary differences	(43,734)
Relating to effect of change in tax rates	-
	(43,734)
Income tax credit reported in the income statement	**(38,314)**

	Period ended 30 April 2025 £'000
Loss before tax	(433,226)

The tax for the period is higher than the standard rate of corporation tax in the UK of 25%. The differences are explained below.

	Period ended 30 April 2025 £'000
Loss before tax multiplied by standard rate of corporation tax in the UK of 25%.	(108,307)
Effects of:	
Expenses non-deductible for tax purposes	69,768
Income not taxable	(1,293)
Deferred Tax on losses not recognised	1,518
Total tax credit reported in the income statement	**(38,314)**

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

10 INTANGIBLE ASSETS

GROUP	Development Expenditure	Brand	Intellectual Property	Customer Relationships	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
Arising on acquisition - The Sale Transaction	-	68,387	491,015	808,994	2,156,531	**3,524,927**
Arising on acquisition	-	21,048	166,091	84,325	544,561	**816,026**
Additions [1]	22,725	-	-	-	-	**22,725**
Effect of changes in foreign exchange rates	(6)	(274)	(1,046)	(3,845)	3,436	**(1,735)**
At 30 April 2025 [2]	22,719	89,161	656,060	889,475	2,704,529	**4,361,943**
ACCUMULATED AMORTISATION / IMPAIRMENT						
Amortisation for the period	962	7,850	52,241	67,067	-	**128,120**
Effect of changes in foreign exchange rates	(14)	(18)	(69)	(140)	-	**(241)**
At 30 April 2025	948	7,832	52,173	66,926	-	**127,879**
NET BOOK VALUE						
At 30 April 2025	**21,771**	**81,329**	**603,887**	**822,548**	**2,704,529**	**4,234,064**

1) Includes £10.5m of costs incurred in relation to the development of the Elements product.
2) Includes £13.3m in relation to assets which are in development and not yet amortised as at the balance sheet date.

The Group considers at least annually if there is a trigger to tests development expenditure, brand, intellectual property rights and customer relationships for impairment, or more frequently if there are indications that such intangible assets might be impaired.

All amortisation charges relating to continuing operations in the period have been charged through administrative expenses.

Details of acquisitions in the period are shown in note 25. During the year, goodwill was reviewed for impairment in accordance with IAS 36 "Impairment of Assets". For the purposes of this impairment review, goodwill for continuing operations has been valued on the basis of the higher of fair value and value in use (being discounted future cash flows).

The Group has one class of business being the provision of software and related services, with many customers using a number of products. Acquisitions are subsumed into the main Group over time as the product offerings become fully integrated and the Group's centralised systems and policies are fully adopted by the acquired businesses. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), which for the Group results in there being three cash generating units: the Core Integrated Businesses (primarily generated revenue in the UK), North America, which following significant growth in recent years is viewed as a standalone CGU, and Dext a business that was acquired in December 2024 and remains a stand alone company within the group. The carrying value of goodwill at the end of the period is shown below:

	2025
	£'000
Core Integrated Businesses	1,403,652
North America	814,478
Dext	486,398
	2,704,528

The IRIS Group conducts annual impairment tests on the carrying value of goodwill, the recoverable amount is determined from an assessment of the higher of fair value (including observable relevant market transactions) and value in use.

The key assumptions in the value-in-use calculations are the pre-tax adjusted discount rate applied, EBITDA forecasts and the long-term growth rate based on the Board Approved Plan.

The Directors have considered that fair value is a reliable basis given the fact that all the acquisitions have been made in the last 12 months up to the period end (30 April 2025). The “IRIS Group” including the UK and North America CGUs was acquired on 29 April 2024 for £2.9bn and the Dext CGU was subsequently acquired on 19 December 2024 for £630m. Swipeclock was also acquired during the period (May 2024) for £150m and has been added to the US CGU.

The Directors do not consider that there are any factors (market dynamics, EBITDA achieved to 30 April 2025, long term market opportunity for growth, customer base and retention rates) th indicate that the valuation, and multiples paid to acquire each of these businesses has decreased since the acquisitions were made.

11 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and Buildings	Leasehold Improve-ments	Computer Equipment	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000	£'000
COST					
Arising on acquisition	1,141	1,947	15,862	6,682	**25,631**
Additions	-	102	801	34	**937**
Effect of changes in foreign exchange rates	-	(108)	(214)	(37)	**(360)**
Disposals	(1,061)	(60)	(392)	(250)	**(1,763)**
At 30 April 2025	79	1,880	16,057	6,430	24,445
ACCUMULATED DEPRECIATION					
Arising on acquisition	385	1,126	13,781	5,112	**20,405**
Charge for the period	6	89	1,106	535	**1,736**
Effect of changes in foreign exchange rates	-	(77)	(143)	(29)	**(248)**
Disposals	(327)	(52)	(386)	(250)	**(1,016)**
At 30 April 2025	64	1,087	14,358	5,368	20,877
NET BOOK VALUE					
At 30 April 2025	**15**	**793**	**1,699**	**1,062**	**3,568**

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

12 RIGHT-OF-USE-ASSETS

GROUP	Property leases £'000	Total £'000
COST		
Arising on acquisition	25,625	**25,625**
Dilapidations provision adjustment	196	**196**
Effect of changes in foreign exchange rates	(3,271)	**(3,271)**
Additions	1,018	**1,018**
Disposals	(1,694)	**(1,694)**
At 30 April 2025	21,874	**21,874**
ACCUMULATED DEPRECIATION		
Arising on acquisition	14,050	**14,050**
Charge for the period	3,174	**3,174**
Effect of changes in foreign exchange rates	(3,008)	**(3,008)**
Disposals	(1,566)	**(1,566)**
At 30 April 2025	12,650	**12,650**
NET BOOK VALUE		
At 30 April 2025	**9,224**	**9,224**

Right-of-use assets relate to property leases held by the Group. The interest charge on lease liabilities has been included in Finance Costs within Note 8 and the charge for amortisation included in the table above. The amortisation charge in the period is included within Administrative Expenses.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

13 INVESTMENTS

Investment in subsidiary undertakings

	Company
	2025
COST AND NET BOOK VALUE	**£'000**
Additions	1,839,489
At the end of the year	**1,839,489**

Additions for the Period ended 30 April 2025 comprise £1,839,489,000 of investment in Elements Holdco 1 Limited as a result of the sale transaction.
The Group's subsidiary undertakings are shown below. Balances in respect of these subsidiaries have been consolidated line by line.

	Country of		Percentage of ordinary shares held	
	registration or	Principal	At 30 April 2025	
Undertaking	**incorporation**	**activity**	**Group**	**Company**
1Tap App Limited[13]	England & Wales	Software development	100%	0%
AccountantsWorld LLC[4]	USA	Software development	100%	0%
Apex Software Technologies LLC[9]	USA	Software development	100%	0%
APS Global Limited[1]	England & Wales	Payroll services	100%	0%
Atomic IT Limited[1]	England & Wales	Software development	100%	0%
Blue Octopus Recruitment Limited[1]	England & Wales	Software development	100%	0%
Bridgehead (Europe) Limited[1]	England & Wales	Payroll services	100%	0%
Bridgehead (UK) Limited [1]	England & Wales	Payroll services	100%	0%
Conarc Inc[4]	USA	Software development	100%	0%
Creative Solutions Software Corp[11]	USA	Payroll services	100%	0%
Datacode Tech Limited[1]	England & Wales	Software development	100%	0%
Dataplan Holdings Limited[1]	England & Wales	Holding company	100%	0%
Dataplan Payroll Limited[1]	England & Wales	Payroll services	100%	0%
Dext Australia Pty Limited[16]	Australia	Software development	100%	0%
Dext Bidco Limited[13]	England & Wales	Holding company	100%	0%
Dext Bulgaria Limited[15]	Bulgaria	Software development	100%	0%
Dext Canada Limited[19]	Canada	Software development	100%	0%
Dext France S.A.R.L[17]	France	Software development	100%	0%
Dext Holdco Limited[13]	England & Wales	Holding company	100%	0%
Dext Midco Limited[13]	England & Wales	Holding company	100%	0%
Dext Software Limited[13]	England & Wales	Software development	100%	0%
Dext South Africa Limited[18]	South Africa	Software development	100%	0%
Dext Topco Limited[14]	Jersey	Holding company	100%	0%
Doc-It Corp[4]	USA	Software development	100%	0%
Doc-It Inc[6]	Canada	Software development	100%	0%
Elements Bidco Limited[1]	England & Wales	Holding company	100%	0%
Elements Finco Limited[1]	England & Wales	Holding company	100%	0%
Elements Holdco 1 Limited [14]	Jersey	Holding company	100%	100%
Elements Holdco 2 Limited [1]	England & Wales	Holding company	100%	0%
Elements Midco 1 Limited[1]	England & Wales	Holding company	100%	0%
Elements Midco 2 Limited[1]	England & Wales	Holding company	100%	0%
Eurowage Limited[1]	England & Wales	Payroll services	100%	0%
FMP HR and Payroll Software Limited[1]	England & Wales	Software development	100%	0%
Greenback Inc	USA	Software development	100%	0%
Hatch Apps Limited[13]	England & Wales	Software development	100%	0%
Hosted Accountants Limited[1]	England & Wales	Software development	100%	0%
Human Capital Management LLC. [4]	USA	Payroll services	100%	0%
Indigo Marketing Limited[1]	England & Wales	Software development	100%	0%
Innervision Management Limited[1]	England & Wales	Software development	100%	0%
IRIS Americas Inc.[4]	USA	Software development	100%	0%
IRIS Bidco Limited[1]	England & Wales	Holding company	100%	0%
IRIS Business Software Limited[1]	England & Wales	Software development	100%	0%
IRIS Canada Holdings Limited[1]	England & Wales	Holding company	100%	0%
IRIS Capital Limited[1]	England & Wales	Holding company	100%	0%
IRIS Global Inc.[4]	USA	Holding company	100%	0%
IRIS Group Limited[1]	England & Wales	Software development	100%	0%
IRIS Holdings Limited[1]	England & Wales	Holding company	100%	0%
IRIS KPO Resourcing (India) Private Limited[2]	India	Outsourcing services	56%	0%
IRIS Midco Limited[1]	England & Wales	Holding company	100%	0%
IRIS Payroll Services Limited[1]	England & Wales	Payroll services	100%	0%
IRIS Payroll Solutions Limited[1]	England & Wales	Software development	100%	0%
IRIS Resourcing Limited[1]	England & Wales	Holding company	100%	0%
IRIS Software and Services Inc. [4]	USA	Software development	100%	0%
IRIS Software Group Limited[1]	England & Wales	Holding company	100%	0%
IRIS Software Limited[1]	England & Wales	Software development	100%	0%
IRIS Software Technical Centre S.R.L.[12]	Romania	Software development	100%	0%
IRIS US Holdings Limited[1]	England & Wales	Holding company	100%	0%
iSAMS Limited[1]	England & Wales	Software development	100%	0%
iSAMS Pty Limited[8]	Australia	Software development	100%	0%
Kashflow Software Limited[1]	England & Wales	Software development	100%	0%
Kinetic Marketing & Design Limited[1]	England & Wales	Payroll services	100%	0%

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

13 **INVESTMENTS (continued)**

Undertaking	Country of registration or incorporation	Principal activity	Percentage of ordinary shares held At 30 April 2025 Group	Company
MCN Associates Limited[1]	England & Wales	Software development	100%	0%
Net-Worx (2001) Limited[1]	England & Wales	Software development	100%	0%
Paycheck Plus Payroll Service Ireland Limited[7]	Ireland	Payroll services	100%	0%
Paycheck Plus UK Limited[1]	England & Wales	Payroll services	100%	0%
Payplus Limited[1]	England & Wales	Payroll services	100%	0%
Perennial Newco 2 Limited[1]	England & Wales	Holding company	100%	0%
Phroot Limited[3]	Guernsey	Software development	100%	0%
Practice Engine Systems Inc.[4]	USA	Software distribution	100%	0%
PSI Payroll Services[5]	Canada	Payroll services	100%	0%
PTP Software Limited[1]	England & Wales	Software development	100%	0%
Receipt BK U.S. Inc	USA	Software development	100%	0%
Sandgate BG Limited[10]	Bulgaria	Software development	100%	0%
Sandgate Systems Limited[1]	England & Wales	Software development	100%	0%
School Spider Limited[1]	England & Wales	Software development	100%	0%
Senta SaaS Limited[1]	England & Wales	Software development	100%	0%
Staffology Limited[1]	England & Wales	Software development	100%	0%
IRIS Firm Management Limited[1]	England & Wales	Software development	100%	0%
Sweep Limited[1]	England & Wales	Software development	100%	0%
Swipeclock LLC[20]	USA	Software development	100%	0%
Taxfiler Limited[1]	England & Wales	Software development	100%	0%
The Practice Engine Group Limited[1]	England & Wales	Software development	100%	0%
Troncmasters Limited[1]	England & Wales	Software development	100%	0%
Truancy Call Limited[1]	England & Wales	Software development	100%	0%

[1] Subsidiary registered address: 4th Floor, Heathrow Approach, 470 London Road, Slough, England SL3 8QY
[2] Subsidiary registered address: Pottipati Plaza 77, Nungambakkam High Road, Chennai–600 034
[3] Subsidiary registered address: PO Box 186, 1 Le Marchant Street, St Peter Port, Guernsey, GY1 4HP
[4] Subsidiary registered address: 44 Milton Ave, 212 STE, Alpharetta, GA 30009, USA
[5] Subsidiary registered address: 4200 South Service Rd, #200, Burlington Ontario, L7L 4X5, Canada
[6] Subsidiary registered address: 201-1430 Cormorant Rd, Ancaster ON L9G4V5, Canada
[7] Subsidiary registered address: 9 Trinity Street, Dublin 2, Republic of Ireland
[8] Subsidiary registered address: 36 Greycliffe Street, Queenscliff, NSW, 2096, Australia
[9] Subsidiary registered address: 500 Colonial Center Pkwy, Ste 650, Roswell, GA 30076
[10] Subsidiary registered address: Hristo Belchev No18, Fl3, Sofia 1000, Bulgaria
[11] Subsidiary registered address: 6300 Interfirst Drive, Ann Arbor, MI 48108
[12] Subsidiary registered address: Str GEORGE CONSTANTINESCU, Nr. 4B SI 2-4, CLADIREA B, ETAJ V, CAMERA 18 Bucuresti Sectorul 2, Romania
[13] Subsidiary registered address: Unit 2.1 Techspace Shoreditch, 25 Luke Steet, London, United Kingdom, EC2A 4DS
[14] Subsidiary registered address: 22 Grenville Street, St Helier, Jersey, JE4 8PX
[15] Subsidiary registered address: 19 Asparoukh Street, Fl2, 1000 Sofia Centre, Bulgaria
[16] Subsidiary registered address: Level 14, 15 Castlereagh Street, Sydney, NSW2000, Australia
[17] Subsidiary registered address: 34-40 Rue Guynemer 92130 Issy-les-Moulineaux, France
[18] Subsidiary registered address: Unit 4, 257 Jean Ave, Centurion, Gauteng, 0157, South Africa
[19] Subsidiary registered address: 700 W Georgia Street, Suite 2200, Vancouver, BC, V7Y 1K8, Canada
[20] Subsidiary registered address: 10644 S. Jordan Gateway, Suite 400, South Jordan, UT 8409, USA

123Comms Limited, Bacsflow Limited, Biostore Limited, Blayhall Professional Limited, Blue Octopus Group Limited, Blue Octopus HR and Recruitement Limited, Harper Morris Payroll Limited, FMP Global Bidco Limited, HM Associates Limited, IRIS Payroll Software Limited & Results Squared Limited - all 100% owned indirect subsidiaries of the Company during the period, were dissolved prior to the period end.

14 **TRADE AND OTHER RECEIVABLES**

	2025 Group £'000
Current	
Trade receivables from contracts with customers	45,775
Less: provision for impairment of receivables	(5,302)
Trade receivables from contracts with customers - net	40,473
Other receivables	154
Prepayments	13,538
Accrued income	5,678
	59,843

Trade receivables from contracts with customers are non-interest bearing and are generally on terms of 30 days.

Movements on the Group provision for impairment of trade receivables from contracts with customers were as follows:

	2025 £'000
Acquired on Acquisition	5,080
Charged to the Income Statement	263
At the end of the year	**5,302**

In determining the recoverability of a trade receivable, the Group considers the ageing of each receivable and any change in the circumstances of the individual receivables. The Directors believe that there is no further provision required in excess of the allowance for doubtful debts.

The creation and release of provision for impaired receivables have been included in administrative expenses in the income statement. Amounts charged to the allowance account are generally written-off when there is no expectation of recovering additional cash.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered.

The maximum exposure to credit risk at the end of the year is the fair value of each class of receivables mentioned above. The Group held no collateral as security. The Directors estimate th the carrying value of trade receivables approximated to their fair value. There has been no significant increase in the credit risk of financial instruments since initial recognition.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

15 CASH AND CASH EQUIVALENTS

	2025 Group £'000
Cash at banks and on hand	105,863
Restricted cash - client funds	198,021
	303,884

The Company had no short term deposits during the current period. Cash at banks earns interest at floating rates based on daily bank deposit rates. The Group held no short-term deposits at the year end. The Group's credit risk on cash and cash equivalents is limited because the counterparties are well established banks with high credit ratings.

15.1 Interest income on client funds

The Group provides certain customers with a managed payroll service whereby the Group receives funds from customers and holds these funds for a period of time before using them to pay the payroll amounts and associated payroll taxes due to those customers' employees and the appropriate tax authorities. The entity has the right to control these funds which are reported as 'Restricted cash - client funds' on the Consolidated Balance Sheet, with a corresponding liability presented as 'Client obligations'. The Group earns interest on the invested funds with this interest being reported in Interest income on customer balances/client monies. Interest reported for the Period ending 30 April 2025 was £6,213,000

16 TRADE AND OTHER PAYABLES

	2025 Group £'000
Current	
Trade payables	8,798
Social security and other taxes	5,230
VAT	7,510
Other creditors	11,012
	32,550

Trade payables are non-interest bearing and are normally settled on 30-day terms.

The fair values of trade and other payables are not materially different to those disclosed above. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 19.

17 DEFERRED TAX
Group

Deferred tax liability

	Acquired Intangible assets £'000	Depreciation in excess of capital allowances £'000	Other timing differences £'000	Losses £'000	Total £'000
At 19 March 2024	-	-	-	-	-
Arising on acquisitions	354,304	11,035	(12,057)	(16,625)	336,657
Effect of changes in foreign exchange rates	-	-	584	-	584
(Credited)/charged to the income statement	(28,128)	(2,024)	(12,309)	(1,272)	(43,734)
At 30 April 2025	**326,176**	**9,011**	**(23,782)**	**(17,897)**	**293,508**
At 30 April 2025					
Deferred Liability	326,176	9,011	(23,782)	(17,897)	293,508
	326,176	**9,011**	**(23,782)**	**(17,897)**	**293,508**

The majority of deferred tax balances arise in the UK where the closing deferred tax liability as at 30 April 2025 has been calculated at 25% reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods. Deferred tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

At 30 April 2025, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates. It is likely that the unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption such that no UK tax would be due upon remitting those earnings to the UK. However, £43m of those earnings may still result in a tax liability, principally as a result of the dividend withholding taxes levied by the overseas jurisdictions in which those subsidiaries operate. These tax liabilities are not expected to exceed £2.5m of which none has been provided as the Group is able to control the timing of the dividends. It is not expected that further amounts will crystallise in the foreseeable future as the Group has an agreement with its associates that the profits of the associates will not be distributed until it obtains the consent of the Group. The Company does not foresee such a consent being given at the reporting date.

At 30 April 2025 the Group had tax losses carried forward, a deferred tax asset of £17.9m has been recognised in respect of these losses to the extent that it is considered probable that future taxable profits will be available against which the losses can be utilised. The Group has not recognised a deferred tax asset of approximately £1.5m in respect of £6m of non-trade losses carried forward in IRIS Capital Limited.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

18 FINANCIAL ASSETS AND LIABILITIES

18.1 Principal financial assets and liabilities

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

30 April 2025

- Cash and short term deposits
- Derivative financial instruments
- Trade and other receivables
- Trade and other payables
- Client obligations
- Lease liabilities
- Loans and borrowings

Financial assets and liabilities by category

	Financial assets at fair value through profit or loss 2025 £000	Financial assets at amortised cost 2025 £000
Cash and cash equivalents	-	303,884
Trade and other receivables	-	40,627
Total financial assets	**-**	**344,511**

	Financial liabilities at fair value through profit or loss 2025 £000	Financial liabilities at amortised cost 2025 £000
Trade and other payables	-	32,550
Derivative financial instruments	13,885	-
Client obligations	-	198,021
Accrued interest	-	892
Deferred consideration	945	-
Lease liabilities	-	11,257
Loans and borrowings	-	#REF!
Total financial liabilities	**14,830**	**#REF!**

18.2 Financial assets and liabilities not measured at fair value

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables, client obligations, provisions, lease liabilities, accrued interest approximates to their fair value.

Loans and borrowings are carried at amortised cost which approximates to their fair value.

18.3 Financial instruments at fair value

The table below analyses financial instruments carried at fair value by valuation method. Accounting standards require us to disclose them into different levels as follows:
Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Fair values measured using inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (from prices) or indirectly (derived from prices)
Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data

	At 30 April 2025			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets measured at fair value:				
Interest rate instruments	-	13,885	-	13,885
Total financial assets at fair value	**-**	**13,885**	**-**	**13,885**

	At 30 April 2025			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial liabilities measured at fair value:				
Deferred consideration	-	-	945	945
Total financial liabilities at fair value	**-**	**-**	**945**	**945**

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

18.3 Financial instruments at fair value (continued)

There were no transfers between levels during the period. For a reconciliation of movements in level 2 instruments (see note below).

Reconciliation - financial liabilities / (assets)
A reconciliation of the financial liabilities is as follows:

	Interest rate swaps	Deferred consideration	Total
	2025	2025	2025
	£000	£000	£000
At the beginning of the period	-	-	-
Arising from acquisitions	-	(945)	(945)
Novated to Elements Finco Limited	1,340	-	1,340
Paid during the period	-	-	-
Changes in fair value to profit or loss	(15,225)	-	(15,225)
Unwinding of discount	-	-	-
At the end of the period	(13,885)	(945)	(14,830)

Deferred consideration arises when settlement of all or part of the cost of a business combination falls due after the date the acquisition was completed, usually through an earn-out based on post-acquisition performance, and is stated at the fair value of the total consideration outstanding. At 30 April 2025, the fair value of deferred consideration was assessed using actual performance to date against each acquisitions' earn-out targets together with an assessment of future financial performance based on the Group's approved budget.

Under interest rate swap contracts, the Group agreed to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enabled the Group to mitigate the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date. The counterparties to the swaps are major global banks.

On 22 November 2022, the Group entered a series of fixed SONIA interest rate swaps for a total notional amount of £435,000,000. The effective dates were 31 October 2022 and termination dates were 31 October 2024, with monthly payment dates. The average fixed rates are 4.36%. On 30 April 2024, these instruments were novated by IRIS Bidco Limited to Elements Finco Limited at their estimated fair value of £1,340,000 and then they were extended on 4th June 2024 to terminate on 31 May 2027.

On 11 June 2024, the Group entered into two fixed USD-SOFR interest rate swaps for a total notional amount of $328,000,000. The effective dates were 31 May 2024 and termination dates are 28 May 2027, with monthly payment dates and the average fixed rates are 4.463%.

On 11 June 2024, the Group entered into two fixed GBP-SONIA interest rate swaps for a total notional amount of £135,000,000. The effective dates were 31 May 2024 and termination dates are 28 May 2027, with monthly payment dates and the average fixed rates are 4.414%.

The cumulative Fair Value of these four interest rates swaps as at the period end created a liability of £13,885,000.

There has been no reclassification of financial instruments.

18.4 Financial risk management

The Group's principal financial liabilities, are various debt facilities, derivatives, provisions, lease liabilities, client obligations and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group enters into derivative transactions but its policy is that no trading in derivatives for speculative purposes may be undertaken.

The Group has exposure to the following risks from its use of financial instruments:
(i) credit risk
(ii) liquidity risk
(iii) interest rate risk
(iv) foreign currency risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. No single customer represents more than 1% of revenue.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Balance Sheet.

Trade receivables

The Group's credit risk on trade and other receivables is primarily attributable to trade receivables. The Group considers the credit quality of trade and other receivables collectively and believes that the carrying value of the trade and other receivables that is disclosed in the financial statements gives a fair presentation of the credit quality of the assets. The Directors estimate that the carrying value of financial assets within trade and other receivables approximated to their fair value.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored for collectability based on communication with customers and actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to our customers' ability to meet their obligations. The Directors believe there is a low risk from default (i.e. customers failing to pay debts owed to the Group in full) due to the high number of recurring customers and credit control policies; th the carrying value is expected to be the final value received. The Group has no significant concentrations of credit risk since the risk is spread over a large number of unrelated counterparties.

Total trade receivables from contracts with customers (net of allowances) held by the Group at 30 April 2025 amounted to £40,473,000.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped by the number of days overdue and assessed for impairment collectively using the expected credit loss model. The calculation is based on actual incurred historical data.

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

18.4 Financial risk management (continued)

Liquidity risk

The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings. The Group's treasury function has a policy of optimising the level of cash in the businesses in order to minimise external borrowings, whilst ensuring flexibility for potential acquisitions.

The maturity profile of the anticipated future cash flows including interest in relation to the Group's non-derivative financial liabilities on an undiscounted basis which, therefore, differs from both the carrying value and fair value, is as follows:

At 30 April 2025	Deferred Consideration	Lease liabilities	Borrowings and accrued interest	Trade and other payables	Client obligations	Total
	£000	£000	£000	£000	£000	£000
In less than 1 year	945	3,173	-	32,550	198,021	234,688
In more than 1 year but not more than 2 years	-	2,400	-	-	-	2,400
In more than 2 years but not more than 5 years	-	4,074	#REF!	-	-	#REF!
In more than 5 years	-	4,101	4,354,262	-	-	4,358,363
Effect of discount/financing rates	-	(2,491)	(29,706)	-	-	(32,197)
	945	**11,257**	**#REF!**	**32,550**	**198,021**	**#REF!**

The current Senior loan facility (Main and Acquisition facilities - see note 21) include a leverage covenant which requires the leverage (the ratio of Consolidated Senior Secured Net Leverage to Consolidated Pro Forma EBITDA) does not exceed 15.06x. Consolidated Senior Secured Net Leverage is the total balance of the senior facilities less unrestricted cash. Consolidated Pro Forma EBITDA is the Management EBITDA of the Group combined with pre-acquisition EBITDA of acquisition in the relevant reporting period and adjusted for various metrics as defined in the facilities agreement. At 30 April 2025, the leverage was substantially below the covenant level at 7.02x.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group has managed most of this risk through its Interest rate Swaps which cover 75% of the USD denominated debt and 40.4% of the GBP denominated debt.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency) and the Group's net investments in foreign subsidiaries. As of 30 April 2025, the IRIS Group reduces foreign currency risk by having 20%-25% of the IRIS Group's debt denominated in US Dollars.

Sensitivity analysis

Financial instruments affected by interest rate and foreign currency risks is expected to include amounts owed to parent undertakings.

The following analysis is intended to illustrate the sensitivity to changes in market variables, being sterling interest rates and Sterling/ US Dollar, Sterling/Indian Rupee and Sterling/ Canadian Dollar exchange rates.

The sensitivity analysis assumes reasonable movements in foreign exchange and interest rates before the effect of tax. The Group considers a reasonable interest rate movement in SONIA & SOFR to be ±1.00%, based on interest rate history. Similarly, sensitivity to movements in Sterling exchange rates (particularly against the US Dollar, Indian Rupee and Canadian Dollar) of ±10.00% are shown reflecting changes of reasonable proportion in the context of movement in these currency pairs over the period.

Using the above assumptions, the following table shows the illustrative effect on the Consolidated income statement and equity.

	2025	
	Income (losses)/ gains	Equity (losses)/ gains
	£000	£000
1% increase in market interest rates	(14,447)	(14,447)
1% decrease in market interest rates	14,447	14,447
10% strengthening of sterling versus other currencies	2,067	20,459
10% weakening of sterling versus other currencies	(2,274)	(22,505)

Capital Management

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the Group's capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or amend its debt arrangements.

The Group's share capital is disclosed in note 23, and its debt structure is detailed in note 20.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

19 PROVISIONS
GROUP

	Dilapidations	Legal claims	Total
	2025	2025	2025
	£000	£000	£000
At the beginning of the period	-	-	-
Arising on acquisitions	3,188	3,985	7,173
Payments on termination of leases	(748)	-	(748)
Charged to income statement	-	-	-
Settlement of legal claim in period	-	(3,985)	(3,985)
Effect of changes in foreign exchange rates	(89)	-	(89)
Unwinding of discount	121	-	121
At the end of the period	**2,472**	**-**	**2,472**

These provisions are estimates because the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for when such determination is made.

20 BORROWINGS
During the period ended 30 April 2025, a new Senior loan facility made up of a £950 million tranche and an Acquisition facility of £810m were borrowed by Elements Finco Limited, a new Mezzanine facility of £450 million was borrowed by Elements Midco Limited, both of which are indirect subsidiaries of the Company and were established as part of the Sale Transaction. Part of these facilities were established in USD$. Interest is paid monthly on these facilities and starting in January 2025 a portion of the Senior debt interest was deferred to be paid at the maturity of the facility.

The final part of the Sale transaction funding was £1,870 million of preference shares were issued by the Company. In addition the IRIS Group, through its newly established indirect subsidiary undertakings, has access to an additional Revolving Credit Facility of £100 million which was unutilised at the Period end.

GROUP	**Drawn in Period**	**Borrowing costs capitalised in period**	**Borrowing costs amortised in period**	**Interest deferred in period**	**Change due to FX in period**	**At 30 Apr 25**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-current						
Borrowings	4,080,142	(34,015)	4,309	297,752	(23,632)	**4,324,556**

	Effective interest rate	**Maturity**	**Facility Utilised**
Senior bank loan			
Main Tranche - GBP	SONIA +4.75% to +5.25% margin	29 April 2031	772,255
Main Tranche - USD	SOFR +4.75% to +5.25% margin	29 April 2031	177,745
Acquisition facility - GBP	SONIA +4.75% to +5.25% margin	29 April 2031	650,689
Acquisition facility - USD	SOFR +4.75% to +5.25% margin	29 April 2031	147,935
Revolving Credit Facility	SONIA +3.00% to +3.75% margin	29 October 2030	-
Mezzanine loan			
PIK Notes	SONIA +8% to +8.75% margin	29 April 2032	511,126
Preference shares treated as borrowings	12.00% fixed	None	2,094,513
			4,354,262

Due to the various interest periods and interest rollover dates ending on the 29th of April 2025 there are small amounts of accrued interest on the Senior & PIK facilities as at the period end. These are shown within Accruals in note 23
Interest on the PIK Notes rolls 6 monthly and is compounded into the balance outstanding.
Interest on the Preference shares rolls annually and is compounded into the balance outstanding.

An analysis of the maturity of the loans is set out below:

Borrowings - Group	**At 30 April 2025**			
	Senior	**Mezzanine**	**Preference Shares**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due between two and five years	-	-	-	-
Amounts falling due in more than five years	1,748,623	511,126	2,094,513	4,354,262
	1,748,623	511,126	2,094,513	4,354,262
Unamortised borrowing costs	(19,845)	(9,862)	-	(29,706)
Amounts falling due in more than five years after unamortised borrowing costs	1,728,778	501,265	2,094,513	4,324,556

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

21 COMMITMENTS

The Group and Company had no obligations under finance or operating leases aside from properties already disclosed.

21.1 Other capital commitments

The Group and Company had no other capital commitments.

22 ACCRUALS

	2025
	Group
	£'000
Accruals	33,235
Accrued interest	892
	34,127

23 CALLED UP SHARE CAPITAL AND SHARE PREMIUM

Group and company:

Class	Nominal value	Shares authorised, issued and fully paid: 2025 authorised,	2025 £'000
A[1]	£0.01	8,499,436	85
B[2]	£0.01	160,039	2
C[3]	£0.01	757,593	8
			94
Share premium			873
			967

[1] One vote per share. Each share ranks equally for any distribution made on a winding up. The shares are not redeemable.
[2] One vote per 5 shares. Each share ranks equally for any distribution made on a winding up. The shares are not redeemable.
[3] One vote per 5 shares. Each share ranks equally for any distribution made on a winding up. The shares are not redeemable.

24 ACQUISITIONS

24.1 IRIS Group

On 29 April 2024, the Group acquired 100 per cent of the issued share capital of Perennial Newco 2 Limited (which is registered in England and Wales) and all of its subsidiary companies which was the previous head company in the 'IRIS Group'. The fair value of the total consideration net of cash acquired was £2,937,213,000. The acquisition was accounted for under the acquisition method. The first period of account covers the period from 29 April 2024 to 30 April 2025.

The Group was acquired by a joint investment of Hg Capital's Saturn Fund, Intermediate Capital Group & Leonard Green & Partners. A new parent company structure was put in place under the sale, including a new shareholder capital structure, and the new ultimate parent company changed to Elements Topco Limited.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair values to the Group:

	Book value	Revaluation	Fair value to Group
Assets	**£'000**	**£'000**	**£'000**
Intangible assets - Customer relationships	373,513	435,481	808,994
Intangible assets - Technology	194,150	296,865	491,015
Intangible assets - Brand	14,744	53,643	68,387
Property, plant and equipment	4,671	-	4,671
Right-of-use assets	10,657	-	10,657
Trade receivables from contracts with customers	61,750	-	61,750
Contract assets	19,330	-	19,330
Inventories	56	-	56
Total assets	**678,871**	**785,989**	**1,464,860**
Liabilities			
Trade and other payables	6,688	-	6,688
Accruals	32,722	-	32,722
Lease liabilities	12,160	-	12,160
Contract liabilities	106,049	(22,749)	83,300
Client Obligations	189,590	-	189,590
Other payables	39,793	-	39,793
Provisions	6,621	-	6,621
Corporation tax	323	-	323
Deferred tax	117,662	191,644	309,305
Total liabilities	**511,608**	**168,895**	**680,503**
Less Non-controlling Interest	(3,675)	**-**	(3,675)
Total identifiable net assets at fair value, net of cash acquired	**163,588**	**617,094**	**780,682**
Goodwill			2,156,531
Purchase consideration transferred			**2,937,213**
Satisfied by			
Cash consideration			1,822,895
Borrowings Settled - *3rd party debt*			1,379,610
Cash acquired - *includes restricted funds held on behalf of clients*			(265,292)
			2,937,213

The acquired business contributed revenues of £398,292,000 and net loss of £277,368,000 to the Group for the period from 29 April 2024 to 30 April 2025. £24,049,000 of fees were incurred during the acquisition and expensed within admin expenses.

24.2 Swipeclock

On 14 May 2024, the Group acquired 100 per cent of the issued share capital of Swipeclock LLC, which is registered in Utah, USA. The fair value of the total consideration net of cash acquired was £149,931,000. The acquisition was accounted for under the acquisition method. The first period of account covers the period from 14 May 2024 to 30 April 2025.

Swipeclock is a US technology leader in SME workforce management solutions, best known for its cloud platform WorkforceHub. WorkforceHub connects core human resources, time and attendance, scheduling, PTO applicant tracking, onboarding and hiring tools within one unified solution. The acquisition accelerates innovation within Swipeclock's cornerstone products and expands IRIS' integrated Human Capital Management (HCM) suite, which includes payroll, HR, recruitment and talent management offerings.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair values to the Group:

	Book value	Revaluation	Fair value to Group
Assets	**£'000**	**£'000**	**£'000**
Intangible assets - Customer relationships	22,027	40,346	62,373
Intangible assets - Technology	-	16,972	16,972
Intangible assets - Brand (Swipeclock)	-	4,448	4,448
Property, plant and equipment	273	-	273
Right-of-use assets	614	-	614
Trade receivables from contracts with customers	2,137	-	2,137
Contract assets	1,311	(349)	962
Other receivables	1,574	-	1,574
Deferred Tax	-	10,885	10,885
Total assets	**27,936**	**72,302**	**100,237**
Liabilities			
Trade payables	172	-	172
Accruals	691	-	691
Deferred revenue	675	-	675
Other payables	2,294	-	2,294
Total liabilities	**3,833**	**-**	**3,833**
Total identifiable net assets at fair value, net of cash acquired	**24,103**	**72,302**	**96,404**
Goodwill			53,527
Purchase consideration transferred			**149,931**
Satisfied by			
Cash consideration			103,532
Borrowings Settled - 3rd party debt			48,200
Cash acquired			(1,802)
			149,931

The acquired business contributed revenues of £25,452,000 and net profit of £5,583,000 to the Group for the period from 15 May 2024 to 30 April 2025. £3,585,000 of fees were incurred during the acquisition and expensed within admin expenses.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

24 ACQUISITIONS (continued)

24.3 School Spider

On 4 October 2024, the Group acquired 100 per cent of the issued share capital of School Spider Limited, which is registered in England and Wales. The fair value of the total consideration net of cash acquired was £2,370,000. The acquisition was accounted for under the acquisition method. The first period of account covers the period from 4 October 2024 to 30 April 2025.

School Spider Limited, an all-in-one engagement platform used by 650+ schools across England, with comms, payments and website management functionalities. School Spider offers an all-in-one digital platform tailored for schools, providing a comprehensive suite of tools to enhance communication, streamline administrative tasks and engage the school community effectively. This aligns with IRIS Group's strategy to expand its integrated Human Capital Management (HCM) suite, which includes various solutions for payroll, HR, and recruitment. By integrating School Spider's capabilities, IRIS aims to enhance its offerings in the education sector, providing schools with a robust platform for managing communications and engagement with parents and the community.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair values to the Group:

	Book value	Revaluation	Fair value to Group
Assets	**£'000**	**£'000**	**£'000**
Intangible assets - Customer relationships	6	1,046	1,052
Intangible assets - Technology	-	520	520
Property, plant and equipment	18	-	18
Trade receivables from contracts with customers	87	-	87
Other receivables	3	-	3
Total assets	**114**	**1,566**	**1,680**
Liabilities			
Accruals	35	-	35
Other payables	76	-	76
Deferrred revenue	380	-	380
Corporation tax	39	-	39
Deferred tax	-	393	393
Total liabilities	**529**	**393**	**922**
Total identifiable net assets at fair value, net of cash acquired	**(415)**	**1,173**	**758**
Goodwill			1,612
Purchase consideration transferred			**2,370**
Satisfied by			
Cash consideration			1,880
Deferred Consideration			750
Cash acquired			(259)
			2,370

The acquired business contributed revenues of £539,000 and net loss of £135,000 to the Group for the period from 4 October 2024 to 30 April 2025. £454,000 of fees were incurred during th acquisition and expensed within admin expenses.

24.4 Dext

On 19 December 2024, the Group acquired 100 per cent of the issued share capital of Dext TopCo Limited, Dext MidCo Limited, Dext HoldCo Limited, Dext BidCo Limited, Dext Software Limited, 1Tap App Limited, Hatch Apps Limited, Dext Canada Limited, Dext South Africa Limited, Dext Bulgaria Limited, Dext Australia Pty Limited, Dext France S.A.R.L, which the main parent company is registered in Jersey and are collectively referred to as "Dext". The fair value of the total consideration net of cash acquired was £630,000,000. The acquisition was accounted for under the acquisition method. The first period of account covers the period from 19 December 2024 to 30 April 2025.

Dext, a leading bookkeeping automation platform provider. The acquisition will unite two sector-leading cloud-based platforms – Dext's Bookkeeping Automation Platform and IRIS Elements – to deliver a complementary and fully integrated, end-to-end solution for accountants, bookkeepers, and businesses.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair values to the Group:

	Book value	Revaluation	Fair value to
Assets	**£'000**	**£'000**	**£'000**
Intangible assets - Customer relationships	-	20,900	20,900
Intangible assets - Technology	37,194	111,406	148,600
Intangible assets - Brand	1,723	14,877	16,600
Property, plant and equipment	263	-	263
Right-of-use assets	-	-	-
Trade receivables from contracts with customers	2,831	-	2,831
Contract assets	346	5,189	5,535
Other receivables	3,400	-	3,400
Total assets	**45,758**	**152,371**	**198,129**
Liabilities			
Trade payables	1,480	-	1,480
Contract liabilities	6,212	-	6,212
Other payables	8,987	-	8,987
Deferred tax liability	7,058	30,788	37,847
Total liabilities	**23,737**	**30,788**	**54,525**
Total identifiable net assets at fair value, net of cash acquired	**22,021**	**121,583**	**143,604**
Goodwill			486,396
Purchase consideration transferred			**630,000**
Satisfied by			
Cash consideration			643,120
Cash acquired			(13,120)
			630,000

The acquired business contributed revenues of £27,433,000 and net profit of £9,364,000 to the Group for the period from 23 December 2024 to 30 April 2025. £7,763,000 of fees were incurred during the acquisition and expensed within admin expenses.

24 ACQUISITIONS (continued)

24.5 Deferred consideration on acquisition

Deferred consideration represents contingent consideration payable to the vendors by the Group that is not linked to each vendors' continued employment. Where the payment of deferred consideration is contingent upon the continuing employment of vendors by the Group, it is treated as a remuneration expense and a charge is made through the Consolidated Income Statement as a cost of employment. There was £945,000 of deferred consideration on acquisitions made during the last two years.

24.6 Pro-forma effect of acquisitions on revenue and profit

If the acquisitions had occurred on 1 May 2024, consolidated pro-forma revenue and net loss before tax for the Group for the Period ended 30 April 2025 would be £468,857,000 and £383,519,000 respectively. The figures include IFRS3 fair value adjustments which affect the post acquisition revenue and net loss.

These amounts have been calculated using the subsidiary's results prepared using accounting policies which are consistent with the Group's and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 May 2024. No adjustment has been made for additional financing that was required to finance the acquisition.

25 EVENTS AFTER THE BALANCE SHEET DATE

In May 2025, IRIS announced it had made a £3.76m strategic minority investment in Instead, an AI-powered tax platform helping accountants automate tax preparation and shift their focus from compliance to strategic advisory. By streamlining routine tasks and providing the tools to deliver deeper insights, Instead frees up time for firms to offer higher-value services. This significant minority investment marks a major step in our commitment to transforming the business of accountancy through intelligent automation, while also enabling Instead to accelerate product development and expand its sales and marketing capabilities.

In June 2025, the Group listed its PIK debt on The International Stock Exchange ("TISE").

26 SHARE BASED PAYMENTS

In the period ended 30 April 2025, the company sold 1,060,168 of a mixture of B and C shares to staff, who are employed by two subsidiary companies. The employees will be entitled to receive sale proceeds on the sale of the business. In general, employees who leave before a sale transaction will forfeit their shares.

These shares fall under the definition of share based payments and are reported under IFRS2.

The fair value of the shares issued in the period was calculated using the Monte Carlo model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date (based on an assessment of enterprise value using a discounted cash flow approach) and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies. The inputs to the model and fair value charge are:

	2025	2025
	Grant B	Grant A
Settlement method	**Equity**	**Equity**
Share price on issue	£24.62	£24.62
Price paid per share	£24.62	£24.62
Dividend yield	0%	0%
Risk-free interest rate	3.95%	3.95%
Forecast maturity	30/09/2029	30/09/2029
Volatility	36.3%	36.3%

	Number of shares	
Granted in the period	23,064	1,037,104
Forfeited in the period	-	(223,611)
Vested in the period	-	(67,500)
Outstanding at 30 April 2025	**23,064**	**745,993**

The expected price volatility is based on a benchmark of observable similar companies.
The equity settled share-based payment cost charged to the income statement for the period ended 30 April 2025 was £4,906,000.

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

27 RESERVES

	Group	
	Share based payment reserve	Retained earnings
	£'000	£'000
At 19 March 2024	-	-
Result for the period	-	(395,772)
Equity settled share based payments	4,906	-
At 30 April 2025	**4,906**	**(395,772)**

Elements Topco recognises additional equity in respect of share-based payments. The costs of share-based payments are recognised in the income statement of subsidiaries IRIS Group Limited & IRIS Software and Services Inc.

28 CONTINGENT LIABILITIES

There are no contingent liabilities.

29 PENSION COMMITMENTS

The Group operates a defined contribution personal pension scheme which is open to all staff. The pension cost for the period represents contributions payable by the Group to the funds and amounted to £4,032,000. Pension contributions unpaid at the year end were £741,000.

30 DIVIDENDS PER SHARE

The Company did not declare or pay a dividend in the period.

31 RELATED PARTY TRANSACTIONS

The Group considers its material related parties to be its subsidiary undertakings and Executive Committee members. The Group has taken advantage of the exemption available under IAS 24, “Related Party Disclosures”, not to disclose details of transactions with its subsidiary undertakings.

Compensation paid to key management personnel by subsidiaries is disclosed in note 5. Share based payments issued to management by the Company is disclosed in note 27.

Supplier transactions occurred during the period between the Group, HG Pooled Management Limited, Intermediate Capital Group plc and Leonard Green & Partners, L.P. Transactions relate to providing the services of the Directors and preparing the Group for securing new investment . During the period ended 30 April 2025, £750,000 related to these transactions was charged through administrative expenses. There were outstanding amounts payable of £988,421 at 30 April 2025.

32 NON-CONTROLLING INTERESTS

Non-controlling interests in equity in the Group balance sheet represent the share of net assets of subsidiary undertakings held outside the Group. The movement in the period comprises the profit attributable to such interests together with movements in respect of corporate transactions and related exchange differences.

	2025
	£'000
At the beginning of the period	-
Arrising on Acquisition	3,675
Effect of movement in exchange rates	(327)
Non-controlling interest’s share of profit for the period	860
At the end of the period	**4,208**

Notes to the Financial Statements (continued)
for the Period ended 30 April 2025

33 RECONCILIATION OF MANAGEMENT REVENUE, EBITDA AND OPERATING CASH FLOW

MANAGEMENT REVENUE

Management Revenue, which is a non-GAAP measure, represents the basis on which Management review the performance of the Group and is defined as revenue excluding the impact of revenue deferrals arising on acquisitions and the deferring revenue on certain licence income streams. It may be reconciled as follows:

	Period ended 30 April 2025 £'000
Revenue	**422,753**
Effect of fair value of contract liabilities on acquisition	(222)
Effect of fair value of deferred revenue on acquisition	22,749
Impact of deferring of revenue on certain professional services income streams	131
Impact of deferring of revenue on certain licence income streams	1,276
Management Revenue	**446,687**

MANAGEMENT EBITDA

Management EBITDA represents the basis on which Management review the performance of the Group, taking account of non-trading and exceptional items. It may be reconciled as follows:

	Note	Period ended 30 April 2025 £'000
Operating loss		**(8,190)**
Depreciation and amortisation		
Depreciation and loss on disposal of property, plant and equipment	11	1,736
Depreciation and profit/loss on right-of-use assets disposed on lease termination	12	3,174
Amortisation of intangibles	10	128,120
		133,030
Acquisition related items		
Transaction related costs	6	12,753
Post-acquisition integration costs		3,618
Effect of fair value of deferred revenue on acquisition		22,749
Effect of fair value of contract liabilities on acquisition		222
		39,342
Adjustments required to recognise the cash impact of staff costs and asset rentals		
Impact of recognising sales commissions and certain income streams as they fall due		(3,876)
Impact of recognising rents as they fall due		(3,467)
Impact of share based payments		4,906
		(2,437)
Material non-recurring investment expenditure		
Transformational projects including Next Generation Elements Product Suite		7,833
		7,833
Other adjustments		
Costs in relation to the Sale Transaction (see page 2)		24,049
Restructuring and one off legal costs including redundancies and office closures		4,770
Foreign exchange losses recognised below EBITDA		548
		29,367
Management EBITDA		**198,946**

Management EBITDA is a non-GAAP measure used to monitor the performance of the business and is defined as operating profit before depreciation, amortisation and management exceptional items. Management exceptional items include transaction related costs, post-acquisition integration costs, impact of deferral of sales commissions & licence revenue (IFRS15), recognition of rental expense (IAS17 vs IFRS16), share based payments' expense (IFRS2), material non-recurring expenditure on transformational projects, and restructuring costs. This measure is in line with management reporting and forms the basis of the Groups leverage calculations as required by the finance agreements with lending banks. The impact of recognising sales commissions and certain income streams as they fall due of £3,876,000 and the impact of recognising rents as they fall due of £3,467,000 have also been removed as this impact was not included in the Management Accounts for the Period ended 30 April 2025 and is consistent with our reporting to our shareholders and lenders.

MANAGEMENT OPERATING CASH FLOW

Management operating cash flow, which is a non-GAAP measure, represents the basis on which Management review the performance of the Group and is defined as net cash flows generated from operating activities before tax, and after capital expenditure and ongoing development expenditure and excludes management exceptionals and the impact of recognising ren as they fall due. It may be reconciled as follows:

	Period ended 30 April 2025 £'000
Net cash flows generated from operating activities	**131,829**
Acquisition related items paid	32,132
Costs in relation to the acquisitions made in the period	20,974
Costs paid for ERP upgrade, transformational projects including Next Generation Elements Product Suite & post acquisition integration costs	16,477
Restructuring costs paid	6,224
Settlement of legal claim provision acquired from the Sale transaction	3,985
Taxation paid	4,832
Increase in client funds	(7,512)
Purchase of tangible assets	(937)
Development expenditure	(11,445)
Rent paid	(1,622)
Management operating cash flow	**194,936**

34 CONTROLLING PARTY

According to the register maintained by the Company, a number of limited partnerships which are managed by Hg Pooled Management Limited (“HgCapital”) (holding through a nominee company) and Leonard Green & Partners, L.P., ("LGP") (holding through a limited partnership), held a significant interest in the ordinary shares of the Group's ultimate Parent Company, Elements Topco Limited, at 30 April 2025 and subsequently to the date of approval of the financial statements. The Directors' deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by HgCapital or LGP has an ownership of more than 25% of the issued share capital of the Company.