ANNUAL REPORT & ACCOUNTS 2025

SOFTWARE CIRCLE plc

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In summary

We love software. It's in our DNA. In particular Vertical Market Software ("VMS"). These are mission-critical systems, deeply embedded in the day-to-day workflows of our customers, built by passionate people who care about solving the intricate and very specific needs of their customers.

What we love about this sector is its resilience and the long-term nature of customer relationships. When run well, these businesses generate recurring revenues, predictable cash flows and benefit from loyal teams with deep domain expertise. It's a great sector to be in—the often-underestimated charm of building software that isn't trying to be the next social network. We're building a group that gives shareholders diversified exposure to it, with discipline, alignment, and operational know-how.

Software Circle plc has a mission. To be a leading serial acquirer and operator of VMS businesses — a permanent home for software leaders, teams, and customers.

Helping founders in the UK and Ireland find the right exit strategy, without fuss or drama. Continuing operations in an independent, decentralised way. We provide capital, operational tools, and access to a peer network—while giving each business the space to operate. Keeping the entrepreneurial spirit and culture that exists in the businesses we acquire.

Those closest to the customer make the decisions. Our job is to remove obstacles, unlock growth, and ensure each platform scales in a sustainable, cash-generative way. At the heart of our business lies a disciplined and long-term strategy: to acquire VMS businesses at appropriate valuations, support their organic growth over time, and reinvest the free cash flow they generate into further value-accretive opportunities.

> "Software Circle plc has a mission. To be a leading serial acquirer and operator of VMS businesses — a permanent home for software leaders, teams, and customers.

Highlights

Strategic and Operational Highlights

- £6.7m Settlement of bond facility, unlocking future funding opportunities
- £16.7m debt facility secured to extend deployable capital
- Acquisition of Be The Brand Experience Ltd, Link Maker Systems Ltd and Total Drive Ltd
- Completion of sale of the printing.com domain
- Our first ever Software Circle Summit – delivered in March 2025

Financial Highlights

- Combined organic revenue growth in acquired companies of 5%
- £3.7m of revenue growth added through acquisition
- Organic growth in oEBITDA of 22%
- Increased Recurring Revenues from 57% to 70% of total revenue
- Annualised Revenue Run Rate of ~£20m
- Increased aEBITDA margin from 10% to 17%

	2025	2024
Revenue	**£18.3m**	£16.2m
Operating EBITDA (oEBITDA)*	**£4.8m**	£2.8m
Adjusted EBITDA (aEBITDA)*	**£3.2m**	£1.7m
Total comprehensive loss	**£(0.4)m**	£(2.4)m
Operating cash flow per share (OCFPS)*	**0.5p**	0.6p
Cash generated from operating activities	**£2.9m**	£2.3m
Cash and cash equivalents	**£8.6m**	£15.4m
Earnings Per Share (EPS)	**(0.1)p**	(0.9)p
Net debt / (cash)	**£2.2m**	£(6.9)m

*Alternative performance measures defined on page 22

STRATEGIC REPORT

Chair's statement

This is my first statement as Chair, and I'm proud to help shape a company with the potential to become a powerful long-term compounder.

The Company has completed a fundamental transformation—and done so with remarkable smoothness. That's rare. It has evolved from a capital-intensive print operation into a focused, decentralised group of vertical market software businesses. This shift has not only reshaped our revenue profile and operating model but also positioned Software Circle as a long-term, value-driven acquirer.

Credit goes first to Gavin Cockerill, Iain Brown and Richard Lightfoot. Recognising the shifting dynamics of the printing industry, they took inspiration from Buffett's advice—they chose to change the boat rather than spend energy patching a chronically leaking one. With Roman Rothenberg joining and now leading our M&A, the current executive team took shape. Under Jan Mohr's leadership, the Board also played a key role - providing stability and guiding the transformation in its infancy with clear direction.

My involvement with the Company began simply as a curious and engaged shareholder. As an investor, I was familiar with successful serial acquisition models across many sectors. We've used this knowledge to help shape our thinking and our process during our transformation. Since those early days, and after joining the Board in September 2022, we have achieved a significant amount in a relatively short period of time. In September 2024, the Board asked me to take over the Chair role from Jan Mohr.

Now, I take on this responsibility at a time when the foundation is in place, and the strategy is clear.

Our strategic direction

Our mission is to be a leading serial acquirer and operator of vertical market software (VMS) businesses — a permanent home for software leaders, teams, and customers. Achieving our mission relies on two pillars: disciplined M&A and operational excellence. We aim to deploy capital thoughtfully, acquiring businesses that fit our quality requirements and exceed our return thresholds.

Equally important is what happens after the acquisition: our focus on driving organic growth through a decentralised organisation, where leaders remain close to their businesses and retain the freedom and accountability. At the same time, we support them with operational tools and methods, and a network of peers who share best practices. Our goal is to create an environment where motivated teams can do their best work for the benefit of the most important stakeholder: the end customer.

The clearest proof that we deserve to be in business—and that we're creating value—is our ability to consistently earn returns above our cost of capital. More specifically, Operating Cash Flow Per Share shows how much of that value is true earnings power—and how effectively we are compounding it over time. That's why we view this metric as the ultimate benchmark by which we hold ourselves accountable, and as the foundation of long-term shareholder value creation.

I've observed that successful companies are built on two essential qualities: **clarity** and **alignment**. Clarity means we all understand what we're trying to achieve, how we'll get there, and the values that guide us. Alignment means there's no ambiguity—everyone is on the same page and moving in the same direction. But to build a truly strong culture—one that encourages constructive challenge—there's one more essential ingredient: **trust**. Trust creates the space to be honest and open, to speak up without hiding behind popular opinion or consensus. As Chair, my goal is to help shape such a culture within our Board.

The Board's Role

Following recent governance changes, we have a Board with deep expertise in software operations, finance, and capital allocation. In September 2024, we were pleased to welcome **Marc Maurer**—with experience at Constellation Software and, more recently, at Chapter's Group AG—and **Brad Ormsby**, who has served as CFO of Judges Scientific plc for over a decade. Both bring invaluable insight from their time at serial acquirers that achieved 100-bagger status, compounding shareholder value over many years. These are exceptional companies we greatly admire and I'm glad to have Marc and Brad on our Board.

For our M&A engine, the Board has set clear guardrails to ensure every potential acquisition meets strict criteria. Each transaction is reviewed by the Investment Committee, which consists of Marc and myself. Any opportunity outside these parameters requires formal approval from the full Board. Roman Rothenberg and the M&A team have done an outstanding job, completing three acquisitions in the year ended 31 March 2025 ("FY25").

The Board carefully oversees capital allocation, guided by what maximises long-term value per share. We ensure that the company selects the right mix of internal cash flows, equity, and debt, and that capital is deployed into acquisitions that meet clearly defined standards. Importantly, we remain vigilant against the temptation to pursue growth for its own sake. We prioritise quality over quantity, knowing that true value for shareholders lies in sustainable, per-share growth—not just deal volume.

To support that discipline, the Board has designed a remuneration structure that encourages dealmaking only when the price and quality is right (see the Remuneration report for details). Going forward the Remuneration Committee will monitor and review whether our compensation plan works as intended.

For our organic growth engine, first defining the right metrics to assess the operational health of our companies was paramount. How do we measure the success of what we're doing? What does "good" look like? (See the Key Financial Performance Indicators and the CFO's Report) The Board also provides strategic support to drive systematic improvement—whether through expansion, volume growth, or cost reduction. Looking ahead, we must continue to develop the methods, practices, and the right culture that enable our managers to apply these principles systematically. (You can read more about this in the CEO's Report, including insights from our first Software Circle Summit).

So, how has last year been?

During the last financial year, our total revenues grew 13% to £18.3m (2024: £16.2m). Operating EBITDA increased to £4.8m (2024: £2.8m), representing a growth rate of 71%. This growth can be attributed to acquisitions (£1.3m) and organic growth (£0.7m), demonstrating that both of our growth engines are performing well. The current level of Operating EBITDA has been created by deploying the total capital invested since we began our acquisition strategy, which now stands at £24.7m (2024: £15.5m). This results in an operating Return on Capital Deployed (oROCD) of 24% (2024: 21%). While this figure excludes central costs, it serves as a useful indicator of operational efficiency and capital allocation discipline.

As we scale, the all-in ROCD — including central costs — along with our ultimate yardstick, operating cash flow per share, will provide a more comprehensive and meaningful view of our performance. During the last financial year, we have deployed £9.2m in M&A, and we expect this investment to further increase returns in the year ahead.

We ended the financial year with cash of £8.6m (2024: £15.4m) and net debt of £2.2m (2024: net cash of £6.9m). In addition, we secured an extra debt facility, giving us greater flexibility and more dry powder to pursue future acquisitions. You'll find more detail on the Group's underlying revenues and profits in the CEO's Report and CFO's Report.

I want to express heartfelt thanks to our teams across the Group—their hard work, commitment, and belief in what we're building has been instrumental in driving our progress.

Lastly, I want to thank our shareholders. Many of you are familiar with the serial acquisition model. We're fortunate to have your full alignment with our long-term vision. Your capital has made this journey possible—and we continue to benefit from your thoughtful questions and valuable insights.

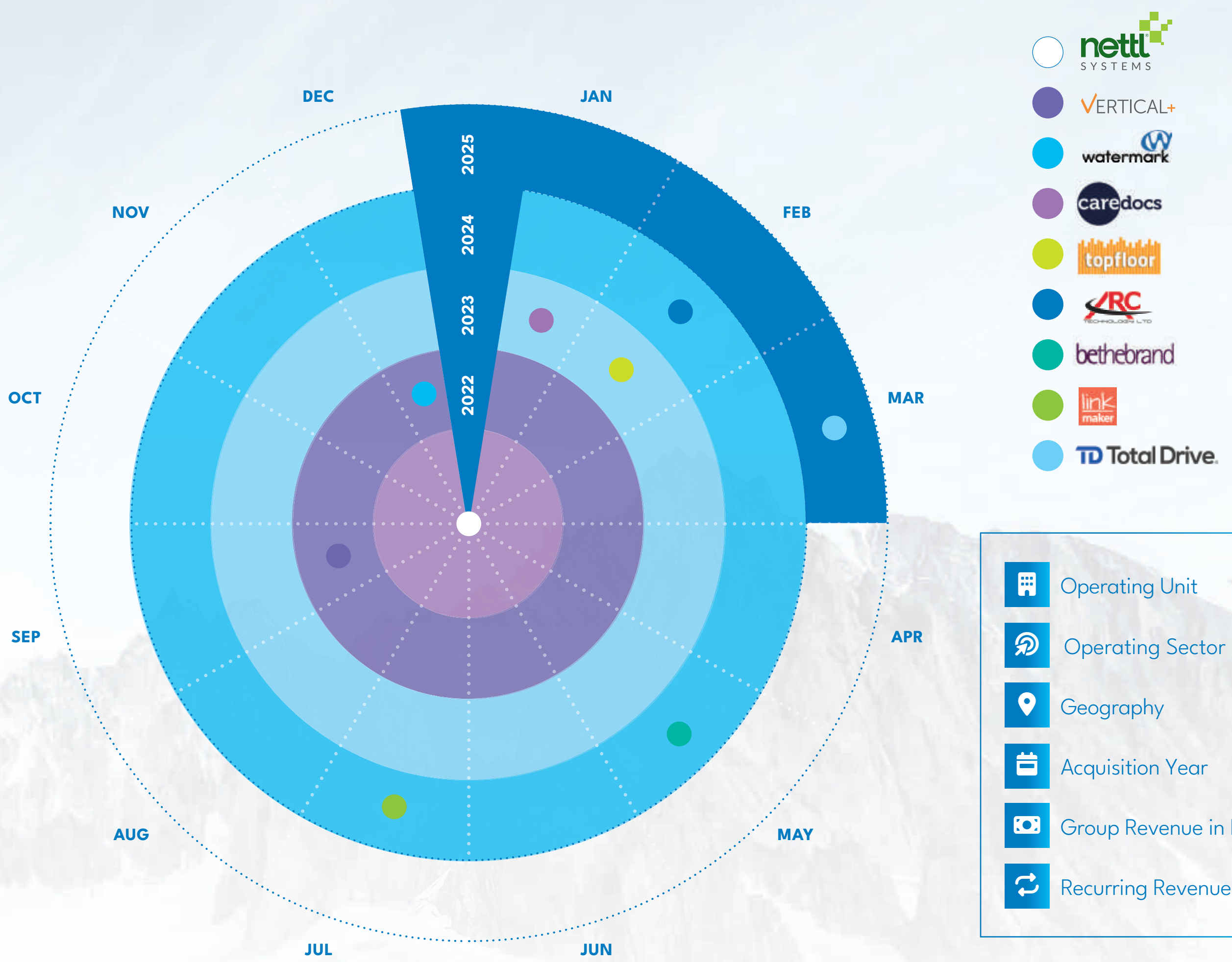
I look forward to seeing many of you at our AGM in September in Manchester.

Matthias Riechert
Chair
22 July 2025

"I'm proud to help shape a company with the potential to become a powerful long-term compounder.

THE PORTFOLIO

Our Circle



- Operating Unit
- Operating Sector
- Geography
- Acquisition Year
- Group Revenue in FY25
- Recurring Revenue %

Operating Unit	Operating Sector	Geography	Acquisition Year	Group Revenue in FY25	Recurring Revenue %
Nettl Systems	Graphics & E-commerce - Print, Web and Graphic Resellers	UK	–	£6.4m	30%
Vertical Plus	Graphics & E-commerce - Online Retailers with 50k products or more	UK	2022	£2.3m	75%
Watermark	Professional & Financial Services - IFAs, Insurance companies	UK	2022	£1.5m	94%
CareDocs	Health & Social Care - Care Homes	UK	2023	£2.6m	98%
Topfloor	Property (Prop-tech) - Property and Block Management	IE	2023	£1.6m	100%
Arc Technology	Education (Ed-tech) - Universities	UK	2024	£1.2m	100%
Bethebrand	Professional & Financial Services - Banking, Finance and Insurance	UK	2024	£1.6m	88%
Link Maker	Health & Social Care - Child Adoption Services	UK	2024	£1.0m	100%
Total Drive	Education (Ed-tech) - Driving Schools and Instructors	UK	2025	£0.1m	98%

GRAPHICS & ECOMMERCE

Our Circle

Nettl Systems

Nettl Systems has been part of the Group since its early days (initially as the printing.com platform in the early 2000s) and was not an outside acquisition but an internally developed business unit that has continually evolved under the Software Circle umbrella.

Business description: Nettl's software solutions enable owners of design studios, print shops, and signage companies to manage their workflows – from designing and ordering print materials to e-commerce storefronts – all in one integrated system. By streamlining job management, online ordering, and production outsourcing, Nettl's platforms solve the everyday operational challenges faced by local print studios and creative agencies. The typical customers of Nettl Systems are independent graphic designers, small print franchises, and marketing agencies that need robust back-office and e-commerce capabilities for print, design and digital marketing services. Nettl addresses their needs by automating ordering processes, providing templates, and handling procurement – allowing these businesses to focus on creativity while the software handles logistics.

Strategic role: As the foundational unit of Software Circle, Nettl Systems continues to generate steady recurring revenues from software licensing, web hosting, and service subscription fees.

Vertical Plus

Vertical Plus (Vertical+) was acquired by Software Circle in September 2022 as the first acquisition under the new vertical-market software strategy.

Business description: Vertical Plus is an e-commerce platform and inventory management specialist that provides growth-focused, fully managed online retail solutions. In essence, the platform solves the problem of scale for online retailers: it provides the technology and expertise needed to succeed in e-commerce without requiring the client to have in-house web development or marketing teams. The primary customers of Vertical Plus are SME retailers who want to expand their online sales. Vertical Plus helps these clients by not only providing an e-commerce site, but also by continuously optimising it – ensuring inventory is managed and marketing campaigns are effective.

Strategic role: It has a strong recurring revenue model (clients pay ongoing fees or revenue-share for the managed service), fitting with Software Circle's criteria for stable, recurring SaaS income.

Chris Lowe
Nettl Systems Leader

Nettl Systems

Geography	Acquisition Year	Group Revenue in FY25	Recurring Revenue %
UK	–	£6.4m	30%

Vertical+

Geography	Acquisition Year	Group Revenue in FY25	Recurring Revenue %
UK	2022	£2.3m	75%

Justin Smith
Vertical Plus Leader

PROFESSIONAL & FINANCIAL SERVICES

Our Circle

Watermark

Watermark Technologies Ltd was acquired in December 2022, expanding Software Circle into the document management arena.

Business description: Watermark provides secure document management software, tailored for highly regulated industries, specifically Independent Financial Advisors. In practice, Watermark's platform allows organisations to scan, store, and retrieve documents digitally with full-text search and encryption, maintaining audit trails to meet regulatory requirements.

Customers for Watermark's solutions have historically been within the professional services and financial sectors: for example, independent financial advisers, insurance brokers, healthcare clinics, and other small-to-mid-sized firms that deal with sensitive client documents. These clients use Watermark to replace cumbersome paper files with a secure digital repository, solving problems of document loss, compliance breaches, and inefficient paper workflows.

Strategic role: By acquiring Watermark, Software Circle broadened the Group's sector coverage beyond its print and e-commerce roots. Watermark brings a high recurring revenue stream (around 90% of its revenue comes from ongoing software subscriptions) and a loyal customer base, which aligns with Software Circle's model.

Bethebrand

Be The Brand Experience Ltd was acquired by Software Circle in May 2024. The acquisition was another step in Software Circle's expansion of its portfolio in the financial services domain.

Business description: BeTheBrand offers a marketing compliance and digital asset management platform, primarily for companies in regulated industries (with a strong focus on financial services). In highly regulated sectors like banking, insurance, and investment, marketing materials (brochures, advertisements, social media content, etc.) must go through rigorous approval processes to comply with laws and brand guidelines.

BeTheBrand's software streamlines this entire process. It provides a configurable workflow where marketing teams can create or upload content, collaborate with other stakeholders (designers, compliance officers, legal reviewers), and track each step of the approval chain.

Strategic role: BeTheBrand enjoys low customer churn and over 90% of its revenues are recurring subscription fees. BeTheBrand enhances Software Circle's strategic footprint by adding a high-quality, compliance-focused SaaS product that aligns with the Group's emphasis on recurring revenue and deep vertical expertise.

UK | 2022 | £1.5m | 94%

James Hughes
Watermark Leader

UK | 2024 | £1.6m | 88%

Guy Hainsworth
Bethebrand Leader

HEALTH & SOCIAL CARE

Our Circle

CareDocs

CareDocs (the trading name of Care Management Systems Ltd) was our first acquisition in the Health & Social Care sector joining Software Circle in January 2023.

Business description: CareDocs serves care home operators and nursing home groups that need reliable software to manage day-to-day operations and regulatory requirements. The software allows care home staff to create and update care plans, log interactions and medications, and generate reports to meet regulatory standards. By centralising all resident information and automating routine paperwork, CareDocs helps care providers ensure that elderly and vulnerable residents receive consistent, well-documented care, while also making audits and inspections easier to handle.

For these care home operators, CareDocs solves critical problems: it improves the accuracy of records, saves staff time on admin tasks, and enhances compliance with care regulations.

Strategic role: For Software Circle, acquiring CareDocs marked an entry into the health and social care software vertical. It contributed a stable, recurring revenue business with a strong market position (hundreds of care homes rely on it) – fitting the Group's strategy of investing in niche, mission-critical software businesses.

Link Maker

Link Maker Systems Ltd was acquired by Software Circle in July 2024 and is an innovative platform in the Health & Social Care sector, specifically focusing on adoption services.

Business description: Link Maker operates an online adoption platform that effectively joins up children's social care services across the UK. Its platform is used by local authorities, regional adoption agencies, and other social care organisations to improve the process of finding families for children who need adoption or fostering placements. This significantly increases the placement choices for children, as councils can look beyond their own region to find the best possible family match.

Strategic role: Link Maker is a mission-critical service, directly contributing to better outcomes for children by speeding up the matching process and widening the pool of potential families. The platform has become deeply embedded in the UK adoption ecosystem, and as a result, over 95% of Link Maker's revenues are recurring annual fees.

What Link Maker does really matters, a platform that improves children's lives. Overall, Link Maker strengthens the Group's portfolio with a high-retention, purpose-driven business that aligns perfectly with the vertical market focus and long-term ownership model.

Alan Pocock
CareDocs Leader

UK | 2023 | £2.6m | 98%

UK | 2024 | £1.0m | 100%

Craig Rigby-Wilson
Link Maker Leader

EDUCATION
Our Circle

Arc Technology

ARC Technology Ltd was acquired in February 2024, marking Software Circle's entry into the education tech sector.

Business description: ARC Technology provides a comprehensive administrative software suite for universities and colleges, specialising in managing "practice-based learning" programs. In practical terms, ARC's platform helps higher education institutions coordinate student placements – such as clinical placements for nursing students, teaching practicums, or any coursework that requires students to gain practical experience outside the classroom. By making this process digital and centralised, ARC solves a complex logistical problem for universities – replacing what would previously have been spreadsheets, manual paperwork, and scattered communications with one unified platform.

Strategic role: By serving higher education clients, ARC Technology brought a new vertical into Software Circle's portfolio – EdTech (education technology). ARC's business model fits Software Circle's criteria well: it enjoys high client retention and over 90% recurring revenue from annual university licenses, providing stable, repeat income.

Total Drive

Total Drive Software Ltd is the most recent addition to Software Circle's family, acquired in March 2025.

Business description: Total Drive provides an end-to-end business management app for driving instructors and driving schools. The app allows driving instructors to schedule and manage lessons (with an integrated diary that both instructor and pupil can see), track each pupil's progress through the driving syllabus, handle payments (including in-app payment processing for lessons), and even manage administrative tasks like sending lesson reminders or keeping track of test dates.

The user base ranges from solo independent instructors to multi-car driving schools with several instructors on staff. For instructors, the problem Total Drive solves is significant: it eliminates no-shows and double-bookings via automated reminders, saves time on paperwork by logging lessons and payments digitally, and enhances the pupil experience by providing a companion mobile app where learners can review their progress and practice schedules.

Strategic role: For Software Circle, Total Drive's acquisition ticks all the strategic boxes: it's the top player in a niche vertical, it has a high recurring revenue ratio, and it serves a stable or growing market.

Ned Bishay
Arc Technologies Leader

UK	2024	£1.2m	100%

UK	2025	£0.1m	98%

Ross Kernick
Total Drive Leader

PROPERTY
Our Circle

Topfloor

TopFloor Systems Ltd was acquired by Software Circle in February 2023, the Group's first acquisition in the property tech sector.

Business description: TopFloor develops property management software used by property owners and real estate managers to streamline their operations. Specifically, TopFloor provides cloud-based SaaS solutions for two key areas: block management (for apartment blocks and multi-unit buildings) and lettings management (for rental properties). One of its flagship modules, Blockman, handles service charge billing, ground rent tracking, client accounting, and document generation for apartment block managing agents. Another module, Letman, is tailored for letting agents and landlords to manage tenancy agreements, rent collection, and maintenance tasks. Together, these tools cover the end-to-end needs of property management businesses – from keeping financial accounts to communicating with tenants.

Strategic role: Strategically, TopFloor contributes steady recurring revenue and aligns with Software Circle's model of vertical market focus. The move broadened the portfolio and reduced dependence on any single industry.
Additionally, TopFloor's presence in Ireland expanded the Group's geographic market.

Niall Wrafter
Topfloor Leader

Ireland	2023	£1.6m	100%

The road to now

During the year we welcomed three new acquisitions. Today we're a group of nine operating units.

STRATEGIC REPORT

Chief Executive's statement

Dear Shareholders

It has, once again, been a year of meaningful progress for the Group. We continue to execute our disciplined and long-term strategy: to acquire Vertical Market Software ("VMS") businesses that meet our criteria, detailed on page 42, at appropriate valuations. Supporting their organic growth over time, and reinvesting the free cash flow they generate into further value-accretive opportunities. We've delivered strong financial performance and have started implementing what is required for continued growth in future years.

The road to now

Last year, we outlined the clear roadmap we've been working toward—what we call our strategic gates—to track our transformation from legacy operations to a high-performing group of Vertical Market Software ("VMS") companies.

Gate 1 (FY22):

Pivot the business by exiting print manufacturing, defining our guardrails, and assembling the right team.

Gate 2 (FY23):

Build a disciplined acquisition engine, completing four acquisitions funded through a bond raise.

Gate 3 (FY24):

Prove our model by delivering organic growth and achieving 10% aEBITDA, while raising equity to scale.

Gate 4 (FY25+):

Deploy that equity to reach ~£25m revenue run-rate, exceed 15% aEBITDA margin, and unlock access to debt facilities to fund future growth.

At each stage, we've focused on compounding cash returns, not just completing transactions. Today, with nine operating units, ~£20m annualised revenue, employing 160 talented people across five operating segments, 17% aEBITDA margin, and a scalable debt facility in place, we've passed through Gate 3 and have Gate 4 unlocked and firmly in our sights.

During the year, we welcomed three new acquisitions, deploying £8.7m of the capital raised through equity in September 2023, plus £0.5m in acquisition costs. We would like to extend a heartfelt welcome to all of our recently acquired teams and our sincere thanks to all our team members for their continued dedication, hard work, and engagement over the past year. Their commitment has been instrumental in helping the Group make meaningful progress once again, and we're proud of what we've achieved together so far.

Initially, our strategy was funded through a bond facility established in 2020.

In September 2023, having proven our ability to acquire and grow our first four VMS businesses, we raised £23.1m of new equity, an important step providing a strong foundation to continue the execution of our strategy during its infancy. We have since begun deploying this capital into a carefully selected pipeline of opportunities, acquiring businesses at disciplined entry multiples to secure attractive initial cash yields and Return on Capital Deployed ("ROCD").

Driving Organic Growth and compounding cash returns

Post-acquisition, we focus on driving organic growth, margin expansion, and operational excellence within each of our business units. Two key measures of profitability for the Group are: Operating EBITDA ("oEBITDA"), a measure of the cash generative profitability of our portfolio and Adjusted EBITDA ("aEBITDA"), a measure of how efficiently the Group manages that portfolio to generate free cash flow that we can redeploy. As these measures grow, so does free cash flow — which we then deploy into the next opportunity, creating a flywheel of compounding returns. Each successful acquisition adds permanently to the Group's cash-generating base, reinforcing the strength and resilience of our growing, diverse portfolio.

A core pillar of our approach is our relentless focus on growing Operating Cash Flow Per Share ("OCFPS"). Of course, there are a number of day-to-day measures, many we discuss later, that we focus on delivering that ultimately impact OCFPS. We believe this to be the single most important lag measure of long-term shareholder value creation. While accounting earnings can be influenced by non-cash items or acquisition timing, OCFPS reflects what truly matters, the cash available to reinvest or reduce debt — on a per-share basis. It gives us a clear and consistent lens through which to assess performance, guide capital allocation, and ensure we are compounding value for our shareholders year after year.

We believe our approach rewards patience and operational focus. It allows us to build long-term partnerships with management teams, make investment decisions without artificial timelines, and allocate capital with discipline and purpose. Over time, consistent growth in OCFPS translates into growing intrinsic value per share — and ultimately, long-term shareholder returns.

This is not a strategy that chases short-term gains. It is built to endure. In a world of increasing complexity and volatility, we believe this long-term, cash-focused approach offers the right combination of resilience, predictability, and value creation.

To accelerate the compounding effect of this strategy, we entered into loan facilities of up to £16.7m in November 2024. This enabled the full repayment of the bond facility that started our journey and provided a £10.0m committed acquisition facility, unlocking the Group's ability to fund M&A in the future. We will selectively use this financial leverage to increase our deployable capital — enabling us to execute on more opportunities without unnecessarily diluting shareholders. We do this conservatively, maintaining a group-wide leverage ratio below 3x aEBITDA. This strikes the right balance between enhancing returns and preserving financial resilience.

Why founders choose us

As a group, we've built software our entire life. Software is in our DNA. That DNA is rooted in the hard-earned lessons of building, scaling and transitioning our business over the last two decades. Alongside this is a background in franchising, which means developing operational playbooks and scalable business systems has always been part of our modus operandi. A unique blend that gives us perspective on what it takes to grow a collective of independently run operating units, in a sustainable way.

We understand the opportunities and challenges faced by founders because we have walked in their shoes. We understand firsthand the blood, sweat and tears that go into building a software business.

Through that experience, we bring empathy, operational experience, and a balanced decentralised approach to ownership—supporting growth without disrupting what makes each business special, which is why founders choose us.

As a permanent owner we also do not rely on exits to crystallise returns — we are builders and stewards, not sellers. That distinction shapes everything we do and every decision we make. For founders, knowing that our view is long term and that their customers and teams have a stable and permanent home is often a key determining factor in choosing us as a new permanent owner. All of which translates into three key pillars:

No Drama: We operate with simplicity, clarity and pace. Executing deals without unnecessary fuss or drama. We bring certainty to the process and flexibility to the outcome. Whether a founder wants to fully exit, remain actively involved, or take on a transitional consultative role, we adapt to the situation and respect what makes each business work.

No Meddling: Our model is decentralised by design. We believe those closest to the customer should make the day-to-day decisions. Our job is not to interfere, but to empower. We provide capital, support and a long-term perspective—allowing each business to retain its identity and build upon its momentum.

No Bullsh*t: We're open and transparent in everything we do, from the way we arrive at our valuations, drive the acquisition process and operate our businesses.

Building a culture of collaboration

The previous financial year has marked our first full year operating as Software Circle plc. A newly assembled Board and a change in identity that signifies the direction of and clarity in our Group strategy.

The 'new suit' fits rather well.

This year also saw our first ever Software Circle plc Summit. It was an opportunity for our business leaders not just to step back from the day-to-day, but to step closer to one another. For many, it was the first time meeting in person, despite having collaborated virtually. Ultimately, we hold events like these to learn from each other, build relationships and give our teams the belief and know-how to achieve their breakthrough objectives for the year.

While each business operates in a different vertical, with its own systems, customers and nuance, a palpable shared DNA was evident. Common challenges were voiced—scaling teams, evolving systems, navigating customer demands—and more importantly, shared solutions were offered. Best practices flowed freely, experiences were openly exchanged, and a real sense of mutual respect and camaraderie emerged.

It was great fun with smart, talented and thoroughly decent people from across the Group. 'SFT Top Trumps' also made its debut appearance, crowning its first champion!

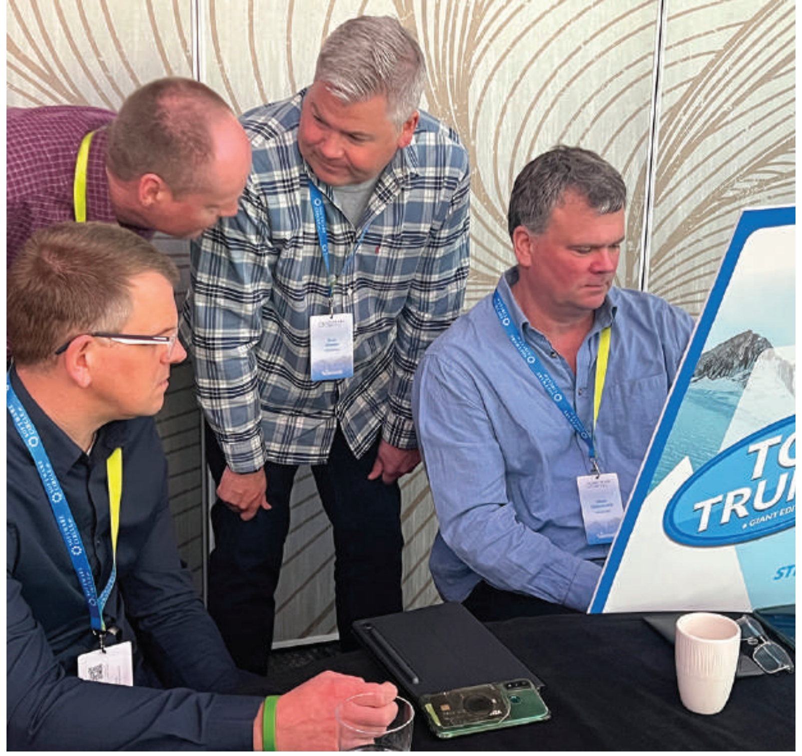
Autonomy is core to our model but autonomy must be underpinned by a strong cultural foundation—one that values openness, collaboration and a shared ambition to grow sustainably and intelligently. The Summit was a timely reminder that culture doesn't need to be uniform to be aligned. It reaffirmed our belief that while we may operate independently, we can and must, thrive collectively.

Meaningful progress delivered

We've grown revenue by 13% overall, an increase of £2.1m, ending the full year with revenue of £18.3m (2024: £16.2m). We added £3.7m through acquisition and we have achieved a collective topline organic growth of 5% across our acquired business units. However, the decline in non-recurring product revenue in the Nettl Systems business, part of our Graphics & Ecommerce revenue segment where product and service revenue fell to £5.2m (2024: £6.8m), meant an overall organic decline in revenue of 9%.

Sometimes simplifying and becoming smaller is necessary to create a stronger foundation for future growth — and that's exactly the strategy for Nettl. While the decline in lower-margin, non-recurring revenue is clear, we expect Nettl's overall revenue to stabilise at around this year's level going forward. Importantly, a shift in revenue mix and a sharp focus on profitability have led to strong oEBITDA growth during the period.

The Group's recurring revenues for the year increased to £12.7m (2024: £9.2m), with 70% of total Group revenue now recurring compared to 57% in the prior year. This reflects the nature of the businesses we are bringing into the Group, which typically operate with a higher proportion of recurring revenues and



The first ever Software Circle Summit

Great fun with smart, talented and thoroughly decent people from across the Group. 'SFT Top Trumps' also made its debut appearance, crowning its first champion!

at stronger Gross Margins. The impact of this evolving mix is evident in the improvement in Group Gross Margin to 72% (2024: 63%).

Whilst the Group experienced a decline in organic Group revenue as highlighted above, all of our business units grew profitably, meaning we have delivered 22% organic growth in oEBITDA. In addition, we added £1.3m of oEBITDA through our acquisitions. Therefore, our total oEBITDA increased by 71% to £4.8m 2024: £2.8m).

Our oEBITDA margin improved to 26% (2024: 17%). This has been driven by the profile of our newly acquired businesses and improvements in operational efficiency and cost control across the portfolio, which in turn means more of the organic revenue growth for each business unit drops to the bottom line.

aEBITDA increased by 88% to £3.2m (2024: £1.7m) after central administration costs of £1.6m (2024: £1.1m), resulting in an improved aEBITDA margin of 17% (2024: 10%) meeting our previously stated aim to exceed 15%.

We use several metrics to help improve and measure success within our portfolio. Our live dashboards operate like an 'engine diagnostic' system, focussing on three key areas, growth, profitability and efficiency. They help our teams identify areas requiring specific attention. Alongside financial metrics, we measure operational KPIs that allow our teams to spot and correct. KPIs such as - Churn rates, sales conversions, response times, NPS scores, Return on SaaS Employees ("ROSE") metrics and cost to serve ratios. Acting on them strengthens the customer journey at every stage—improving retention, conversion, and efficiency—all of which contribute to sustainable, organic revenue growth. These real-time indicators help our operating leaders stay close to the detail, driving continuous improvement without losing sight of the bigger picture.

Ultimately, the barometer of health is the measurement of year-on-year Recurring Revenue Growth % + oEBITDA %. Our Quality Score. By that measure, our portfolio of acquired business units are collectively at 41%. A slight improvement from last year's score of 40%. This shift, albeit a small one, demonstrates that our portfolio companies are maintaining strong profitability alongside their ability to grow sustainably. An improving Quality Score reinforces the strength of our operating model—focused on disciplined cost control, scalable platforms, and long-term value creation across the estate.

Our disciplined approach to acquisition, combined with strong underlying organic growth in oEBITDA, has driven meaningful improvements in our Operating ROCD, which rose to 24% (2024: 21%) and our overall ROCD, which rose to 16% (2024: 13%). These improvements have been underpinned by several factors including: high-margin recurring revenue growth from acquired VMS businesses; consistent cost discipline across the portfolio; and control of central costs as a proportion of our oEBITDA.

While OCFPS decreased to 0.5p (2024: 0.6p), this was due to the necessary and deliberate equity raise completed in September 2023 which had a full year effect on OCFPS for the first time in terms of the weighted average number of shares in FY25. The raise strengthened our balance sheet, increased our acquisition capacity, and positioned us to pursue opportunitaies that align with our disciplined investment criteria. The cash flow accretive nature of the businesses we acquire, coupled with continued operational improvements, will drive strong growth in OCFPS over the short term.

AI and the new landscape

Artificial Intelligence is rapidly reshaping the landscape for many businesses, bringing both significant opportunities and new challenges. It is changing at an extraordinary pace and no one yet has all the answers. What we do know from experience of dealing with fast past change is that you just have to start. Make decisions and try things, in full knowledge that you may have to adapt and adjust course. And so, we have started. Starting small and staying nimble. Implementing ways to harness the potential of AI across our Group, embedding intelligent automation and

Autonomy is core to our model

But must be underpinned by a strong cultural foundation—one that values openness, collaboration and a shared ambition to grow sustainably and intelligently.

data-driven insights within our central functions, including M&A, finance, and reporting.

At the operating company level, integrating AI capabilities may not be appropriate for every platform, but for most it will. So where appropriate we're looking to enhance user experience, streamline customer support, and enable smarter, more predictive solutions for our customers in their respective verticals.

We plan to invest in upskilling our teams and to pilot targeted AI projects that can deliver meaningful improvements in operational efficiency, product innovation, and customer value. AI is not a silver bullet, and we will remain deliberate and pragmatic in its application—supporting our teams to use the technology confidently and responsibly, not as a replacement but as an enabler of better work.

In parallel, we factor AI maturity and risk exposure into our M&A processes. As we evaluate acquisition opportunities, it is becoming increasingly important to assess how target companies are positioned in relation to AI—whether they face disruption from emerging tools, whether their customer base may be eroded by automation, or conversely, whether they have AI-enhanced products that provide a competitive edge. As with all change, AI presents both risk and upside—and our goal is to ensure we are on the right side of that shift.

Current trading and outlook

Our new financial year began in April, and I'm pleased to report that trading continues to align with our internal forecasts. With the organic growth we've driven and the acquisitions we've added to the Group, on a run-rate basis, annualised revenue would be approximately £20m.

We have entered the new financial year with a strong pipeline of opportunities, meaningful financial headroom, and growing internal capability to execute transactions effectively and onboard them at pace. Alongside acquisitions, we remain committed to operational excellence within our existing businesses—driving organic growth, improving cash conversion, and supporting our teams to scale sustainably.

In closing, I would like to express my sincere thanks for your continued support and confidence in our Group's direction. I look forward to sharing further progress with you and to meeting you in person at our Annual General Meeting, which will be held a little earlier this year on Wednesday 3 September 2025. Thank you once again for being part of our journey.

Gavin Cockerill
Chief Executive Officer
22 July 2025

> **"We've delivered strong financial performance and have started implementing what is required for continued growth in future years.**

Multi-year review of financial performance

SUMMARY INCOME STATEMENT £000	2025	2024	2023	2022
Recurring revenue	12,701	9,210	4,104	2,135
Non-recurring revenue	5,573	6,955	7,573	6,781
Total Revenue	**18,274**	**16,165**	**11,677**	**8,916**
Operating EBITDA[1]	**4,752**	**2,784**	**1,315**	**217**
Central costs	(1,586)	(1,096)	(947)	(572)
Adjusted EBITDA	**3,166**	**1,688**	**368**	**(355)**
Acquisition costs	(479)	(347)	(353)	-
Development costs capitalised	1,292	1,133	390	525
Share option charges	(106)	(37)	-	(4)
Depreciation and amortisation	(4,608)	(3,551)	(1,556)	(944)
Impairments and exceptionals	1,439	(2,111)	(805)	-
Operating profit / (loss)	**704**	**(3,225)**	**(1,956)**	**(778)**
Net finance costs	(1,375)	(256)	(695)	(340)
Tax	342	1,111	1,243	559
Net loss from continuing operations	**(329)**	**(2,370)**	**(1,408)**	**(559)**
Net loss from discontinued operations	-	-	(203)	(1,277)
Net loss	**(329)**	**(2,370)**	**(1,611)**	**(1,836)**

[1] Our definition of Operating EBITDA has been updated to exclude non-cash share option charges. The prior year comparatives have been restated.

SUMMARY STATEMENT OF FINANCIAL POSITION £000	2025	2024	2023	2022
Property, plant and equipment	764	1,242	1,384	1,077
Intangible assets	26,862	15,302	16,266	1,391
Other assets	1,907	2,451	3,976	4,297
Cash and cash equivalents	8,566	15,391	1,994	1,462
Total assets	**38,099**	**34,386**	**23,620**	**8,227**
Equity	21,394	21,681	928	2,488
Interest-bearing liabilities	10,800	8,495	18,716	4,150
Non-interest-bearing liabilities	5,905	4,210	3,976	1,589
Equity and liabilities	**38,099**	**34,386**	**23,620**	**8,227**
Net debt / (cash)	**2,234**	**(6,896)**	**16,722**	**2,688**

SUMMARY STATEMENT OF CASH FLOWS £000	2025	2024	2023	2022
Loss for the year from continuing operations	(329)	(2,370)	(1,408)	(559)
Adjustments for non-cash items	3,885	4,386	1,936	732
Operating cash flow before changes in working capital	**3,556**	**2,016**	**528**	**173**
Cash flow from changes in working capital	(616)	283	(396)	100
Cash flow from taxes	2	(6)	67	-
Cash flow from operating activities	**2,942**	**2,293**	**199**	**273**
Cash flows from other investing activities	(994)	(844)	(344)	(572)
Cash flow from operating and other investing activities	**1,948**	**1,449**	**(145)**	**(299)**
Capital deployed acquiring subsidiaries	(8,685)	(4,100)	(8,367)	-
Cash flows from disposals	1,712	-	-	-
Cash flows from financing activities	(1,790)	16,050	9,035	(378)
Cash flow for the year from continuing operations	**(6,815)**	**13,399**	**523**	**(677)**
FX on cash	(10)	(2)	-	-
Cash flow on discontinued operations	-	-	9	(472)
Cash movement for the year	**(6,825)**	**13,397**	**532**	**(1,149)**

REVENUE ANALYSIS £000	2025	2024	2023	2022
Opening	16,165	11,677	8,916	6,944
Full year contribution from prior acquisitions	1,005	5,220	-	-
Organic growth[1]	(1,598)	(860)	611	1,972
Partial year contribution from new acquisitions	2,702	128	2,150	-
Closing	**18,274**	**16,165**	**11,677**	**8,916**

oEBITDA ANALYSIS £000	2025	2024	2023	2022
Opening	2,784	1,315	217	n/a
Full year contribution from prior acquisitions	243	1,393	-	n/a
Organic growth	656	20	379	n/a
Partial year contribution from new acquisitions	1,069	56	719	n/a
Closing	**4,752**	**2,784**	**1,315**	**n/a**

CAPITAL DEPLOYED £000	2025	2024	2023	2022
Opening	15,493	11,046	2,326	2,326
Capital deployed on new acquisitions	8,685	4,100	8,367	-
Acquisition related costs	479	347	353	-
Closing	**24,657**	**15,493**	**11,046**	**2,326**

KEY FINANCIAL PERFORMANCE INDICATORS (CONTINUING OPERATIONS)	2025	2024[2]	2023	2022
Change in revenue, %	13.0	38.4	31.0	28.4
Change in recurring revenue, %	37.9	124.4	92.2	2.8
Organic revenue growth rate, %[1]	(9.3)	(5.1)	6.9	28.4
Run-rate ARR, £000	14,376	10,116	9,132	2,364
Operating EBITDA margin, %	26.0	17.2	11.3	2.4
Operating return on capital deployed, %	23.7	21.0	19.7	9.3
aEBITDA margin, %	17.3	10.4	3.2	(4.0)
Return on capital deployed, %	15.8	12.7	5.5	(15.4)
Net debt / equity ratio, times	0.1	(0.3)	18.0	1.1
Leverage	0.7	(4.1)	45.4	n/a
Interest cover ratio, times	2.3	6.6	0.5	(1.0)
Earnings per share, pence	(0.1)	(0.9)	(1.2)	(0.5)
Operating cash flow per share, pence	0.5	0.6	(0.1)	(0.3)
Closing share price, pence	29.6	15.3	9.3	5.4

[1] As part of our ongoing commitment to transparency and accuracy in financial reporting, we have updated our methodology for calculating organic growth. Previously, growth related to acquisitions was measured against the amount reported in the last full financial statements of the acquired businesses prior to acquisition. To provide a more accurate reflection of the organic growth achieved under our ownership, we now use the pro-forma performance of acquired businesses as at the date of acquisition. This change allows for a more meaningful comparison of underlying performance across periods. As a result of this update, the comparative figures have been restated.

[2] As a result of updating our definition of Operating EBITDA to exclude non-cash share option charges, the affected prior year comparatives have been restated.

Definitions

Defined term	Definition	Usage
EBITDA	Earnings before interest, tax, depreciation, amortisation	Measures our operating efficiency
Adjusted EBITDA (aEBITDA)	Operating EBITDA less central administration costs	Adjustments to EBITDA to better measure how efficiently the Group manages our portfolio to generate free cash flow
Operating EBITDA (oEBITDA)	EBITDA before impairments, share option charges, exceptional costs, acquisition related costs, central administration costs and the capitalisation of qualifying development costs	Used to measure the performance of decentralised business units without the application of central Software Circle management and overheads
Capital deployed	Opening value plus closing value of cash paid, including acquisition related expenditure, in respect of investments in subsidiary companies, divided by 2	Provides the average amount of capital deployed on the acquisition of subsidiaries during the year
Return on capital deployed (ROCD)	aEBITDA as a percentage of capital deployed	A KPI to measure how efficiently we are deploying the group's total capital invested in acquisitions to generate recurring cash returns after central costs, available for debt service and reinvestment
Operating return on capital deployed (oROCD)	oEBITDA as a percentage of capital deployed	A KPI to reflect how efficiently we are deploying the Group's total capital invested in acquisitions to generate recurring operational cash returns
Earnings per share	Net profit / loss for the year divided by the weighted average number of shares	IFRS performance indicator
Operating cash flow per share	Cash flow from operating and other investing activities divided by the weighted average number of shares	A measure to demonstrate the Group's cash generating ability on a per share basis
Cash flows from other investing activities	Cash flows from investing activities less acquisition of subsidiaries net of cash and payment of deferred consideration	Used in the calculation of operating cash flow per share
Interest cover ratio	aEBITDA divided by net finance costs	Demonstrates the ability to cover interest costs through operating activities
Net debt	Interest bearing liabilities less cash and cash equivalents	Used to assess the ability to meet long-term obligations
Net debt / equity ratio	Net debt divided by equity	Used to assess the financial leverage
Leverage	Net debt divided by aEBITDA	Used to assess the financial leverage
Recurring revenue	Subscription and contract-based revenue expected to continue into the future	Estimating future revenue
Run-rate ARR	The annualised value of recurring revenue streams at the end of the year	Estimating future revenue
Quality Score	oEBITDA percentage plus recurring revenue growth percentage	Measures overall business performance
Organic Growth	In respect of businesses owned for the full year, the change in the current year divided by the total of the previous year plus the effect of additional contributions from acquisitions completing a full year for the first time	Used to assess the revenue, oEBITDA and aEBITDA performance of our portfolio

STRATEGIC REVIEW

Chief Financial Officer's report

Alternative performance measures (APMs)

The Group utilises Alternative Performance Measures (APMs) to offer shareholders a clearer understanding of our underlying trading performance and to provide a consistent measure of the execution of our strategy. These measures are not intended to replace IFRS metrics but to supplement them.

Our key APMs include oEBITDA, aEBITDA, Recurring Revenue, Return on Capital Deployed, and Operating Cash Flow per Share. A full list of definitions is provided on page 22.

A year of strategic progress and improved profitability

The financial year 2025 has been a period of significant progress, marked by continued strong growth in recurring revenue, a substantial improvement in profitability, and the successful onboarding of new acquisitions.

We have delivered a 13% increase in total revenue to £18.3m (2024: £16.2m), and importantly, we have seen a 38% increase in recurring revenue, which now stands at £12.7m (2024: £9.2m). This represents 70% of total revenue (2024: 57%) and underscores the successful execution of our long term strategy to build a high-quality, predictable revenue base.

Profitability has seen a significant improvement. oEBITDA grew by 71% to £4.8m (2024: 2.8m), whilst aEBITDA grew by 88% to £3.2m (2024: £1.7m), with the aEBITDA margin expanding from 10% to 17%. Operating profit was £0.7m compared to an operating loss of £3.2m in the prior year.

During the year, we deployed £9.2m on new acquisitions, including associated costs, welcoming three new vertical market software ("VMS") businesses into the Group that meet our criteria and enhance our portfolio. All are profitable and cash generative, between them contributing £2.7m of revenue and £1.1m of oEBITDA to the FY25 performance.

Revenue performance

The Group's 13% total revenue increase to £18.3m was driven by three key factors:

- **Acquisition growth**: Newly acquired businesses contributed an additional £3.7m to revenue.
- **Organic growth** in acquired businesses contributed an additional £0.4m (5% organic growth) to revenue.
- **Decline in Nettl**: where we experienced a revenue decline of £2.0m.

Recurring licence and subscription revenue increased to £12.7m (2024: £9.2m) as a result of our focus on acquiring businesses with high-quality, subscription-based models. Excluding Nettl, the organic revenue growth of the Group was 5% (2024: 4%). Non-recurring revenue declined to £5.6m (2024: 7.0m), driven by the decline in product revenue generated with our Graphics and Ecommerce segment, recognising the full year impact of the closure of Nettl's divested manufacturing hub in the prior year. Our run-rate Annual Recurring Revenue (ARR) at year-end stood at £14.4m, an increase of 42% from £10.1m at the end of FY24, providing strong visibility for the year ahead.

Profitability and earnings

- The Group's focus on acquiring profitable software businesses, supporting growth through the implementation of our business systems is translating into enhanced financial performance: **Operating EBITDA** increased by 71% to £4.8m (2024: £2.8m).
- **aEBITDA** increased by 88% to £3.2m (2024: £1.7m).
- The Group generated a statutory **Operating Profit** of £0.7m, a significant improvement from the loss of £3.2m in FY24.
- Statutory **Loss for the year** reduced to £0.3m (2024: £2.4m).

Operating EBITDA has increased by £1.3m as a result of acquisition activity in the current and prior year, with BeTheBrand and Link Maker, acquired during May 24 and July 24 respectively, contributing a combined £1.1m in their first partial year. In addition, the existing portfolio has delivered £0.7m (22%) of organic growth.

All of our portfolio have individually contributed positively to the Operating EBITDA growth. £0.4m of this has come from our Graphics and Ecommerce segment through a shift in revenue mix and a sharp focus on profitability in our Nettl Systems business.

The increase in central costs to £1.6m (2024: £1.1m) reflects planned investment in our central team to support the Group's enlarged scale and to provide the necessary resources for our disciplined acquisition and integration process. As a percentage of Operating EBITDA, central costs fell to 33% (2024: 39%).

Operating profit of £0.7m (2024: loss of £3.2m) includes one-off items totalling a credit of £1.4m. £1.7m of this relates to the sale of the printing.com domain. Restructuring charges of £0.3m were recognised following the decision to close an unprofitable trading location within the Nettl business unit. Operating profit was also impacted by higher depreciation and amortisation charges of £4.6m (2024: £3.6m) as non-cash amortisation charges related to acquisitions rose to £3.7m (2024: £2.7m).

Our statutory loss for the year reduced to £0.3m (2024: £2.4m) leading to an earnings per share of (0.08)p (2024: (0.92)p). Looking ahead, we expect to transition into net profitability as we continue to acquire profitable companies at a similar pace. Given that amortisation charges are based on historical acquisition costs and do not scale linearly with revenue or profitability, we anticipate that the incremental profit contribution from new acquisitions will outweigh the fixed nature of amortisation, supporting a sustained move into positive net earnings.

Cash flow, debt and leverage

The Group's underlying businesses continue to demonstrate strong cash generation, with cash flow from the underlying operating units increasing to £1.9m (2024: £1.4m). OCFPS, was 0.5p (2024: 0.6p). While this is a slight decrease from the prior year, it reflects the significant increase in the weighted average number of shares in issue during the year following the equity raise in September 2023, rather than any decline in underlying cash generation. As the remainder of that raised capital is deployed, OCFPS will increase.

The primary use of capital was the deployment of £9.2m on strategic acquisitions and associated costs. This investment was funded through existing cash resources, leading to a transition from a net cash position of £6.9m at the end of FY24 to a net debt position of £2.2m. This reflects the Board's strategy of putting the balance sheet to work to drive growth.

During the year, the Group secured new debt facilities totalling £16.7m with Shawbrook Bank. This included a £6.7m 5-year Term Loan Facility to 22 November 2029, which was drawn and utilised to settle the remaining bearer bonds, and a £10.0m committed facility to support its acquisition programme. This new financing provides a more flexible and scalable debt structure for the future. Settling the bonds was an important and necessary step as their terms prevented them from being subordinated, which is not compatible with mainstream lending.

Key Metrics (£'000 unless stated)	2025	2024
Cash flow from operating and other investing activities	1,948	1,449
Operating Cash Flow per Share (OCFPS)	0.5p	0.6p
Capital deployed on acquisitions including related costs	9,164	4,447
Closing cash and cash equivalents	8,566	15,391
Interest-bearing liabilities	10,800	8,495
Net debt / (cash)	2,234	(6,896)
Leverage (Net debt / aEBITDA)	0.7	(4.1)

The facility is split into three parts:

A. £3,350,000 amortising loan repayable monthly over the borrowing term;
B. £3,350,000 repayable in a bullet at the end of the borrowing term;
C. £10,000,000 committed facility, available to be utilised until 22 May 2027.

Facility C remained undrawn as at 31 March 2025. Once drawn, 50% of the drawn portion converts into an amortising term loan over the remaining borrowing term, the remaining 50% converting into a non-amortising loan, repayable in a bullet at the end of the borrowing term.

The terms of the new facilities include Gross Leverage and Debt Service covenants. Gross Leverage, being total debt, excluding consideration payable contingent on future earnings growth, to adjusted EBITDA, is not to exceed 3.80:1.00 initially, tapering to 2.50:1:00 by December 2027. Debt service cover, being the ratio of Cash flows available for debt service to the total of debt service, is not to be less than 1.10:1.00 during the term of the Facilities. The Group was in full compliance with its covenants throughout the year.

The Group's leverage remains at a conservative level. At the year-end, net debt to aEBITDA was 0.7, demonstrating significant headroom. The Board is satisfied that this level of leverage is appropriate and provides a strong and flexible foundation to continue executing our growth strategy.

Treasury policies and capital allocation

Our capital allocation strategy remains focused on creating long-term shareholder value. Our priorities are:

- To acquire vertical market software businesses that meet our criteria at appropriate valuations.
- To support their organic growth over time.
- To reinvest the free cash flow generated into further value-accretive opportunities.

Surplus funds are held on short-term deposit to ensure liquidity for working capital and to be readily available for future acquisition opportunities.

The Board continually assesses the most appropriate long-term financing structure to support our growth strategy. Where cash flows allow, acquisitions will be funded through the free cash flow generated by the existing group. Beyond this, we will selectively use financial leverage to increase our deployable capital — enabling us to execute on more opportunities without unnecessarily diluting shareholders. We do this conservatively, maintaining a group-wide leverage ratio below 3x aEBITDA.

Latest acquisition

Total Drive is the UK's #1 Driving Instructor platform. They joined the group in March 25.

Outlook

The Group has entered the new financial year with significant momentum. Our run-rate ARR of £14.4m provides a strong foundation for FY26. Our acquisition pipeline remains robust, and we continue to identify compelling opportunities that meet our stringent investment criteria.

Our strategic priorities are driving organic growth, and continuing the disciplined M&A strategy. Through the existing portfolio we expect to deliver revenue of approximately £20m in FY26.

> **This year has been a period of significant progress, marked by continued strong growth in recurring revenue, a substantial improvement in profitability, and the successful onboarding of new acquisitions.**

Iain Brown
Chief Financial Officer
22 July 2025

Principal risks and uncertainties

The following are the principal risks relating to the Group's operations:

Risk	Potential impact	Mitigation
Economic and political factors beyond the Group's direct control	A downturn in the macroeconomy may reduce consumer demand generally. Costs may be increased by changes to government policy, including tax changes or other legislation.	The sustainability of our Group strategy is underpinned by the recurring revenue model. This approach allows for a more reliable revenue stream, promoting long-term stability. The Group's decentralised model gives business unit heads P&L responsibility and accountability for managing costs. Our portfolio of businesses operate across varied and diverse sectors leaving us less susceptible to sector specific downturns.
Competitive environment	Some of the markets in which the Group operates are extremely competitive posing a threat to profitability.	We work closely with suppliers to monitor input costs and competitor pricing, ensuring we remain competitive.
Acquisition of a sub-optimal business	A poor performing acquisition would consume management time, focus and Group cash flows.	We operate a structured and rigorous due-diligence process when assessing potential acquisitions to ensure the target meets our acquisition criteria and establish the quality of its earnings. We also model alternative scenarios and build contingency plans for each.
Technological change	Advances in software and advances in artificial intelligence may impact on operational effectiveness and earnings potential.	We are constantly improving our platforms and adding new features to ensure we remain at the forefront of technological advancement.
Technological failure	The Group and its clients depend on the SaaS platform to operate their businesses.	All reasonable operational contingency is embedded for resilience in the event of a catastrophe.
Cyber Security breach	Unauthorised access to systems, networks, or data due to vulnerabilities in security controls, phishing attacks or malware which could lead to data loss, financial loss, reputational damage, and regulatory penalties.	Technical due diligence of acquisition targets is undertaken to validate the security of acquired technology assets. Business unit heads perform an ongoing review of: authentication procedures; levels of employee cybersecurity awareness; antivirus and anti-malware tools and security patch updates; backup and recovery processes; disaster recovery and incident response plans.
Fraud and social engineering attacks against employees	Fraud and/or social engineering attacks against employees are increasingly prevalent. These could result in the electronic transfer of funds to an unintended third party.	We regularly communicate information relating to likely/known scams internally along with reinforcement of business payment protocols. Only key staff have access to make bank payments, with appropriate limits across all banking facilities.
Key management	The loss of key personnel could impact the Group's ability to implement strategy and the intended pace of growth.	The Remuneration Committee seeks to ensure rewards are commensurate with performance and aid retention.

S.172 Companies Act 2006 statement

In accordance with section 172 of the Companies Act 2006, the Board regularly considers the likely consequences of our strategy and long-term decisions, taking into account the interests of colleagues, suppliers, customers, communities and the environment.

The Directors assess and take into account what is most likely to promote the success of the Company for its members in the long term as part of their decision-making process, and make this assessment fairly and in good faith. The strategic planning process involves gathering market and business information, scenario planning and the application of experience and knowledge of current affairs by members of the Board.

Details of how we engage with our stakeholders are included within the Corporate Governance report on pages 36 to 45.

The table below outlines some of the considerations in relation to wider stakeholders and the environment which the Board took account of in making key decisions during the year.

Key Board Decisions	Considerations
Acquisition of software businesses	All acquisition targets are assessed against a set of criteria to determine their suitability to join the Group. Those acquired during the year met the requirements of having stable customer bases with revenue of a recurring nature, are profitable and are cash generative, pursuant to our stated strategy.
Sale of printing.com (PDC) domain	The domain name printing.com was agreed to be sold to JAL Equity Corp, an owner and operator of marketing, printing, signage, and promotion businesses in the USA, for USD 2.3m. Since the launch of 'Nettl' eight years ago, more and more printing.com partners have upgraded to Nettl. For the few remaining partners utilising the PDC domain, we expect the majority will upgrade and become Nettl partners. Those who don't, can continue using the software platform to run their business as a white label partner. The proceeds from the domain sale will be deployed on acquisitions that match our criteria.
Debt refinancing and repayment of bonds	To continue the long-term acquisition strategy, the Group entered into a £16.7m facility with Shawbrook Bank Limited, with £10.0m of the facility structured specifically to enable the Company to continue with its acquisition strategy. The remaining £6.7m of the facilities were drawn and utilised immediately to buy back the existing bearer bonds, as lenders require other debts to be subordinated, which the terms of our bond facility did not allow for.
Appointment of new directors	We made several Board changes in September 2024. Jan Mohr and Conrad Bona stepped down after many years with the Company, having played instrumental roles in its transformation. Matthias Riechert assumed the role of Chair, Marc Maurer joined the Board as a representative of Chapters, a major long-term shareholder, and Brad Ormsby was appointed as a new independent member. These additions brought relevant skills and experience to support the company in its next phase of growth as a serial acquirer.

The Directors continue to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

Approval of the strategic report on behalf of the Board

Iain Brown

Chief Financial Officer

22 July 2025

Executive Directors

Gavin Cockerill
Chief Executive Officer

After graduating from Birmingham City University in 2000 and following a short stint in advertising, Gavin helped launch and grow printing.com studios in the UK. Since joining the Group he has been involved in progressing the Nettl and printing.com software licencing business models and its numerous master licences globally. In 2012 he launched and developed the Group's online platforms.

Gavin was appointed Chief Operating Officer in October 2015. He has been a member of the Board since January 2018, was appointed Acting CEO in May 2022 and CEO in May 2023.

Iain Brown
Chief Financial Officer

After graduating from Leeds University with a Bachelor of Arts degree in Accountancy and Finance in 2008, Iain joined audit practice with Baker Tilly UK LLP, qualified as a chartered accountant in 2012 and is a Fellow of the Institute of Chartered Accountants in England and Wales. Prior to joining the Group he held a number of senior financial positions with Myriad Group AG, a publicly listed Swiss software business trading across the world from multiple locations, before ultimately being appointed as Group Financial Controller in 2016.

Iain joined the Group in October 2019 and was appointed to the Board in January 2020.

Richard Lightfoot
Director and Company Secretary

Richard graduated from Manchester Metropolitan University in 1998 with a First Class honours degree in Business Studies. He subsequently worked for a Corporate Finance advisory firm assisting on mergers & acquisitions and venture capital fund raisings. Since joining the Group in 2004 he has performed a number of roles supporting the Board in implementing strategic initiatives.

Richard was appointed Company Secretary in October 2015 and was appointed to the Board in January 2018.

Non Executive Directors

Matthias Riechert
Chair

Matthias is a founder and Director of P&R Investment Management Limited ("P&R"), an investment advisory firm. Previously, Matthias worked in sales and trading at Citigroup Global Markets for nine years. He has an MBA from London Business School and Columbia Business School where he specialised in value investing.

Matthias was appointed to the Board as a Non-Executive Director in October 2022 and as Chair of the Board in September 2024.

Brad Ormsby
Non-Executive Director

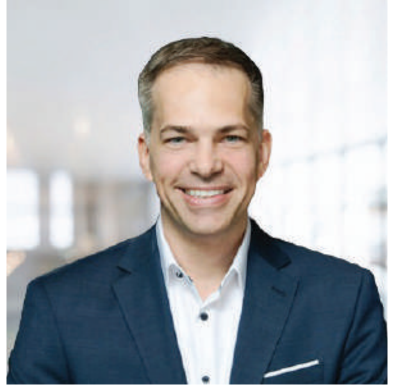
Brad Ormsby is CFO of Judges Scientific plc, an AIM listed buy and build manufacturing group which has grown from a market cap of £80m to £700m during the ten years Brad has been with Judges. Brad has extensive M&A experience including multiple acquisitions at Judges Scientific plc and several international transactions at Eurovestech, a technology venture capital fund. He also led the IPO onto AIM of Kalibrate Technologies, an international software business. He is also a Non-Executive Director of Octopus AIM VCT 2 plc, a FTSE quoted investment fund.

Brad was appointed to the Board in September 2024.

Simon Barrell
Non-Executive Director

Simon qualified as a chartered accountant in 1983 and is a Fellow of the Institute of Chartered accountants in England and Wales. He's held various posts as Finance Director and has experience across multiple industries working in both the public and private sectors. He has also held numerous non-executive positions for a number of public companies and continues to act as an adviser to listed and non-listed companies. He is currently a non-executive director of SRT Marine Systems plc and Westminster Group plc.

Simon joined the Group in June 2018 as Interim Finance Director and was appointed to the Board as a Non-Executive Director in January 2020.



Marc Maurer
Non Executive Director

Marc Maurer is COO of CHAPTERS Group, one of the Company's largest shareholders. Marc previously worked at Constellation Software and Hg Capital & TA Associates backed Revalize. Marc oversees all operational leadership of VMS companies within CHAPTERS Group.

Marc was appointed to the Board in September 2024.

Directors' report

The Directors present their report and the financial statements of Software Circle plc and its subsidiary companies for the financial year ended 31 March 2025. The Directors have proposed that no final dividend will be paid (2024: nil).

PRINCIPAL ACTIVITIES

The principal activity of the Group is the delivery of Software as a Service (SaaS) that solves clients' problems. We buy and operate VMS businesses, licensing a suite of mission critical software to predominantly SME customers across a variety of sectors.

DIRECTORS

The following Directors have held office since 1 April 2024:

J-H Mohr	Non-executive Chair (resigned 18 September 2024)
C C Bona	Non-executive Director (resigned 18 September 2024)
S G Barrell	Non-executive Director
M Riechert	Non-executive Chair
G G Cockerill	Chief Executive Officer
R A Lightfoot	Director and Company Secretary
I S Brown	Chief Financial Officer
B L Ormsby	Non-executive Director (appointed 18 September 2024)
M K Maurer	Non-executive Director (appointed 18 September 2024)

All the Directors are subject to re-election at intervals of no more than three years per the Company's articles of association. In line with the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies, the Company has chosen to give shareholders the opportunity to vote for directors' continuing appointment on an annual basis.

Details of Directors' interests in the share capital of the Company as shown in the register, together with details of share options granted and awards made to the Directors, are included in the Report on Directors' Remuneration on pages 48-49.

The Company maintains cover for its Directors under a directors' liability insurance policy, as permitted by the Companies Act 2006.

REVIEW OF THE BUSINESS

The Strategic Report on pages 3 to 29 provides a review of the business, the Group's trading for the year and key performance indicators.

EMPLOYEES

The employment policies of the Group embody the principles of equal opportunity and the Group does not discriminate against anyone on any grounds. The Group ensures that every consideration is given to applications of employment from disabled persons. If an employee became disabled, every effort would be made to offer suitable alternative employment within the Group and assistance with retraining.

The Group keeps employees informed via on-line message boards, by circulation of KPIs and provision of access to relevant operational results. A regular schedule of staff meetings are held and relevant internal announcements made by email. The Company takes account of any comments and feedback provided by employees in the formulation of its policies and procedures.

We have previously run SAYE schemes with our employees and will be reviewing the future offering during the current year.

RESEARCH AND DEVELOPMENT

Developing the software platforms across our Group is an ongoing process. Each year we introduce new features and services with the aim of increasing annual recurring revenues and reducing logo churn. In our newly acquired subsidiaries, management teams have developed clear roadmaps for the necessary enhancements in the years ahead, which we continually review.

HEALTH AND SAFETY

Emphasis is placed upon providing a safe and healthy working environment for employees, customers and suppliers. The Group ensures that regular risk assessments are carried out and that equipment is properly maintained. Working practices are continually refined to embody safe systems of work and the Group ensures that employees receive ongoing instruction, training and supervision for working and health and safety issues.

SOCIAL, ENVIRONMENTAL AND ETHICAL ISSUES

The Board considers social, environmental and ethical matters in all aspects of the business of the Group. They and senior management review and assess the significant risks to the Group's short and long-term value as impacted upon by social, environmental and ethical issues. The Group complies with environmental laws and regulations and works with suppliers and customers to improve the effectiveness of environmental management. The Group has made no contribution to political parties during the year (2024: nil).

FINANCIAL RISK MANAGEMENT

The Group utilises financial instruments comprising borrowings, cash and cash equivalents and various other items such as trade receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments relate to interest rates, liquidity and credit. The Directors review and agree policies for managing each of these risks, which are described and evaluated in more detail in note 21.

SUBSTANTIAL SHAREHOLDERS

In addition to the Directors' interests noted in the Directors' Remuneration Report, the Directors are aware of the following which were interested in 3% or more of the Company's equity as at 31 March 2025:

Registered holding	Number of shares	% of issued share capital
Chapters Group AG	116,634,908	29.90%
Value Focus Beteiligungs GmbH	97,910,910	25.10%
P&R Real Value	41,964,109	10.76%
Sun Mountain Partners LLC	31,764,704	8.14%
Wui Yen Liow	23,809,094	6.10%

POST BALANCE SHEET EVENTS

In May 2025, one of the Group's operating units fell victim to an authorised push payment fraud which resulted in £426,770 being inadvertently sent from its bank account. The incident was identified shortly after the transaction was made and, with the help of the banks involved, all funds were subsequently recovered.

We can confirm that this incident was limited in scope, and there is no evidence of a wider breach of the Group's systems or data. The Board reiterates its commitment to strengthening internal financial controls. In addition to the measures already introduced, the Group will continue to review and evolve its procedures to ensure robust defences against financial crime.

FUTURE DEVELOPMENTS

The Group will continue to apply a disciplined, returns-focused approach to capital allocation—prioritising the acquisition of Vertical Market Software businesses with strong recurring revenues, attractive margins, and enduring customer relationships. Alongside acquisitions, we remain committed to operational excellence within our existing businesses—driving organic growth, improving cash conversion, and supporting our teams to scale sustainably.

GOING CONCERN

As part of the consideration of the appropriateness of adopting the going concern basis of accounting, the Directors have prepared a base case forecast and then applied reasonable sensitivities.

As of the balance sheet date, the Company maintains a substantial cash balance, providing a strong liquidity position to support its business operations and strategic growth plans. The cash reserves are considered sufficient to meet the current operational requirements and short-term obligations of the Company.

The Company's primary strategic objective includes expansion through acquisitions, which involves inherent risks, particularly concerning deferred consideration payments. While the Company has a significant cash balance, the Directors recognise the following risks:

- Acquisition Volume and Payment Obligations: The risk of acquiring multiple companies in a short time frame could potentially strain the Company's liquidity if not managed prudently.
- Deferred Consideration Payments: The Company must ensure that it can meet deferred consideration payments as they fall due, without compromising its operational liquidity.

To mitigate these risks, the Directors have implemented the following measures:

- Due Diligence and Acquisition Strategy: Rigorous due diligence processes are in place to evaluate potential acquisition targets, ensuring that each acquisition aligns with the Company's strategic objectives and financial capacity.
- Cash Flow Forecasting and Management: Detailed cash flow forecasting is conducted regularly to project the timing and amounts of deferred consideration payments, ensuring that adequate cash reserves are maintained.
- Contingency Planning: Contingency plans are established to address any potential shortfalls in liquidity, including securing additional financing if necessary.

After considering the Company's strong cash position, the comprehensive risk management strategies in place, and the ability to adjust the pace of acquisitions if required, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held in September 2025 and shareholders will receive a notice in due course. In addition to the ordinary business, the Company will also propose a number of resolutions, which will be dealt with as special business. Details will be contained in the Notice of the Annual General Meeting.

In the opinion of the Directors, the passing of these resolutions is in the best interests of the shareholders.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office and a resolution to reappoint it as Auditor will be proposed at the next Annual General Meeting.

On behalf of the Board

Iain Brown
Chief Financial Officer
22 July 2025

Statement of directors' responsibilities in respect of the annual report, strategic report, the directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT

Each of the directors, whose names and functions are listed on pages 30 to 31, confirm that, to the best of each person's knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Corporate governance statement

FOR THE YEAR ENDED 31 MARCH 2025

The Board has determined that the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies (the "Code") (revised on 13 November 2023) is the most appropriate for the Group to adhere to.

The Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each. The Board considers that it did not depart from any of the principles of the Code during the period under review.

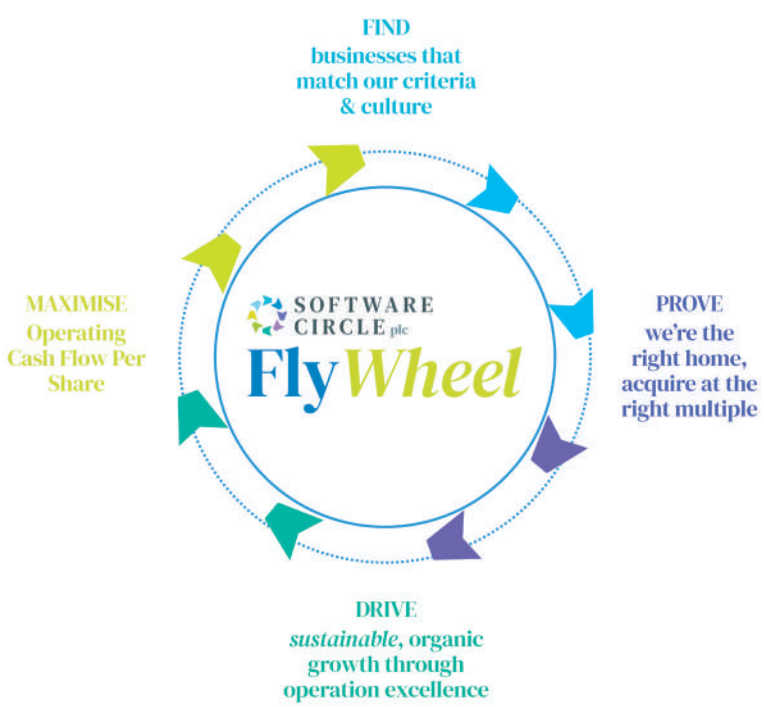
The following paragraphs set out the Group's compliance with the ten principles of the Code.

1. ESTABLISH A PURPOSE, STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG TERM VALUE FOR SHAREHOLDERS

Our acquisition strategy is at the centre of our focus to drive long term shareholder value, our purpose is:

"To be a leading serial acquirer and operator of VMS businesses, maintaining their entrepreneurial spirit and culture and providing a permanent home for their teams and management talent."

At the heart of our business lies a disciplined and long-term strategy: to acquire VMS businesses at appropriate valuations, support their organic growth over time, and reinvest the free cash flow they generate into further value-accretive opportunities.



We're continually evaluating multiple VMS business targets. We find potential acquisitions through a structured outreach program. Engaging with niche, business-to-business, and mission-critical platforms.

We look for businesses where the majority of revenues are recurring in nature and logo churn is low. The sustainability of our strategy is underpinned by the recurring revenue model. This approach allows for a more reliable revenue stream, promoting long-term stability.

Our operating model is to run our business units in a decentralised way and actively avoid centralisation and consolidation. We do this to encourage and maintain an entrepreneurial spirit and culture and accelerate growth in each business which is run by its own management team, supported by the Board.

Our strategy and business operations are set out more fully in the Strategic Report section on pages 3 to 29 of this report.

The Group's principal risks and uncertainties and the systems and internal controls developed to mitigate them are set out in the disclosure to principle 5 of the Code further below.

2. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board firmly believes that culture is driven from the top and through sound corporate governance. It takes ultimate responsibility for the culture that is developed and evolves under its leadership and guidance. The Company has documented its Leadership Values which sit at the centre of its operating values and ethics and are disseminated to all team members. Additional information setting out how Company's culture is fostered and supported is set out in the disclosures to Principle 5 further below.

The Group's individual business units have staff manuals which set out, amongst other things, policies and procedures for Equality & Diversity, Modern Slavery, Anti Bribery, Anti Tax Evasion and Whistleblowing.

3. SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Board strongly believes in transparency and an open door policy towards shareholder communications. It aims to provide fair and objective reporting and seeks to ensure its strategy, business model and performance are clearly communicated and understood through its half year and full year reports. Past and present versions are published on the Company's website – **www.softwarecircle.com/reports-downloads**.

Given the stage of the Company's development, its AGM provides the key opportunity for dialogue with shareholders. All members of the Board attend the AGM. A Notice of AGM is circulated to all shareholders on the register at least 21 days in advance of the AGM.

The Chair and Company Secretary go to additional lengths to identify and communicate with major shareholders whose holding is via nominee accounts, encouraging attendance at the AGM, voting and shareholder feedback and engagement. Both the Chair and CEO also meet on an adhoc basis with significant and major shareholders and provide feedback to the Board.

The number of proxy votes received for each vote are announced at the AGM and the results of the AGM are announced and published on our website.

Appropriate contact details are provided on all announcements and the Company Secretary's contact details are set out on the website for shareholder enquiries.

The Company does not presently have significant representation from traditional institutional investors. However, at an appropriate juncture it will seek to develop this area with the support of its broker, Allenby Capital.

Qualitative reporting of the Company's environmental and social matters is included in the disclosures to Principles 4 and 5 below. Whilst no quantitative measures are presently conducted or presented, this remains under review and proportionate, and decision-useful disclosures will be included in future reporting where considered relevant to investor needs and expectations.

4. TAKE INTO ACCOUNT WIDER STAKEHOLDER INTERESTS, INCLUDING SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES, AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Company actively engages with its wider stakeholder base to enhance decision-making, align interests, and balance the needs of all stakeholders. In doing so, it remains focused on its primary responsibility: to promote the long-term success of the Company for the benefit of its members as a whole. This is achieved through the execution of its strategy and business model, as outlined in the disclosures under Principle 1 of the Code above.

Considerations in relation to wider stakeholders and the environment which the Board took account of in making key decisions are set out in the Principal Risk and Uncertainties and S.172 Companies Act 2006 Statement sub sections of the Strategic Report section of this report on pages 28 and 29.

Employees

The Company regularly engages with its employees via a number of practices and procedures. Team members are able to give valued feedback on the working environment and other stakeholder insights through, for example:

- on-line message boards and forums as well as third party applications and business communication platforms. Use of such platforms came into sharp focus during the pandemic and now continue to support homeworking;
- monthly face to face and virtual meetings between the Company's CEO, Portfolio Operations Manager and business unit team leaders; and
- the Company's annual two-day conference.

The Company aims to foster a culture that promotes a healthy work-life balance, drives team motivation and rewards success. This is achieved by focusing on key objectives and actively involving team members in developing meaningful lead and lag measures that influence and predict the achievement of those key objectives. These measures enhance accountability and create a feedback loop that recognises achievements, with success rewarded through bonus schemes linked to EBITDA growth.

The Company believes the best way to achieve alignment with its staff and encourage them to think and act like owners is to help them become owners. In the coming year we plan to make invitations under our "Save As You Earn" Scheme which allows employees to save monthly and then purchase shares in the Company at a pre-agreed price.

Customers and Suppliers

The Company has a customer centric approach to delivering value by being in constant communication with customers to ensure it is ahead of any changes. The Group business units invest in customer service software and infrastructure to support feedback from these stakeholder groups and monitor and measure internal targets for response times and quality. Regular customer surveys are undertaken to measure Net Promoter Scores and customer satisfaction.

The Group's business units operate in different sectors and are run in a decentralised way by their own senior management teams who are responsible for engaging with customers and suppliers through events such as exhibitions, roadshows, conferences, on site visits and remote sessions. Direct feedback and responses to initiatives such as on-line polls and votes have shaped key strategic and operational decisions around important aspects of our businesses, ranging from pricing to environmental policies and considerations.

Environment

The Company is conscious of the environmental impact of the industries that its business units operate in. We seek to mitigate and minimise the Company's impact on the environment through practices and procedures appropriate to each business unit. Nettl Systems for example offers biodegradable products and recycled options to its customers.

As part of our commitment to responsible corporate governance, we are mindful of the environmental impact of our digital infrastructure, including the hosting environments that support our software platforms. Where possible, we prioritise data centre providers that demonstrate strong environmental credentials, such as the use of renewable energy sources, high energy efficiency ratings, and carbon reduction initiatives. We continue to assess the sustainability of our hosting arrangements as part of our broader ESG strategy and intend to refine our approach over time to align with best practices and reduce our overall environmental footprint.

5. EMBED EFFECTIVE RISK MANAGEMENT, INTERNAL CONTROLS AND ASSURANCE ACTIVITIES, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

Principal risks and uncertainties faced by the Group are set out on page 28.

The Board is responsible for establishing and maintaining the Company's system of internal control, which is designed to meet the particular needs of the Company and mitigate the risks to which it is exposed. Such a system is designed to manage these risks, to provide reasonable, but not absolute, assurance against material misstatement or loss, and to maintain proper accounting records to ensure the integrity of the financial information used within the business and for external publication.

The Board reviews the effectiveness of the system of internal control and considers whether the Company's internal controls processes would be significantly enhanced by an internal audit function and has taken the view that at the Company's current stage of development, this is not required. The Board will continue to review this matter each year.

The Board considers that the internal controls in place are appropriate for its size and resources, its activities and the risk profile. The key elements of the control system in operation are:

- The Board meets regularly to consider matters reserved to it and has put in place an organisational structure with clear lines of defined responsibility and with appropriate delegation of authority to manage risk. Board papers include a comprehensive CEO's report covering a wide range of KPIs consistently applied across all business units, Red Amber Green (RAG) reporting against valuations models and pre acquisition expectations and Return On Sales (ROS) benchmarking that dictates the operational focus for each business unit, that in turn forms the basis of the operational focus set out in a 'Playbook' for each business unit's senior management team to then execute.
- The Executive Directors meet prior to each full Board to discuss risks and opportunities facing the Group's various business units.
- The CEO meets regularly, sometimes daily and at least bi-weekly, with the senior management team of each business unit providing an opportunity to consider operational risks faced and provide stakeholder feedback from across the Group's operations.
- Steering groups are established to enable business unit leaders to share learnings and best practice in relation to key risks and opportunities such as AI and other emerging technologies.
- Group wide surveys are undertaken to identify areas of focus and resources available and support impact assessment.
- An organisational structure exists with defined roles and accountability and a culture is fostered which encourages entrepreneurial decision making while minimising risks. A key component of this is a comprehensive onboarding programme undertaken with the senior management team of each business acquired which includes:
    - the development of a 100 day plan to address, amongst other things, due diligence findings.
    - preparation of a financial budget and the plumbing in of the business unit's accounting platform to the Group's central reporting platform.
    - building reporting processes, procedures and infrastructure for benchmarking KPI's and Monthly Recurring Revenue (MRR) metrics that the Group applies consistently across all business units to measure operational performance.
    - development of a Strategy map and operational 'Playbook' based on a RASCI model (setting out who is Responsible, Accountable, Supporting, Consulted and Informed for particular 'Milestones/Tasks') which sets Objectives and Key Results (OKRs) agreed with the Management teams to measure the success of a financial year, align future objectives, identify operational efficiencies, evaluate pricing and determine where organic investment should go.
- The Company has information systems for monitoring its financial performance against approved budgets and forecasts.
- A collaborative risk register is maintained setting out the processes and actions the Company has in place to mitigate each risk. All members of the Board are encouraged to propose additions to the risk register review of which is a standing agenda item at two Board meetings each year.
- The Audit Committee receives reports from the external auditors on a regular basis and from Executive Directors of the Company. The Board receives periodic reports from all Committees.
- The Group retains an insurance broker and maintains appropriate insurance cover in respect of actions taken against Directors. The Group's individual business units maintain insurance in respect of materials loss or claims against them and the risks they face. The types of cover and insured values are reviewed annually.

As a predominantly office-based business with a relatively low environmental footprint, our direct exposure to climate-related physical risks is limited. However, we recognise the importance of understanding and managing climate-related risks as part of our broader risk management framework, both to ensure operational resilience and to meet stakeholder and regulatory expectations.

Given our size we are not presently required to assess climate-related risks in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework however this will remain under review. Whilst climate risks are currently assessed as low impact relative to our operations, we remain committed to ongoing monitoring and ensuring that our approach remains appropriate as the regulatory and risk landscape evolves.

6. ESTABLISH AND MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The make-up of the Board is reviewed on an ongoing basis in light of the Company's development, requirements and resources. Periodic refreshment occurred during the year under review with the previous Chair Jan Mohr and Non-Executive Director Conrad Bona stepping down at the 2024 AGM after 9 years on the Board. In parallel Matthias Reichert became Chair and Brad Ormsby and Marc Maurer joined the Board as Non-Executive Directors bringing experience in serial acquirers as CFO and COO respectively.

Whilst the Board presently has diversity in nationalities, socio-economic backgrounds and educational and business attainment and experience we are mindful of the absence of ethnic diversity and gender balance. The Board is committed to continual assessment of its composition as the Company evolves and levels of diversity remain a key consideration in succession planning.

The Board currently comprises four Non-Executive Directors (including the Chair) and three Executive Directors. Director's biographies are set out on pages 30 to 31.

Historically all Directors were subject to election by shareholders at the first Annual General Meeting after their appointment and article 32 of the Company's articles of association requires anyone who has been in office for three years without re appointment to seek re-election. In line with the Code the Company has chosen to give shareholders the opportunity to vote for directors' continuing appointment on an annual basis.

The Company's Chair, Matthias Riechert, is founder owner and Managing Director of P&R Investment Management Limited, which is investment advisor to Axxion SA, the Investment Manager of the P&R Real Value alternative investment fund, which is a significant shareholder in the Company with 10.76% / 41,964,109 shares. Marc Maurer, Non-Executive Director, is COO of Chapters Group AG which is a significant shareholder in the Company with 26.57% / 103,634,908 shares (116,634,908 shares at 31 March 2025). Given their respective positions with P&R Investment Management and Chapters Group the Board does not consider Mr Riechert and Mr Maurer to be independent for the purposes of Principle 6 of the Code.

To ensure transparency, disclosure, and independent oversight into matters relating to P&R Real Value or Chapters' investments in the Company, a sub-committee of the Board, excluding Mr Riechert and Mr Maurer is formed to make decisions regarding any matters either shareholder would have an interest in. All other Non-Executive Directors are considered independent on the basis that they receive a fixed fee for their services, do not participate in any performance-related remuneration schemes, do not have any interest in a company share option scheme and have no material financial relationships with the Company.

All Board members are required to review their affiliations, relationships, and business interests on an ongoing basis and report to the Board any matter which may compromise their objectivity or impartiality in decision-making or affect their independence.

To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information. A rolling programme of Board meetings is maintained throughout the year together with adhoc meetings as the Company's requirements demand.

All Executive Directors are presently full time and devote all of their working hours to the Company's operations. No minimum time commitment is required from Non-Executive Directors whose appointment requires them to devote such time as is necessary for the proper performance of their duties including for preparation for and attendance at all Board meetings, Board strategy away-days the Company's AGM and meetings of the Audit and Remuneration committees they are members of.

The director's attendance records in the year under review (including directors who have ceased to be directors in the period), is as follows:

	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Investment Committee meetings
Jan-Hendrik Mohr *	3/4	1/2	-	2/2
Conrad Bona *	4/4	2/2	-	2/2
Simon Barrell	6/6	2/2	2/2	3/3
Matthias Riechert	6/6	2/2	2/2	3/3
Brad Ormsby **	2/2	0/0	2/2	-
Marc Maurer **	2/2	-	-	1/1
Gavin Cockerill	6/6	-	-	-
Richard Lightfoot	6/6	1/2	-	-
Iain Brown	6/6	2/2	-	-

* Resigned 18 September 2024

** Appointed 18 September 2024

The Company Secretary reports directly to the Chair on governance matters. The Board believes that Richard Lightfoot's appointment as Director and Company Secretary is appropriate at this stage of the Company's development and given its requirements and resources. This arrangement is assessed on an ongoing basis and separation of duties will be implemented as appropriate.

7. MAINTAIN APPROPRIATE GOVERNANCE STRUCTURES AND ENSURE THAT INDIVIDUALLY AND COLLECTIVELY THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Board

The Board is responsible to shareholders for the proper management of the Group including overall Group strategy, approval of capital allocation, consideration of significant financing matters and approval of Annual and Interim results and budgets.

The Executive Directors have responsibility for the day-to-day operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent objective judgement to Board decisions.

All Directors are supplied with the Company's Continuing Obligations memorandum which is reviewed and updated as required. The memorandum sets out and explains the Director's responsibilities and obligations under the AIM Rules, the Market Abuse Regulation and other wider applicable legislation.

A formal schedule of all matters reserved for Board decision is maintained and reviewed regularly (last updated December 2024) covering:

- Setting and review of strategy and performance;
- Structure and capital;
- Maintenance of financial reporting and controls;
- Maintenance of internal control and risk management systems;
- Material contracts;
- Investor relations and regulatory communications;
- Constitution of Board membership and other appointments;
- Setting of Directors and Senior Management remuneration;
- Delegation of authority amongst the Board and its Committees;
- Implementation of Corporate Governance; and
- Approval of policies.

The Board maintains a rolling scheduled programme of Board meetings each year aligned with relevant events in the Company's financial and trading calendar. Additional meetings are held as and when required.

A formal agenda is prepared for each meeting noting any unresolved matters from prior meetings, Board papers including a CEO's report and KPIs, and CFO's report are circulated in advance and minutes are circulated following each meeting recording actions arising.

Non-Board members are also invited to attend on occasion to participate in relevant Board discussions.

Governance is aligned at business unit level through establishing a schedule of matters reserved for subsidiary Board decision together with provision of on-line dashboards that provide a Red, Amber, Green (RAG) rated warning system and ensure alignment of operations through a continual focus on standardised KPIs, with business unit Board meetings held quarterly.

Chair and Chief Executive Officer

The differing roles of Chair and Chief Executive are acknowledged and there is a clear division of responsibility at the head of the Company.

The key functions of the Chair are: to oversee the adoption, delivery and communication of the Company's Corporate Governance model; the effective conduct of Board Meetings and meetings of shareholders; to ensure that all Directors are properly briefed in order to take a full and constructive part in Board discussions; and to ensure the Group has appropriate strategic focus and direction.

The Chief Executive has responsibility for leading the implementation of agreed strategy and managing the day-to-day operations of the Group.

Committees

The Board has established an Audit Committee, a Remuneration Committee and an Investment Committee. In view of the stage of growth of the Company there are no formal Nomination or Corporate Governance committees, however these arrangements will remain under review.

The Audit Committee and Remuneration Committee presently comprise the Company's Chair and two Non-executive Directors. The Investment Committee presently comprises the Chair and Marc Maurer. It is the Company's present policy that only independent Non-executive Directors join the Audit or Remuneration Committees. Simon Barrell is presently Chair of the Audit Committee and Matthias Riechert Chair of the Remuneration Committee, his appointment being made prior to the adoption of the policy that only independent Non-executive Directors join the Company's committees moving forwards.

The Audit Committee's principal tasks are to review the scope of external audit, to receive regular reports from the auditors, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on legal requirements and accounting standards as well as areas of management judgement and estimation.

The Audit Committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Audit Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Group's internal control and risk management systems and processes. The Audit Committee meets at least twice a year including immediately before the submission of the Annual Financial Statements to the Board.

The Audit Committee also undertakes a formal assessment of the auditors' independence each year which includes:

- a review of the non-audit services provided to the Company and related fees;
- discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner;
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in this Annual Report.

The Audit Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work.

Ultimate responsibility for reviewing and approving the Annual and Interim financial statements remains with the Board and a statement of Directors' responsibilities in respect of the accounts is set out in this Annual Report.

The Remuneration Committee meets at least once a year and is responsible for making recommendations to the Board on the Company's framework of Executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the Executive Directors, including performance related bonus schemes, pension rights and compensation payments. It also considers and oversees the implementation of any share incentive schemes.

The Board itself determines the remuneration of the Non-Executive Directors.

A Directors' Remuneration report is set out in the Group's Annual Report.

The Investment Committee provides quality control to the Executive Directors in relation to acquisition opportunities. It is responsible for reviewing deal summaries and valuation models prepared by the Executive Directors and ensuring that investments fall within pre-determined 'Guardrails' which include:

- Target is UK/IE based
- Target has a clearly defined niche market
- Majority of revenues are recurring in nature, a minimum of £500k per annum
- Valuation multiple → up to 7x (aEBITDA)
- Logo churn < 10%
- Customer concentration as % of recurring revenue is low
- Number of customers > 30
- Historically profitable - Stable or growing aEBITDA over the last 3 years

The Investment Committee meets on an adhoc basis as the Company's dealflow requires. Any changes to the Guardrails or proposed deals that fall outside of Guardrails require the approval of the Board.

The Board considers that all of its Directors are of sufficient competence and calibre and between them provide an appropriate and effective balance of skills and experience, including in the areas of retailing, wholesaling, marketing, software development, ecommerce, finance and mergers and acquisitions. Directors' biographies are set out on the website and the names, qualifications and backgrounds of each of the directors are disclosed within the Directors section of this annual report.

The Directors all ensure that their skills are kept up to date by the attendance of courses, briefings from professional advisors and reading relevant industry and professional publications.

The Board is supported where necessary by its external professional advisers. The Board continually reviews the performance of third-party advisers to ensure they are the most effective business partners for the Group. Our Auditors were last changed in July 2017. The Group's audit was put out for tender in August 2023 the result of which was to retain the existing auditors. Directors have access to advice and services of the Company Secretary and there is a procedure for all Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Group.

The Company Secretary provides all new Directors with a comprehensive onboarding pack and on an ongoing basis Directors are provided with updates on key developments relating to the Company and legal and governance matters including advice from the Company's nomad, lawyers and other advisors.

8. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Chair assesses the individual contributions of each of the members of the team to ensure that:

- they are performing their roles and carrying out their responsibilities to the highest standards;
- their contribution is relevant and effective; and
- where relevant, they have maintained their independence.

Appraisals are carried out each year for all Executive Directors and to assess overall Board composition. The appraisal process is an ongoing consideration of the Board as a whole.

The Chair Matthias Riechert conducts an annual review of the Board's effectiveness. The objective of this evaluation process is to bring to light possible changes which could make the Board's activities and administration more effective and efficient.

Board Evaluation covers the following areas:

- the manner in which the Board is run, and operates as a team;
- the skills, experience and independence of the Board;
- the strategy of the business;
- the risks of the business;
- the Company's ethical values and behaviours; and
- engagement with shareholders and other stakeholders.

After conducting an extensive self-evaluation during FY23, we made several board changes in September 2024. Jan Mohr and Conrad Bona stepped down after many years with the firm, having played instrumental roles in its transformation. Matthias Riechert assumed the role of Chair, Marc Maurer joined the board as a representative of Chapters, a major long-term shareholder, and Brad Ormsby was appointed as a new independent member. These additions brought relevant skills and experience to support the company in its next phase of growth as a serial acquirer. The changes have not yet achieved more diversity which remains a factor for any future changes.

BOARD REVIEW

Manner in which the Board is run	The Board operates in a collaborative and open manner, with a strong emphasis on learning from each other's experiences. Our discussions are thoughtful and in-depth, reflecting the diverse perspectives around the table. We value constructive challenge and ensure there is ample room for differing viewpoints, which enhances the quality of our decision-making.
Skills, independence and experience	The new Board members bring a strong mix of relevant skills and experience that align with our long-term strategy. These include deep expertise in scaling serial acquirers with a focus on capital efficiency, effective communication with investors and the broader financial community, and operational excellence within vertical market software companies. The Board also benefits from specialist knowledge in pricing strategy and the development of operational systems—capabilities that will support disciplined growth and value creation over time.
Strategy of the business	Following a successful pivot and the establishment of a solid foundation, our strategic direction is clear: to be a leading serial acquirer and operator of vertical market software (VMS) businesses — a permanent home for software leaders, teams, and customers. The next phase will focus on building upon this foundation, scaling the business through disciplined acquisitions and operational excellence.
Risk of the business	Risk of the business is evaluated in-lieu of strategy as the Board perceives risk to be a core influence on strategy. When setting strategy, we reflect on the interdependencies for our risk appetite.
Ethical values and behaviours	Critical developments are monitored in the risk awareness section of every Board meeting.
Engagement with shareholders	The Board keeps an open and constructive dialogue with its shareholders. In particular, the largest 5-6 shareholders engage in fairly frequent discussions after RNS announcements. We have used our AGM as a platform to communicate strategy and invite shareholders to ask questions in a friendly, constructive and inclusive environment.

External advisers were last engaged to provide outside views to the Board evaluation process in FY23. Given the recent re-composition of the Board, a further externally facilitated Board review process is presently not scheduled.

Presently no formal Nomination Committee exists in view of the stage of growth of the Company. Appointments to the Board and succession planning are considered by the Board as a whole and are made on merit against objective criteria relating to the skills, knowledge and expertise required, and with due regard for the benefits of diversity on the Board and requirements of the Company.

9. ESTABLISH A REMUNERATION POLICY WHICH IS SUPPORTIVE OF LONG-TERM VALUE CREATION AND THE COMPANY'S PURPOSE, STRATEGY AND CULTURE

Primary components of the Company's Remuneration policy are two management bonus schemes which support the Company's purpose of being a leading serial acquirer and operator of VMS businesses.

Personnel in the Group's mergers and acquisitions team participate in an M&A Bonus based on deemed value creation achieved in respect of acquisitions made, determined by reference to growth in an internal estimate of post-acquisition value of those companies and the price paid for them.

Personnel in the Group's operations team participate in an Operations Bonus that is based on the aggregate organic growth of sustainable earnings (EBITDA) of companies acquired.

Remuneration for senior members of the Executive Management team are aligned to long term value creation through two share option schemes under which options granted in 2023 can be exercised from September 2028 and September 2030.

At business unit level remuneration is aligned through bonus schemes based on EBITDA and ARR growth in turn linking performance to the internal quality score metric that measures year-on-year recurring revenue and EBITDA growth with a minimum target of 40 being an industry standard indicator, showing a healthy balance between growth and profitability.

Whilst the Code's application of Principle 9 is for separate votes on the Company's remuneration report and remuneration policy, the Board does not feel that a separate vote on the remuneration policy is proportionate for a company of our size and intends to hold a single advisory vote on its remuneration report (inclusive of the remuneration policy), details of which are set out on page 48 of this report, at the 2025 AGM.

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board places a high priority on clear, fair and objective reporting with its various stakeholder groups.

Challenges experienced in the year and the manner in which the Company addressed them are set out in Chair's and Chief Executive's statements on pages 3 to 5 and 13 to 19 of this report. The Board structure and governance processes are set out in the disclosures to principle 6 of the Code set out above.

The Company is presently of a size that it attracts limited analyst attention and does not support having a dedicated investor relations department, to that end Company announcements are the main source of information.

The Chair communicates directly on an adhoc basis with major shareholders and the CEO and CFO make regular presentations to both existing and prospective shareholders.

Internally the Company's governance and performance is disseminated to business units through on-line dashboards with business unit management meetings held monthly and Board meetings held quarterly.

The Group's website is regularly updated and, in addition to the Corporate Governance Statement, sets out past and present Annual Reports and Accounts (including audit remuneration committee reports), Interim Reports and Accounts, Shareholder Circulars and Notices and all Company Regulatory News Service announcements.

The result of voting in the 2024 AGM is presented as follows:

Resolutions	For*	Against	Withheld
1. To receive the Company's Annual Accounts	126,063,163	768,633	0
2. To re-elect Gavin Graham Cockerill as a Director	126,826,806	0	4,990
3. To re-elect Richard Alan Lightfoot as a Director	126,826,806	0	4,990
4. To re-elect Simon Gregory Barrell as a Director	126,826,806	0	4,990
5. To re-appoint RSM UK Audit LLP as auditors of the Company	126,826,806	0	4,990
6. To authorise the Company to replace the existing authority to allot shares and to grant rights to subscribe for or convert any security into such shares	126,616,426	210,380	4,990
7. To disapply statutory pre-emption rights	123,329,998	3,496,808	4,990
8. To authorise the Company to make market purchases of its own shares	126,826,806	0	4,990

*** including any votes giving discretion to the Chair.**

Audit committee report

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed. Its role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises Simon Barrell as Chair, Brad Ormsby and Matthias Riechert. The Audit Committee formally met twice during the year.

The Board is satisfied that I, as Chair of the Committee, have recent and relevant financial experience. I am a Chartered Accountant, have held numerous non-executive positions for a number of public companies and continue to act as an adviser to both listed and non-listed companies.

DUTIES

The Audit Committee's principal tasks are to review the scope of external audit, to receive regular reports from the auditors, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on legal requirements and accounting standards as well as areas of management judgement and estimation.

The Audit Committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. It acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Group's internal control and risk management systems and processes.

The Audit Committee also undertakes a formal assessment of the auditor's independence each year which includes:

- a review of the non-audit services provided to the Company and related fees;
- discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner;
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

The Audit Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work.

During the year the main items of business considered by the Audit Committee included:

- working with the Group auditors, on the findings of the 2024 audit;
- review of the FY25 audit plan;
- consideration of key audit matters and how they are addressed;
- review of the full year and interim results on behalf of the Board;
- consideration of significant accounting policies, ensured compliance with accounting standards;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of the need for an internal audit function;
- holding separate discussions with the auditor without management being present on the adequacy of controls and any judgemental areas.

AUDITOR OBJECTIVITY, INDEPENDENCE, AND PERFORMANCE

Regularly reviewing and assessing the effectiveness of the audit process is essential to maintaining the integrity and quality of financial reporting.

The Audit Committee monitors the relationship with the external auditor, RSM, to ensure that auditor independence and objectivity are maintained. As part of its review, the committee monitors the provision of non-audit services by the external auditor. The breakdown of fees between audit and non-audit services is provided in Note 3 of the Group's financial statements. There were no non-audit services provided by RSM during the year. The external auditors are required to rotate audit partners responsible for the Group audit every five years.

Having reviewed the auditor's independence and performance, the Audit Committee recommends that RSM be re-appointed as the Group's auditor at the next AGM.

INTERNAL AUDIT

At present, the Group does not have an internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. However, the Audit Committee continues to assess this.

RISK MANAGEMENT AND INTERNAL CONTROLS

As described in the Corporate Governance Statement on pages 36 to 45, the Group has established a framework of risk management and internal control systems and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The committee supports the Board in its overall responsibility for risk management activities and implementing policies to ensure that all risks are evaluated, measured and kept under review by way of appropriate KPIs.

Simon Barrell
Audit Committee Chair
22 July 2025

Directors' remuneration report

As a company quoted on AIM, the Company is exempt from the S420 obligation of the Companies Act 2006 to prepare a Directors' Remuneration Report and the S439A obligation to put a written remuneration policy to a shareholder vote once every three years.

REMUNERATION COMMITTEE

The Company has an established Remuneration Committee which is constituted in accordance with the recommendations of the UK Corporate Governance Code. The members of the Committee are Matthias Riechert, Simon Barrell and Brad Ormsby who are Non-executive Directors. Matthias Riechert chairs the Committee.

In determining the Directors' remuneration for the year, the Committee consulted the Chief Executive about its proposals. It reviewed roles and responsibilities to ensure that pay levels remain appropriate for the scope and complexity of each role. Market data from comparable companies was considered to benchmark remuneration. The Committee also assessed whether the variable components of pay operated as intended, both in design and in outcome. It is satisfied that the current structure continues to support long-term, sustainable value creation for shareholders.

REMUNERATION POLICY

The policy of the Committee is to reward Executive Directors in line with the current remuneration of directors in comparable businesses taking into consideration the advice of independent bodies, in order to recruit, motivate and retain high quality executives within a competitive market place.

The main elements of the remuneration packages for Executive Directors and senior management are basic annual salary (including Directors' fees) and benefits.

BASIC ANNUAL SALARY

Basic pensionable salary is reviewed annually in March with increases, if awarded, taking effect from 1 April. In addition to basic salary, the Executive Directors also receive certain benefits in kind, principally private medical insurance.

ANNUAL CASH BONUS

The Group operates a cash bonus scheme for key personnel across the Group's operations team ("Operations Bonus") and Mergers and Acquisitions team ("M&A Bonus").

The bonus pool available to the Operations team is 20% of the aggregate organic growth of sustainable earnings (EBITDA) above a 5% hurdle. The organic growth will be determined by the Board by observing the change of actual aggregate EBITDA over one period, or, where the company has been recently acquired, by taking the difference between actual EBITDA and an internal target of sustainable EBITDA. The target and the hurdle may be adjusted on a time-apportioned basis where a company is acquired part way through a Bonus Period. Operations Bonuses are payable following the end of the bonus period once financial results have been determined by the Board.

The bonus pool available to the M&A team is 2.75% of the deemed "value creation" achieved in respect of companies acquired, determined by reference to any difference between our internal estimate of post-acquisition value of those companies and the price paid for them, with each recipient receiving a proportion of that amount to be determined at the discretion of the Remuneration Committee. M&A Cash Bonuses are payable in two instalments, with 50% of each individual's M&A Cash Bonus being payable following the end of the Bonus Period and the remaining 50% payable following the end of the next Bonus Period, in each case once financial results have been determined by the Board.

PENSION ARRANGEMENTS

The Company contributes the legally required pension contributions.

SHARE OPTIONS

The Company has in place two share option schemes for its directors, a tax advantaged discretionary share option plan (CSOP) and a non-tax advantaged, discretionary share option plan (Share Option Plan). Under the CSOP, options were issued at £0.09 (being market value at the time of issue) and vest after 5 years. Under the Share Option Plan, options were issued at £0.166 (being based on the market value at inception plus 10% annual compound growth over the option period) options vest at 25% per annum from September 2026, but do not become exercisable until September 2030.

DIRECTORS' CONTRACTS

It is the Company's policy that Executive Directors should have contracts with an indefinite term. There are no specific provisions for compensation in the event of loss of office. The Remuneration Committee would consider the circumstances of any early termination and determine compensation payments accordingly.

NON-EXECUTIVE DIRECTORS

The fees of each Non-executive Director are determined by the Board as a whole, excluding the Non-executive being reviewed, having regard to the commitment of time required and the level of fees in similar companies. Non-executive Directors' contracts are subject to three months written notice.

ELEMENTS OF REMUNERATION

Year ended 31 March 2025:	Basic salary £	Fees £	Benefits £	Bonuses £	Pension £	Total £
J-H Mohr	-	11,667	-	-	-	11,667
C C Bona	-	11,667	-	-	-	11,667
S G Barrell	-	25,000	-	-	-	25,000
M Riechert	-	25,000	-	-	-	25,000
B L Ormsby	-	13,365	-	-	-	13,365
M K Maurer*	-	-	-	-	-	-
I S Brown	120,000	-	700	59,587	6,216	186,503
G G Cockerill	150,000	-	1,029	72,684	7,787	231,500
R A Lightfoot	120,000	-	1,760	17,781	4,975	144,516
	390,000	86,699	3,489	150,052	18,978	649,218

Year ended 31 March 2024:	Basic salary £	Fees £	Benefits £	Bonuses £	Pension £	Total £
J-H Mohr	-	20,833	-	-	-	20,833
C C Bona	-	20,833	-	-	625	21,458
S G Barrell	-	20,833	-	-	-	20,833
M Riechert	-	20,833	-	-	625	21,458
I S Brown	109,583	-	669	29,530	4,173	143,955
G G Cockerill	129,167	-	975	44,352	5,206	179,700
R A Lightfoot	106,250	-	1,656	29,530	4,073	141,509
	345,000	83,332	3,300	103,412	14,702	549,746

* M K Maurer, as a representative of major shareholder Chapters Group AG, has elected not to take a non-executive fee.

DIRECTORS' INTERESTS

At 31 March 2025, the Directors had the following beneficial interests in the Company's shares:

	Ordinary shares of 1p each		Share Options	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
J-H Mohr*	**-**	116,634,908	**-**	-
C C Bona	**-**	2,462,959	**-**	-
S G Barrell	**128,034**	128,034	**-**	-
M Riechert	**3,192,573**	2,612,940	**-**	-
B L Ormsby	**-**	-	**-**	-
M K Maurer	**-**	-	**-**	-
G G Cockerill	**138,777**	138,777	**4,704,499**	4,704,499
I S Brown	**124,954**	124,954	**4,704,499**	4,704,499
R A Lightfoot	**619,510**	619,802	**4,704,499**	4,704,499

* Indirect interest, shares held by Chapters Group AG, a company in which Jan-Hendrik Mohr, former Chair of Software Circle plc, acts as CEO.

Changes in Directors' interests are detailed within note 25.

Options over ordinary shares in the Company

			Number of share options		
Date of issue	Exercise price (p)	Vesting date	G G Cockerill	I S Brown	R A Lightfoot
21/09/2023	9.0	21/09/2028	666,666	666,666	666,666
21/12/2023	16.6	29/09/2030	4,037,833	4,037,833	4,037,833
Total			4,704,499	4,704,499	4,704,499

There were no changes in the interest of Directors between 31 March 2025 and the date of this report.

The market price of shares as at 31 March 2025 was 29.60 pence (2024: 18.00 pence). The range during the period under review was 15.30 pence to 32.00 pence.

Matthias Riechert
Remuneration Committee Chair
22 July 2025

Independent auditor's report to the members of Software Circle plc

OPINION

We have audited the financial statements of Software Circle PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in Shareholders' equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	**Group** • Revenue recognition • Business combinations **Parent Company** • Impairment of intercompany receivables
Materiality	**Group** • Overall materiality: £402,000 (2024: £355,000) • Performance materiality: £301,000 (2024: £266,000) **Parent Company** • Overall materiality: £789,000 (2024: £589,000) • Performance materiality: £591,000 (2024: £442,000)
Scope	Our audit procedures covered 91% of revenue, 94% of total assets and 84% of profit before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

Key audit matter description	(Refer to page 62 regarding the accounting policy in respect of revenue recognition and note 2 in respect of revenue and operating segments). Appropriate and accurate income recognition is required to be applied by the Directors to ensure that revenue is fairly stated in the financial statements. There is a risk that revenue is recognised inappropriately due to fraud or error and that the revenue recognised is not in line with the underlying trading arrangements. As a result of the acquisitive nature of the Group, there are numerous revenue streams within the business. There is a risk that revenue is not accurately captured within the financial statements, recognised within the correct period or that the established revenue recognition policies are not appropriately applied given the various types of revenue earned.
How the matter was addressed in the audit	The Group's revenue recognition accounting policies were scrutinised against the requirements of IFRS 15. Substantive tests of detail were performed on a sample of revenue items recognised in the period to determine the occurrence and appropriate cut-off of the items selected. These were undertaken across the different revenue streams. The occurrence and accuracy of revenue recognised was assessed via detailed testing by reference to contracts with customers or other similar arrangements and invoices issued. Data analytics procedures were also used to review revenue transactions which fell outside the expected revenue cycle. The recognition of revenue around the period end was tested on a sample basis to determine that it had been reported in the correct period.

BUSINESS COMBINATIONS

Key audit matter description	(Refer to page 62 regarding the accounting policy in respect of business combinations and note 22 in respect of acquisitions disclosure). The Group is highly acquisitive and there have been three acquisitions within the period being audited. The fair value assigned to the net assets at the acquisition date, particularly the fair value assigned to separately identifiable intangibles, requires a significant degree of management estimation and judgement. Furthermore, a number of the acquisitions had elements of deferred consideration and contingent consideration as part of the transaction. The recognition and valuation of these items requires significant estimations and assumptions from management.
How the matter was addressed in the audit	The opening balance sheets for the acquired entities have been agreed to completion accounts, with the reliability of the completion accounts tested. Consideration paid and payable, including deferred and contingent consideration, has been corroborated to supporting agreements. Assumptions in relation to contingent consideration recognised have been assessed to confirm they have been reflected in the workings at an appropriate value. The fair value assigned to net assets as at the acquisition date and the assumptions used within the valuation of these assets have been scrutinised to confirm they are reasonable. Valuation techniques and assumptions used by management have been reviewed to confirm in line wit IFRS 3. The disclosures in relation to the acquisitions have been reviewed to ensure they have been appropriately reflected within the financial statements.

IMPAIRMENT OF INTERCOMPANY RECEIVABLES

Key audit matter description	(Refer to page 63 regarding the accounting policy in respect of trade and loan receivables and note 13 in respect of trade and other receivables disclosure). The parent company holds a number of intercompany receivables totalling £4,727,000 (2024: £4,967,000) (both stated after a provision of £6,042,000) in respect of sums advanced or due from subsidiary companies. In assessing the recoverability of the intercompany receivables management has considered a range of credit loss outcomes in their models in which forecasted data is used to generate the outcomes. Due to the significance of the balances on the parent company balance sheet and the judgement involved in the impairment assessment, we consider accounting for these balances a key audit matter.
How the matter was addressed in the audit	The methodology utilised by management to determine the recoverability of intercompany balances was reviewed, with reference to the requirements of IFRS 9 Financial Instruments. We obtained management's calculation of the Expected Credit Loss ("ECL") and the underlying calculations prepared to support the carrying value of the balance and performed work as follows: • Assessed the reasonableness of the scenarios considered by management and the probabilities assigned to each. • Ensured that the cash flow forecasts used were consistent with the latest Board approved forecasts. • Recalculated the computation of the ECL including reviewing the mechanical accuracy of the model and agreeing the inputs to management's supporting documentation. • Challenged management on a number of the assumptions in the cash flow forecasts and re-ran the model to assess the impact on management's conclusions. We reviewed the appropriateness of disclosures made, including in respect of the key source of estimation uncertainty.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£402,000 (2024: £355,000)	£789,000 (2024: £589,000)
Basis for determining overall materiality	2% of revenue	2% of total assets
Rationale for benchmark applied	We have chosen revenue as the benchmark for the group as we consider this to be the most relevant benchmark of activity and trading performance of the group as it continues to grow through acquisition.	As this is a non-trading holding company, total assets is considered the key benchmark as it is reflective of the parent company's investments in its subsidiaries.
Performance materiality	£301,000 (2024: £266,000)	£591,000 (2024: £442,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £20,300 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £10,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The group consists of 13 components, 10 which are based in the UK, 1 in the Republic of Ireland, 1 in the USA and 1 in France.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	34%	81%	47%
Specific audit procedures	9	57%	13%	37%
Total	**11**	**91%**	**94%**	**84%**

Of the above, no audits were undertaken by component auditors.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing management's going concern assessment and forecast model, performing checks to confirm its internal consistency and mathematical accuracy, consideration of reasonable sensitivities and challenging the key assumptions and estimates within. The appropriateness of disclosures concerning the going concern basis was also considered.

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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
IFRS/UK-adopted IAS and Companies Act 2006	• Review of the financial statement disclosures and testing to supporting documentation; • Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	• Inspection of advice received from external tax advisors • Inspection of correspondence with local tax authorities

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Additional audit procedures performed by the audit engagement team:
Revenue recognition	The Group's revenue recognition accounting policies were scrutinised against the requirements of IFRS 15. Substantive tests of detail over a sample of sales recognised in the year including agreement of the sales value to underlying sales documentation and the occurrence to evidence of delivery. Data analytics procedures were also used to review revenue transactions which fell outside the expected revenue cycle. Reviewing the cut-off treatment of a sample of sales recorded around the year end. We have tested a sample of license income transactions to ensure this has been correctly recognised in line with policy.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

USE OF OUR REPORT

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

ANDREW ALLCHIN FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Landmark, 1 St Peter's Sq,
Oxford St,
Manchester M1 4PB
Date: 22 July 2025

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 MARCH 2025	Note	2025 £000	2024 £000
Revenue	2	**18,274**	16,165
Direct costs		**(5,028)**	(5,971)
Gross profit		**13,246**	10,194
Staff costs	4	**(7,433)**	(5,332)
Other operating charges	3	**(2,404)**	(3,397)
Depreciation and amortisation	9 & 10	**(4,608)**	(3,551)
Profit on disposal of domain		**1,712**	-
Impairment of assets	2	**-**	(1,440)
Value adjustment of consideration payable	16	**191**	301
Operating profit / (loss)	2 & 3	**704**	(3,225)
Financial income		**386**	400
Financial expenses	5	**(887)**	(1,278)
Value adjustment on bond settlement	16	**(874)**	622
Net financing expense		**(1,375)**	(256)
Loss before tax		**(671)**	(3,481)
Tax credit	6	**342**	1,111
Loss for the year		**(329)**	(2,370)
Other Comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign subsidiaries		**(64)**	(59)
Loss and total comprehensive income for the year		**(393)**	(2,429)
Earnings per share attributable to the ordinary equity shareholders of Software Circle plc basic and diluted[1], pence per share	7	**(0.08)p**	(0.92)p

[1] Earnings per share suffers no dilution as the Group has reported a net loss after tax

The notes on pages 60-87 form part of these financial statements.

Consolidated and company statement of financial position

AT 31 MARCH 2025	Note	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Non-current assets					
Property, plant and equipment	9	**764**	1,242	**-**	-
Intangible assets	10	**26,862**	15,302	**-**	-
Investments in subsidiaries	11	**-**	-	**29,814**	16,249
Other receivables	13	**-**	-	**4,727**	4,967
Total non-current assets		**27,626**	16,544	**34,541**	21,216
Current assets					
Inventories	12	**26**	33	**-**	-
Trade and other receivables	13	**1,881**	2,418	**759**	92
Cash and cash equivalents	14	**8,566**	15,391	**5,075**	13,329
Total current assets		**10,473**	17,842	**5,834**	13,421
Total assets		**38,099**	34,386	**40,375**	34,637
Current liabilities					
Trade and other payables	15	**3,830**	3,144	**4,573**	2,448
Other interest-bearing loans and borrowings	16	**2,692**	1,511	**2,533**	1,351
Total current liabilities		**6,522**	4,655	**7,106**	3,799
Non-current liabilities					
Other interest-bearing loans and borrowings	16	**8,108**	6,984	**7,609**	6,137
Deferred tax liabilities	8	**2,075**	1,066	**-**	-
Total non-current liabilities		**10,183**	8,050	**7,609**	6,137
Total liabilities		**16,705**	12,705	**14,715**	9,936
Net assets		**21,394**	21,681	**25,660**	24,701
Equity attributable to equity holders of the parent					
Share capital	19	**3,901**	3,901	**3,901**	3,901
Merger reserve		**838**	838	**627**	627
Share premium	20	**28,255**	28,255	**28,255**	28,255
Share based payment reserve		**143**	37	**37**	37
Translation reserve		**(15)**	58	**-**	-
Retained earnings		**(11,728)**	(11,408)	**(7,160)**	(8,119)
Total equity		**21,394**	21,681	**25,660**	24,701

The Parent Company result for the year was a profit of £959,000 (2024: loss £5,996,000).
The notes on pages 60-87 form part of these financial statements.

The financial statements of Software Circle plc, registered number 03983312, were approved by the Board of directors on 22 July 2025 and were signed on its behalf by:

I S BROWN
Director

Consolidated and Company statement changes in shareholders' equity

GROUP – YEAR ENDED 31 MARCH 2025

	Share capital £000	Merger reserve £000	Share premium £000	Share based payment reserve £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 31 March 2023	1,145	838	7,866	88	117	(9,126)	928
Total comprehensive income for the year	-	-	-	-	(59)	(2,370)	(2,429)
Transfer of lapsed option reserve	-	-	-	(88)	-	88	-
Issue of Ordinary Shares	2,756	-	20,669	-	-	-	23,425
Costs associated with shares issued	-	-	(280)	-	-	-	(280)
Share option charge	-	-	-	37	-	-	37
Total movement in equity	2,756	-	20,389	(51)	(59)	(2,282)	20,753
Balance at 31 March 2024	3,901	838	28,255	37	58	(11,408)	21,681
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(64)**	**(329)**	**(393)**
Transfer of translation reserve on closure of foreign subsidiaries	**-**	**-**	**-**	**-**	**(9)**	**9**	**-**
Share option charge	**-**	**-**	**-**	**106**	**-**	**-**	**106**
Total movement in equity	**-**	**-**	**-**	**106**	**(73)**	**(320)**	**(287)**
Balance at 31 March 2025	**3,901**	**838**	**28,255**	**143**	**(15)**	**(11,728)**	**21,394**

COMPANY – YEAR ENDED 31 MARCH 2025

	Share capital £000	Merger reserve £000	Share premium £000	Share based payment reserve £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 31 March 2023	1,145	627	7,866	88	-	(2,211)	7,515
Total comprehensive income for the year	-	-	-	-	-	(5,996)	(5,996)
Transfer of lapsed option reserve	-	-	-	(88)	-	88	-
Issue of Ordinary Shares	2,756	-	20,669	-	-	-	23,425
Costs associated with shares issued	-	-	(280)	-	-	-	(280)
Share option charge	-	-	-	37	-	-	37
Total movement in equity	2,756	-	20,389	(51)	-	(5,908)	17,186
Balance at 31 March 2024	3,901	627	28,255	37	-	(8,119)	24,701
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**959**	**959**
Share option charge	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total movement in equity	**-**	**-**	**-**	**-**	**-**	**959**	**959**
Balance at 31 March 2025	**3,901**	**627**	**28,255**	**37**	**-**	**(7,160)**	**25,660**

The notes on pages 60-87 form part of these financial statements.

Consolidated statement of cash flows

FOR YEAR ENDED 31 MARCH 2025	Note	Group 2025 £000	Group 2024 £000
Cash flows from operating activities			
Loss for the year		**(329)**	(2,370)
Adjustments for:			
Depreciation, amortisation and impairment		**4,789**	3,551
Profit on disposal of plant and equipment		**(223)**	(13)
Profit on disposal of intangible assets		**(1,712)**	-
Share based payments		**106**	37
Financial income		**(386)**	(400)
Financial expense		**887**	1,278
Value adjustment on bond settlement		**874**	(622)
Bad debt expense		**83**	527
Tax income		**(342)**	(1,111)
Impairment of consideration receivable		**-**	1,440
Value adjustment on consideration payable		**(191)**	(301)
Operating cash flow before changes in working capital and provisions		**3,556**	2,016
Change in trade and other receivables		**978**	(274)
Change in inventories		**7**	(2)
Change in trade and other payables		**(1,601)**	559
Cash generated from operations		**2,940**	2,299
Corporation tax paid		**(156)**	(6)
R&D tax income received		**158**	-
Net cash inflow from operating activities		**2,942**	2,293
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(61)**	(70)
Disposal of property, plant and equipment		**46**	25
Disposal of intangible assets		**1,712**	-
Capitalised development expenditure	10	**(1,292)**	(1,133)
Purchase of other intangible assets		**(16)**	-
Interest received		**329**	334
Acquisition of subsidiaries net of cash	22	**(7,367)**	(444)
Payment of deferred consideration		**(1,318)**	(3,656)
Net cash used in investing activities		**(7,967)**	(4,944)
Cash flows from financing activities			
Proceeds from share issue		**-**	23,425
Costs associated with share issue		**-**	(280)
Proceeds from loans		**6,700**	-
Repayment of loans	23	**(7,361)**	(6,894)
Finance costs paid		**(913)**	-
Capital payment of lease liabilities	23	**(132)**	(136)
Interest payment of lease liabilities	23	**(84)**	(65)
Net cash (used in) / generated from financing activities		**(1,790)**	16,050
Net (decrease) / increase in cash and cash equivalents		**(6,815)**	13,399
Foreign exchange movements		**(10)**	(2)
Cash and cash equivalents at the start of the year		**15,391**	1,994
Cash and cash equivalents at the end of the year	14	**8,566**	15,391

The notes on pages 60-87 form part of these financial statements.

Notes to the financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Software Circle plc (the "Company") is a public limited company incorporated and domiciled in the UK. The Company's registered office is C/O Gateley Legal, Ship Canal House, 98 King Street, Manchester, England, M2 4WU.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and are presented in sterling. The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New standards, amendments and interpretations effective or adopted by the Group

During the year ended 31 March 2025, the Group adopted the amendments to:

- IAS 1 "Presentation of Financial Statements" in relation to non-current liabilities with covenants
- IFRS 16 "Leases" in relation to a lease on sale and leaseback
- IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" in relation to supplier finance arrangements'

Adoption of these other amendments had no material impact on these Summary Financial Statements. There were no other standards, amendments to standards or interpretations relevant to the Group's operations which were adopted during the year.

New standards, amendments and interpretations issued, but not yet adopted by the Group

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued in April 2024 and will be effective from 1 January 2027 (1 April 2027 for the Group), subject to UK endorsement. This standard will replace IAS 1 "Presentation of Financial Statements." The new standard does not amend the principles of recognition and measurement and so will not impact the financial results of the Group. However, it will impact the presentation of the consolidated financial statements, in particular the Consolidated statement of comprehensive income.

While the Group is continuing to assess the full impact of adoption of the standard, it is expected that the presentation of the Consolidated statement of comprehensive income will be amended to include the new subtotals prescribed in the standard. The share of profit recognised from equity accounted investments will be classified within investing activities, instead of its current classification within operating activities. It is expected that certain notes to the consolidated financial statements will also be amended to comply with aggregation and disaggregation principles.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" in relation to the classification and measurement of financial instruments have been issued. An additional amendment has also been made to both standards in relation to contracts referencing nature-dependent electricity. These amendments will be effective from 1 January 2026 (1 April 2026 for the Group). While the impact of adoption is continuing to be assessed, it is not expected the amendments will have a material impact on the Group's consolidated financial statements.

BASIS OF PREPARATION

The Group financial statements comprise the financial statements of the Company and all of its subsidiaries made up to the financial year end. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements are prepared under the historic cost convention except for certain financial instruments which are carried at fair value. The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied to all the periods presented.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The parent company financial statements have been prepared in accordance with FRS 101, as applied in accordance with the provisions of the Companies Act 2006.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual Statement of Comprehensive Income and related notes that form a part of these approved financial statements. As permitted by FRS 101, for both periods presented, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cashflow statement, share-based payments, fair value measurements, comparative reconciliations for tangible and intangible assets, standards not yet effective, related party transactions with other wholly owned members of the Group, and key management personnel compensation.

Intercompany balances and transactions have been eliminated. Profits from intercompany sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

The Group has provided parent guarantees to the following subsidiaries and thereby taken advantage of the audit exemption by virtue of s479A of the Companies Act 2006:

Nettl Systems Limited	02728004
Software Circle Management Limited	14943647
Vertical Plus Limited	04187838
Care Management Systems Limited	06495506
Watermark Technologies Limited	04644290
Arc Technology Limited	02523564
Be The Brand Experience Limited	04177329
Link Maker Systems Limited	08472919
Total Drive Software Limited	12853994

GOING CONCERN

Information regarding the Group's business activities together with the factors likely to affect its future development, performance and position is set out in the Chair's and Chief Executive's Statement on pages 3 to 5 and 13 to 19. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 23-27. In addition, note 21 to the financial statements includes details of the Group's financial instruments and its exposures to credit risk and liquidity risk.

The Directors have prepared the financial statements on a going concern basis. This assessment considers the Company's cash reserves and the associated risks related to its ongoing operations and strategic initiatives.

As of the balance sheet date, the Company maintains a substantial cash balance, providing a strong liquidity position to support its business operations and strategic growth plans. The cash reserves are considered sufficient to meet the current operational requirements and short-term obligations of the Company.

The Company's primary strategic objective includes expansion through acquisitions, which involves inherent risks, particularly concerning deferred consideration payments. While the Company has a significant cash balance, the Directors recognise the following risks:

- Acquisition Volume and Payment Obligations: The risk of acquiring multiple companies in a short time frame could potentially strain the Company's liquidity if not managed prudently.
- Deferred Consideration Payments: The Company must ensure that it can meet deferred consideration payments as they fall due, without compromising its operational liquidity.

To mitigate these risks, the Directors have implemented the following measures:

- Due Diligence and Acquisition Strategy: Rigorous due diligence processes are in place to evaluate potential acquisition targets, ensuring that each acquisition aligns with the Company's strategic objectives and financial capacity.
- Cash Flow Forecasting and Management: Detailed cash flow forecasting is conducted regularly to project the timing and amounts of deferred consideration payments, ensuring that adequate cash reserves are maintained.
- Contingency Planning: Contingency plans are established to address any potential shortfalls in liquidity, including securing additional financing if necessary.

After considering the Company's strong cash position, the comprehensive risk management strategies in place, and the ability to adjust the pace of acquisitions if required, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

BUSINESS COMBINATIONS

In accordance with IFRS 3 "Business Combinations", when accounting for acquisitions the Group measures goodwill at the acquisition date as the:

- fair value of the consideration transferred; plus
- recognised amount of any non-controlling interests in the acquiree; plus
- fair value of the existing equity interest in the acquiree; less
- net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

To the extent that deferred consideration is payable as part of the acquisition cost, the deferred consideration is discounted at an appropriate interest rate and, accordingly, carried at net present value in the consolidated statement of financial position. The discount component is then unwound as an interest charge in the consolidated statement of comprehensive income over the life of the obligation.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs are expenses to the statement of comprehensive income as incurred.

INVESTMENTS

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value. Where in the opinion of the Directors an impairment of the investment has arisen, the value of the investment will be written down to the recoverable amount in accordance with IAS 36 'Impairment of Assets'. Where surplus cash at the date of acquisition is subsequently withdrawn post-acquisition this is treated as a return of investment, reducing the carrying value of the investment in the subsidiary.

REVENUE

IFRS 15, in respect of the recognition of Revenue from Contracts with customers, requires the Group to separately recognise revenue with respect to the various components of the contractual arrangements. Where contracts have separately identifiable components with distinct patterns of delivery and customer acceptance, revenue is accounted for separately once the performance obligation is satisfied.

The Group contracts with its customers on the following bases:

- Supply of product. The Group considers the performance obligation to have been met when the product is delivered and, where required, installed.
- Licence fees, including franchise fees, for SaaS products are for a set period of time as specified with the customer. There is considered to be a single performance obligation for delivering a managed software service which is satisfied over the length of the contract. Revenue is therefore recognised over the life of the contract.
- Commissions on third-party sales. The Group considers the performance obligation to have been met when the third-party sale has taken place.
- Provision of professional services. The Group considers the performance obligation to have been met when the service has been provided.
- Rental of equipment. There is considered to be a single performance obligation for the provision of the IT equipment and the related software installed. The Group leases certain assets to customers with preloaded software. It is not practical to split the revenue from the lease of the physical asset and that of the preloaded software. Revenue is recognised over the life of the contract.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Board of Directors.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and is valued at purchased cost. Net realisable value is based on estimated selling price less additional costs to completion and necessary costs to make the sale.

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The Group and Company classify all its financial assets into the amortised cost category. The accounting policies for each category is as follows:

- Trade and loan receivables: Trade receivables are initially recognised and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An impairment provision is calculated by considering the trade receivables and expected credit losses. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward- looking information on factors affecting the Group's customers.
- An estimate for doubtful debts is also made when collection of the full amount is no longer probable. Debts are written off when they are identified as being uncollectible.
- Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- They arise principally through the intercompany loans; Impairment of loan receivables is calculated utilising the lifetime expected credit losses of these loans and the changes in the credit risk of the counterparty.
- Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits which are subject to an insignificant risk of changes in value.

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

FINANCIAL LIABILITIES

The Group and Company treat financial liabilities in accordance with the following accounting policies:

- Trade payables and other short-term monetary liabilities are recognised at fair value and subsequently at amortised cost.
- Loans are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method. "Interest expense" in this context includes initial transaction costs and premiums payable on redemption, as well as any interest payable while the liability is outstanding.
- Bearer Bonds are initially recognised at fair value net of any discount or transaction costs directly attributable to the issue of the instrument. They are subsequently measured at amortised cost using the effective interest rate method. "Interest expense" in this context includes initial transaction costs and the initial discount to the nominal value on inception, as well as any interest payable while the liability is outstanding.
- Deferred consideration is initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Where future payments are contingent on future events or performance conditions are initially recognised at fair value. They are subsequently measured at fair value through profit and loss with changes in fair value being recognised in the Group Statement of Comprehensive Income.

SHARE CAPITAL

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds within share premium.

BORROWING COSTS

Borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

CURRENT TAXATION

The current tax is based upon the taxable profit for the period together with adjustments, where necessary, in respect of prior periods. The Group's asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the financial period end date.

Current tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

1. ACCOUNTING POLICIES (CONTINUED)

DEFERRED TAXATION

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of Financial Position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairments. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings	- 20% to 33% straight line
Plant and equipment	- 7% to 30% straight line
Motor Vehicles	- 20% straight line
Leasehold improvements	- over the life of the lease, straight line
Right of use assets	- over the life of the lease, straight line

Where assets have been depreciated down to their estimated residual value they are no longer depreciated, a number of assets were subject to this in the year.

INTANGIBLE ASSETS

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the useful economic life of the asset as follows:

Domains & brand	- 20 years
Software	- 3 year
Capitalised development costs	- 3 years
Acquired Technology	- 3 to 6 years
Customer Lists	- 3 to 10 years

RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred. Development costs are charged to the profit or loss account in the year of expenditure, except when individual projects satisfy the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs will be exceeded by future sales; and adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over three years. Impairment risk is reviewed by the Board.

SOFTWARE

External expenditure on computer systems and software is stated at cost less accumulated amortisation and impairment losses.

CUSTOMER LISTS

Customer lists arise on the acquisition of subsidiary companies. Customer lists are individually tested bi-annually for indications of impairment.

TECHNOLOGY

Technology assets arise on the acquisition of subsidiary companies by assessing the value-in-use of the software acquired. The technology assets are tested bi-annually for indication of impairment.

GOODWILL

Goodwill may arise on acquisitions. Where this occurs, the valuation will be supported by a fair value assessment of the expected future cash flows from the related cash generating unit.

IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements 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 (such as tablets and personal computers, small items of office furniture and telephones). 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 assets 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 lessee uses its incremental borrowing rate.

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

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 within Property, Plant and Equipment and disclosed separately in note 17.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

For leases of assets granted by the Group, those leases are assessed in line with IFRS 16 to determine whether the lease should be classified as a finance lease or an operating lease. Following that assessment, the Group classifies any such leases as operating leases. The associated assets are capitalised as fixed assets and depreciated over their expected useful economic life. Revenue generated from those assets is recognised in line with IFRS 15.

EXCEPTIONAL COSTS / (ITEMS)

Exceptional costs represent those costs /(items) that are considered by the directors to be either material in nature or non-recurring and that require separate identification to give a true and fair view of the group's profit/(loss) for the year.

FINANCING COSTS

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entities within the Group's right to receive payments is established.

SHARE BASED PAYMENTS

The Group operates equity-settled share-based compensation plans, under which the Company receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the instruments granted, calculated using the Black Scholes model. At the end of each reporting period, the Group revises its estimates of the number of instruments that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

1. ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction. At each Balance Sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the Balance Sheet date. Translation differences on monetary items are taken to profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of transaction.

The financial statements of overseas subsidiaries are translated into sterling at the exchange rate ruling at the Balance Sheet date; income and expenses are translated at an average exchange rate. The resulting surpluses and deficits are recognised in other comprehensive income.

On disposal of a foreign subsidiary any cumulative exchange differences held in shareholders' equity are transferred to the Consolidated Statement of Comprehensive Income.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

CAPITALISATION OF DEVELOPMENT COSTS

The Board considers that the Group's key differentiators stem from its proprietary software. It is essential to continue investing in these assets. Separate projects are defined for new initiatives as they are identified. Development costs are capitalised where a project has been defined, tested and expected to realise future economic benefits. Programming is carried out to a detailed specification and schedule. The Board exercises judgement in determining the costs to be capitalised and determine the useful economic life to be applied typically 3 years or whilst the asset in question remains in use. The amounts capitalised are disclosed in note 10.

FAIR VALUE ASSESSMENT OF A BUSINESS COMBINATION

Following an acquisition the Group makes an assessment of all assets and liabilities, inclusive of making judgements on the identification of specific intangible assets which are recognised separately from goodwill. Where future consideration is contingent on a performance obligation, judgement is required in assessing the likelihood of the obligation being achieved when determining its fair value at the time of acquisition. Acquired intangible assets include items such as the customer base and technology, to which a value is first attributed at the time of acquisition. The valuation is based upon future discounted cash flows and expectations for the business and requires a number of judgements to be made regarding future performance of an acquisition. For VMS businesses acquired in line with the Group's stated strategy, the expected useful lives of the customer base has been determined by reviewing the existing Logo churn at the time of acquisition whilst the Technology's expected useful life is estimated based on the expected requirement for ongoing development. See note 22.

IMPAIRMENT OF INTANGIBLE ASSETS AND INVESTMENT IN SUBSIDIARIES.

In assessing impairment, Management estimates the recoverable amount of cash generating units based on expected future cash flows and uses the weighted average cost of capital to discount them. At the end of each reporting period the Management reviews a five year forward looking financial projection including a terminal value for the Group. The Management has further evaluated the terminal growth expectations and the applied discount rate applicable to derive a Net Present Valuation (NPV) of the Group. If the NPV of the Group shows a lower valuation than the net assets or the Company cost of investment in subsidiaries plus intercompany balances due, an impairment will be made. Based on this evaluation, including management estimates and assumptions, no impairment was made during the reporting period. Estimation uncertainty relates to assumptions about future operating results in particular sales volumes and the determination of a suitable discount rate.

ESTIMATION OF THE EXPECTED CREDIT LOSSES ON TRADE AND INTERCOMPANY RECEIVABLES

In assessing the expected credit losses, in respect of the trade and intercompany receivables under IFRS 9, the Group considers the past performance of the receivable book along with future factors that may affect the credit worthiness of the receivables. Estimations have therefore been made within these assumptions which could affect the carrying value of the trade and intercompany receivables. The amounts impaired are disclosed in note 13.

BEARER BONDS

The bearer bonds issued by the Company had no fixed maturity. In order to establish an effective interest rate, management was required to determine the expected life of the bonds and did this for each tranche of bond issued. The expected life of bond tranches issued ranged from 9 months to 20 years. In assessing the fair value of the embedded derivative relating to the exclusive one-way call option, judgement was required in order to assess the likelihood of the business exercising this option. Early settlement of these bonds resulted in a value adjustment charge of £874,000 (2024: credit of £622,000).

2. REVENUE AND SEGMENTAL INFORMATION

Segmental reporting is prepared for the Group's operating segments based on the information which is presented to the Board, which reviews revenue and adjusted EBITDA by segment. The Group's costs, finance income, tax charges, non-current liabilities, net assets and capital expenditure are only reviewed by the Board at a consolidated level and therefore have not been allocated between segments in the analysis below.

The Group assigns CGUs to operating segments based on the nature of the platform and the clients it serves. Details of which CGUs are assigned to each segment are disclosed in note 10.

ANALYSIS BY LOCATION OF REVENUE	UK & Ireland £000	Europe £000	Other £000	Total £000
Year ended 31 March 2025	**17,690**	**122**	**462**	**18,274**
Year ended 31 March 2024	15,568	169	428	16,165

Revenue generated outside the UK & Ireland is in Belgium, The Netherlands, France, New Zealand, South Africa and the USA.

No single customer provided the Group with over 1% of its revenue.

DISAGGREGATION OF REVENUE AND OPERATING PROFIT / (LOSS)

Year ended 31 March 2025	Graphics & Ecommerce £000	Professional & financial services £000	Health & social care £000	Property £000	Education £000	**Operating Total £000**	Central overhead £000	**Total £000**
Licence and subscription revenue	3,474	2,842	3,488	1,618	1,279	**12,701**	-	**12,701**
Product and service revenue	5,203	289	62	4	15	**5,573**	-	**5,573**
Revenue	8,677	3,131	3,550	1,622	1,294	**18,274**	-	**18,274**
adjusted EBITDA	974	1,162	1,337	784	495	**4,752**	(1,586)	**3,166**
Development costs	307	287	616	63	19	**1,292**	-	**1,292**
Acquisition costs	-	-	-	-	-	**-**	(479)	**(479)**
Share based payment charges	-	-	-	-	-	**-**	(106)	**(106)**
Exceptional items	(283)	-	(55)	-	-	**(338)**	1,586	**1,248**
Value adjustments on contingent consideration	-	-	-	-	-	**-**	191	**191**
Depreciation and amortisation	(578)	(256)	(174)	(29)	(27)	**(1,064)**	(3,544)	**(4,608)**
Operating profit / (loss)	420	1,193	1,724	818	487	**4,642**	(3,938)	**704**

Exceptional items

On 2 April 2024, the Company announced the sale of the printing.com domain to JAL Equity Corp for £1,772,000. Related disposal costs totalled £60,000. In November 2024 the Company entered into a new financing facility and incurred associated legal and professional fees of £126,000. £55,000 of restructuring costs were incurred in our Health & social care division to enable the required reinvestment into development of the operating unit's platform, future proofing and preparing that business for growth. £283,000 of restructuring costs were provided for in our Graphics & Ecommerce division for the closure of an unprofitable trading location within the Nettl business.

2. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Year ended 31 March 2024	Graphics & Ecommerce £000	Professional & financial services £000	Health & social care £000	Property £000	Education £000	**Operating Total £000**	Central overhead £000	**Total £000**
Licence and subscription revenue	3,687	1,266	2,584	1,545	128	**9,210**	-	**9,210**
Product and service revenue	6,763	146	42	4	-	**6,955**	-	**6,955**
Revenue	10,450	1,412	2,626	1,549	128	**16,165**	-	**16,165**
adjusted EBITDA	609	550	814	755	56	**2,784**	(1,096)	**1,688**
Development costs	688	287	82	76	-	**1,133**	-	**1,133**
Acquisition costs	-	-	-	-	-	**-**	(347)	**(347)**
Share based payment charges	-	-	-	-	-	**-**	(37)	**(37)**
Exceptional items	-	-	-	-	-	**-**	(972)	**(972)**
Impairment of consideration receivable	-	-	-	-	-	**-**	(1,440)	**(1,440)**
Value adjustments on contingent consideration	-	-	-	-	-	**-**	301	**301**
Depreciation and amortisation	(685)	(1)	(99)	-	(8)	**(793)**	(2,758)	**(3,551)**
Operating profit / (loss)	612	836	797	831	48	**3,124**	(6,349)	**(3,225)**

Exceptional items

In addition to the deferred consideration impairment resulting from the administration of Works Manchester Limited (WML) and Rymack Sign Solutions Limited, outstanding charges due from WML, net of trading balances due to Rymack's group that the Company set off, resulted in a further charge of £220,000. As a further consequence of WML's administrator vacating the hub in Trafford Park, the Company, as a guarantor of the lease, became liable for unpaid rent arrears, ongoing rent for the remainder of the lease term and dilapidations. The Company agreed a full and final settlement of this liability with the landlord and other lease providers for £632,000. This was paid during April and May 2024 and was included as a liability at 31 March 2024. This, combined with some additional costs on liquidating our operating entity in France, resulted in exceptional items for FY24 totalling £972,000.

Location of non-current assets

Of the Group's non-current assets (excluding deferred tax) of £27,812,000 (2024: £16,544,000), £24,145,000 (2024: £12,087,000) are located in the UK. Non-current assets located outside the UK are in Ireland and total £3,667,000 (2024: £4,457,000).

3. OPERATING PROFIT / (LOSS)

Included in operating profit / (loss) are the following:

	2025 £000	2024 £000
Amortisation of intangible assets	**4,278**	3,218
Depreciation	**330**	333
Profit on sale of plant and equipment	**(97)**	(13)
Acquisition related costs	**479**	347
Research and development costs	**185**	160

Auditor's remuneration:

	2025 £000	2024 £000
Audit of these financial statements	**151**	120
	151	120

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year analysed by category, were as follows:

Number of employees	**Group 2025**	Group 2024	**Company 2025**	Company 2024
Administration	**30**	27	**5**	9
Sales and marketing	**11**	11	**-**	-
R&D	**42**	27	**-**	-
Operations and support	**74**	66	**-**	-
	157	131	**5**	9

From 1 April 2024 the executive directors of Software Circle plc were employed through Software Circle Management Limited.

Defined contribution plan

The Group operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Group. The amounts charged to the Consolidated Statement of Comprehensive Income represent the contributions payable to the scheme in respect of the accounting period. In the year ended 31 March 2025 £203,000 of contributions were charged to the Consolidated Statement of Comprehensive Income (2024: £125,000). As at 31 March 2025 £27,000 (2024: £21,000) of contributions were outstanding on the balance sheet.

The aggregate payroll costs of all employees, including Directors, were as follows:

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Wages and salaries	**6,425**	4,627	**87**	718
Social security costs	**667**	543	**6**	86
Other pension costs	**203**	125	**-**	20
Contingent consideration payments	**32**	-	**-**	-
Share based payment charges	**106**	37	**-**	37
	7,433	5,332	**93**	861

KEY MANAGEMENT COMPENSATION:

	2025 £000	2024 £000
Executive directors		
Emoluments	**543**	452
Company contributions to money purchase pension plans	**19**	13
	562	465
Non-executive directors		
Emoluments	**87**	84
Company contributions to money purchase pension plans	**-**	1
	87	85
Total directors' remuneration	**649**	550
Employers' national insurance contributions	**76**	63
Total	**725**	613

The Group considers the key management to be the Directors of the Group. Information covering Directors' remuneration is set out in full in the 'Elements of remuneration' section of the Directors Remuneration Report on pages 48-49 where details of fees and benefits can be found.

The aggregate of emoluments for the highest paid Director was £224,000 (2024: £174,000), and Company pension contributions of £8,000 (2024: £5,000) were made to a money purchase scheme on their behalf. Directors for whom retirement benefits are accruing under money purchase schemes 3 (2024: 5).

5. FINANCE EXPENSE

	2025 £000	2024 £000
Lease interest	85	64
Bearer bond interest	272	948
Loan interest	291	34
Facility fees	56	-
Foreign exchange gains	(54)	(17)
Unwinding of discount on deferred consideration	237	249
Total finance expense	887	1,278

6. TAXATION

Recognised in the income statement	2025 £000	2024 £000
Current tax expense		
Current year	86	-
Adjustments for prior years	(14)	(5)
Overseas corporation tax charge	2	70
	74	65
Deferred tax expense		
Origination and reversal of temporary differences	(483)	(519)
Recognition of previously unrecognised deferred tax asset	-	(657)
Adjustments in respect of prior periods	67	-
	(416)	(1,176)
Total tax in income statement	(342)	(1,111)

RECONCILIATION OF EFFECTIVE TAX RATE

Factors affecting the tax charge for the current period:

The current tax charge for the period is lower (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%).

The differences are explained below:

	2025 £000	2024 £000
Loss before tax	(671)	(3,481)
Tax using the UK corporation tax rate of 25% (2024: 25%)	(168)	(870)
Effects of:		
Other tax adjustments, reliefs and transfers	(132)	(167)
Adjustments in respect of prior periods – current tax	(14)	(5)
Adjustments in respect of prior periods – deferred tax	67	-
Deferred tax not recognised	-	(52)
Chargeable losses	(124)	-
Impact of tax in a foreign jurisdiction	29	(17)
Total tax credit	(342)	(1,111)

The Group tax debtor amounts to £96,000 (2024: £232,000) and tax creditor amounts to £331,000 (2024: £nil). The deferred tax liabilities as at 31 March 2025 have been calculated using the tax rate of 25% which was substantively enacted at the balance sheet date.

7. EARNINGS PER SHARE

The calculations of earnings per share are based on the following profits and numbers of shares:

	2025 £000	2024 £000
Loss after taxation for the financial year	(329)	(2,370)

Weighted average number of shares	2025	2024
For basic earnings per ordinary share	390,083,306	256,844,295
For diluted earnings per ordinary share	390,083,306	256,844,295
Basic earnings per share	(0.08)p	(0.92)p
Diluted earnings per share	(0.08)p	(0.92)p

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of deferred shares shall not be entitled to any participation in the profits or the assets of the Company and the deferred shares do not carry any voting rights.

As of 31 March 2025, the dilutive effect of share options would be 5,348,211 (2024: 750,488). The calculation is based on the treasury method prescribed in IAS 33. This calculates the theoretical number of shares that could be purchased at the average market price in the period from the proceeds of exercised options. The difference between the number of shares under option and the theoretical number of shares that could be purchased from the proceeds of their exercise is deemed liable to be issued at nil value and represents the dilution.

As the Group has reported a net loss after tax, including the options would be anti-dilutive, therefore all outstanding options have no dilutive effect.

8. DEFERRED TAX ASSETS AND LIABILITIES – GROUP

Recognised deferred tax assets and liabilities	**Assets 2025 £000**	Assets 2024 £000	**Liabilities 2025 £000**	Liabilities 2024 £000	**Total 2025 £000**	Total 2024 £000
Property, plant and equipment	9	-	(34)	(63)	(25)	(63)
Intangible assets	-	-	(3,642)	(2,644)	(3,642)	(2,644)
Pension contributions	5	-	-	-	5	-
Trading losses	1,587	1,641	-	-	1,587	1,641
Tax assets / (liabilities)	1,601	1,641	(3,676)	(2,707)	(2,075)	(1,066)

Movement in deferred tax:	Property, plant and equipment £000	Intangible assets £000	Pension contributions £000	Trading losses £000	Total £000
Balance at 31 March 2023	-	(2,957)	-	984	(1,973)
Recognised on acquisition of subsidiary	-	(335)	-	-	(335)
Recognised in income	(63)	582	-	657	1,176
Acquisition adjustment	-	66	-	-	66
Balance at 31 March 2024	(63)	(2,644)	-	1,641	(1,066)
Recognised on acquisition of subsidiary	-	(1,425)	-	-	(1,425)
Recognised in income	38	427	5	(54)	416
Balance at 31 March 2025	(25)	(3,642)	5	1,587	(2,075)

The Group has recognised a deferred tax asset in respect of carried forward trading losses up to the value of the deferred tax liability, to the extent that there are available tax losses within the same UK tax group. The Group has unrecognised deferred tax assets in respect of carried forward losses of £nil (2024: £nil).

Company

The Company had no recognised deferred tax assets as at 31 March 2025 (2024: £nil).

9. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Leasehold improvements £000	Plant and equipment £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost					
Balance at 31 March 2023	2,026	651	131	826	3,634
Additions	-	58	-	12	70
Addition through subsidiary acquisition	-	-	76	57	133
Disposals	(542)	(31)	(77)	(332)	(982)
Balance at 31 March 2024	1,484	678	130	563	2,855
Additions	188	35	15	26	264
Addition through subsidiary acquisition (note 22)	-	12	-	1	13
Disposals	(577)	(204)	(25)	(183)	(989)
Balance at 31 March 2025	**1,095**	**521**	**120**	**407**	**2,143**
Depreciation and impairment					
Balance at 31 March 2023	1,054	327	90	779	2,250
Depreciation charge for the year	141	89	13	90	333
Disposals	(541)	(28)	(71)	(330)	(970)
Balance at 31 March 2024	654	388	32	539	1,613
Depreciation charge for the year	135	137	40	18	330
Impairment (note 17)	181	-	-	-	181
Disposals	(333)	(204)	(25)	(183)	(745)
Balance at 31 March 2025	**637**	**321**	**47**	**374**	**1,379**
Net book value					
At 31 March 2023	972	324	41	47	1,384
At 31 March 2024	830	290	98	24	1,242
At 31 March 2025	**458**	**200**	**73**	**33**	**764**

An impairment charge has been recognised against a right of use asset, further information is disclosed in note 17.

Right-of-use assets are included within the same asset categories as they would have been if they were owned. As of 31 March 2025, the Group has right-of-use assets with a carrying value of £521,000 (2024: £902,000). A table showing the net book value of right-of-use assets within property, plant and equipment at 31 March 2025 and 31 March 2024, split by category, is disclosed in note 17.

The parent company has no recognised property, plant and equipment (2024: nil).

10. INTANGIBLE ASSETS

Group	Domains & brand £000	Software £000	Development costs £000	Customer lists £000	Technology £000	Goodwill £000	Other £000	Total £000
Cost								
Balance at 31 March 2023	363	4,544	5,393	5,192	10,792	635	162	27,081
Additions	-	-	1,133	-	-	-	-	1,133
Addition through subsidiary acquisition	-	-	-	547	785	319	-	1,651
Acquisition adjustment	-	-	-	(265)	(265)	-	-	(530)
Disposals	-	-	-	-	-	-	(23)	(23)
Balance at 31 March 2024	363	4,544	6,526	5,474	11,312	954	139	29,312
Additions	-	16	1,292	-	-	-	-	1,308
Addition through subsidiary acquisition (note 22)	-	-	-	2,487	3,211	8,832	-	14,530
Disposals	(337)	(251)	-	(279)	-	-	-	(867)
Balance at 31 March 2025	**26**	**4,309**	**7,818**	**7,682**	**14,523**	**9,786**	**139**	**44,283**
Amortisation and impairment								
Balance at 31 March 2023	348	4,483	4,513	745	583	12	131	10,815
Amortisation for the year	1	53	445	462	2,253	-	4	3,218
Disposals	-	-	-	-	-	-	(23)	(23)
Balance at 31 March 2024	349	4,536	4,958	1,207	2,836	12	112	14,010
Amortisation for the year	1	5	573	667	3,029	-	3	4,278
Disposals	(337)	(251)	-	(279)	-	-	-	(867)
Balance at 31 March 2025	**13**	**4,290**	**5,531**	**1,595**	**5,865**	**12**	**115**	**17,421**
Net book value								
At 31 March 2023	15	61	880	4,447	10,209	623	31	16,266
At 31 March 2024	14	8	1,568	4,267	8,476	942	27	15,302
At 31 March 2025	**13**	**19**	**2,287**	**6,087**	**8,658**	**9,774**	**24**	**26,862**

IMPAIRMENT TESTING

The Group's recognised goodwill amounts to £9,774,000 (2024: £942,000). Goodwill and other intangible assets are assigned to Cash Generating Units ("CGUs"). Our primary consideration in defining CGUs is the distinctiveness of business operations and segmentation. Each CGU represents a major line of business or geographical area that generates cash inflows largely independent of other units. The Group has the following identified CGUs:

		Carrying value of Goodwill	
CGU	Operating Segment	2025 £000	2024 £000
Nettl Systems	Graphics & Ecommerce	**128**	128
Vertical Plus	Graphics & Ecommerce	**480**	480
Watermark	Professional & Financial Services	**-**	-
CareDocs	Health and Social Care	**17**	17
Topfloor	Property	**-**	-
Arc Technology	Education	**317**	317
BeTheBrand	Professional & Financial Services	**2,079**	-
Linkmaker	Health and Social Care	**2,898**	-
Total Drive	Education	**3,855**	-
Total		**9,774**	942

10. INTANGIBLE ASSETS (CONTINUED)

The recoverable amount of goodwill and intangible assets is determined from value in use calculations. The Group prepares cash flow forecasts derived from budgets and five-year business plans. The sales growth relates to all key revenue streams of the business and have been determined based on the experience to date of operating these sales channels and ranges from 2.5% to 30%. Costs have been assumed to increase in line with an inflationary rate of 3%.

For the purposes of impairment testing inflationary growth of 0.5% is assumed beyond this period. A pre-tax discount factor of 13.55% (2024: 12.18%) was applied.

The Directors have considered the sensitivity of the key assumptions. Increasing the pre-tax discount factor to 15.0% would not result in an impairment charge against intangible assets. Should revenue growth be reduced to nil across all business units, and product revenue decline in the first year by 2.5%, no impairment would be recognised. As a result, the intangible assets are not considered to be impaired.

Amortisation and impairment charge

The amortisation charge of £4,278,000 (2024: £3,218,000) is recognised in profit or loss within depreciation and amortisation expenses. An impairment charge of nil (2024: £nil) was recognised during the year.

The parent company has no recognised intangible assets (2024: nil).

11. INVESTMENTS IN SUBSIDIARIES - COMPANY

Carrying value	**2025 £000**	2024 £000
Balance at 1 April	**16,249**	15,665
Additions	**13,565**	2,059
Acquisition adjustment	**-**	(463)
Return of investment	**-**	(1,012)
Balance at 31 March	**29,814**	16,249

The Company owns the whole of the issued ordinary share capital of the following undertakings:

Subsidiary undertakings – wholly owned	Country of incorporation	Nature of business/status
Nettl Systems Limited*	UK	Software and other business support – trading
Software Circle Management Limited*	UK	Central support - trading
Printing.com (UK Franchise) Limited*	UK	Partner contracts – dormant
Nettl UK Limited*	UK	Partner contracts – dormant
Grafenia Systems Limited*	UK	Licence agreements – dormant
Grafenia Technology Limited*	UK	Licence agreements – dormant
TemplateCloud Limited*	UK	Template Provision – dormant
W3P Limited*	UK	Software – dormant
Vertical Plus Limited*	UK	Software and solutions - trading
Care Management Systems Limited*	UK	Software and solutions - trading
Watermark Technologies Limited*	UK	Software and solutions - trading
Arc Technology Limited*	UK	Software and solutions - trading
Be The Brand Experience Limited*	UK	Software and solutions - trading
Topfloor Systems Limited*	Republic of Ireland	Software and solutions - trading
Nettl of America LLC^	US	Franchising - trading
Link Maker Systems Limited*	UK	Software and solutions - trading
Total Drive Software Limited*	UK	Software and solutions - trading

*** - Owned directly by Software Circle PLC**

^ - Owned indirectly through ownership of the Company's 100% subsidiary Nettl Systems Limited

The registered address for all UK businesses is C/O Gateley Legal, Ship Canal House, 98 King Street, Manchester, England, M2 4WU. The registered address for Topfloor Systems Limited is Office 102, First Floor, 13 Merrion Square North, Dublin, D02 HW89, Ireland. The registered address for Nettl of America LLC is 6685 Beta Drive, Cleveland, Ohio, 44143-2320, USA.

12. INVENTORIES

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Raw materials	**26**	33	**-**	-
Total inventories	**26**	33	**-**	-

13. TRADE AND OTHER RECEIVABLES

Other receivables due from subsidiary companies do not have fixed repayment terms.

At 31 March 2025 trade receivables are shown net of an impairment allowance of £439,000 (2024: £660,000).

Trade and other receivables denominated in currencies other than sterling comprise £99,000 (2024: £188,000) of trade receivables.

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Trade receivables	**1,748**	2,505	**489**	-
Less provision for trade receivables	**(439)**	(660)	**-**	-
Trade receivables net	**1,309**	1,845	**489**	-
Other receivables due from subsidiary companies within one year	**-**	-	**-**	49
Total financial assets other than cash and cash equivalents classified at amortised cost	**1,309**	1,845	**489**	49
Corporation tax	**96**	232	**-**	-
Prepayments	**260**	130	**17**	26
Other receivables	**216**	211	**253**	17
Total Other receivables	**572**	573	**270**	43
Total trade and other receivables	**1,881**	2,418	**759**	92
Non-current other receivables				
Other receivables due from subsidiary companies after one year	**-**	-	**10,769**	11,009
Less provision for subsidiary companies after one year	**-**	-	**(6,042)**	(6,042)
Total other receivables	**-**	-	**4,727**	4,967

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

	Under 6 months old £000	Over 6 months old £000	Total £000
Gross carrying amount	1,168	580	1,748
Loss provision	(29)	(410)	(439)
Net carrying amount	**1,139**	**170**	**1,309**

Trade and other receivables represent financial assets and are considered for impairment on an expected credit loss model. The Group continues to trade with the same customers and in the same marketplace and therefore the future expected credit losses have been considered in line with the past performance of the customers in the recovery of their receivables.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on factors affecting the Group's customers including the area of operations of those debtors and the market for the Group's products. The assessment of the expected credit risk for the year has not increased, when looking at the factors affecting the risk noted above. There are no trade receivables outside of credit terms without an impairment provision.

Movements in the impairment allowance for trade receivables are as follows:

	As at 31 March 2025 £000	As at 31 March 2024 £000
Balance at 1 April	**660**	1,153
Receivable written off during the year as uncollectible	**(304)**	(1,020)
Increase in impairment allowance	**83**	527
Balance at 31 March	**439**	660

There is no material difference between the net book value and the fair values of trade and other receivables due to their short-term nature.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

Company

The Company did not have trade receivables at the year end. The intercompany receivables have been considered for impairment on an expected credit loss model and this has resulted in no additional impairment (2024: impairment of £3,798,000).

14. CASH AND CASH EQUIVALENTS

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Cash and cash equivalents	**8,566**	15,391	**5,075**	13,329

Cash and cash equivalents include cash in hand, deposits held at call with banks, cash in transit and other short term highly liquid investments. All cash is held in Sterling other than Euro of £486,000 (2024: £449,000) and USD of £69,000 (2024: £36,000).

15. TRADE AND OTHER PAYABLES

Current Liabilities	**Group 2025 £000**	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Trade payables	**504**	737	**57**	60
Accruals	**438**	383	**173**	130
Other liabilities	**1,408**	658	**-**	-
Amounts owed to subsidiary companies	**-**	-	**4,343**	1,626
Lease settlements	**-**	632	**-**	632
Total financial liabilities, excluding borrowings classified as financial liabilities measured at amortised cost	**2,350**	2,410	**4,573**	2,448
Deferred income	**1,480**	734	**-**	-
Total trade and other payables	**3,830**	3,144	**4,573**	2,448

Trade payables denominated in currencies other than Sterling comprise £67,000 (2024: £168,000) denominated in Euro.

As a consequence of former Group Subsidiary Works Manchester Limited's administrator vacating the hub in Trafford Park, the Company, as a guarantor of the lease, became liable for unpaid rent arrears, ongoing rent for the remainder of the lease term and dilapidations. The Company agreed a full and final settlement of this liability with the landlord and other lease providers for £632,000. This was paid during April and May 2024.

There is no material difference between the net book value and the fair values of current trade and other payables due to their short-term nature.

16. BORROWINGS

For more information on the Group and Company's exposure to interest rate, foreign currency risk and lease liabilities, see note 21.

Current Liabilities	**Group 2025 £000**	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Lease liabilities	**159**	160	**-**	-
Bearer bonds	**-**	402	**-**	402
Loans	**634**	324	**634**	324
Deferred consideration	**1,634**	440	**1,634**	440
Contingent consideration	**265**	185	**265**	185
	2,692	1,511	**2,533**	1,351

Non-Current Liabilities				
Lease liabilities	**499**	847	**-**	-
Bearer bonds	**-**	5,697	**-**	5,697
Loans	**5,678**	26	**5,678**	26
Contingent consideration	**1,931**	414	**1,931**	414
	8,108	6,984	**7,609**	6,137

Contingent consideration is where the amount of future consideration payments payable depend on the future performance of the acquired companies. A fair value credit of £191,000 (2024: £301,000) has been recognised in the Statement of Comprehensive Income due to a reduced likelihood of post acquisition targets being met.

In November 2024 the Company entered into new loan facilities of up to £16,700,000 with Shawbrook Bank Limited over a 5-year period to 22 November 2029.

The facility is split into three parts:

A. £3,350,000 amortising loan repayable monthly over the borrowing term;

B. £3,350,000 repayable in a bullet at the end of the borrowing term;

C. £10,000,000 committed facility, available to be utilised until 22 May 2027.

Facilities A and B were drawn and utilised to settle the existing Bearer Bonds. Facility C remained undrawn as at 31 March 2025.

The terms of the facilities include Gross Leverage and Debt Service covenants as follows:

- Gross Leverage, being total debt to EBITDA, not to exceed 3.80:1.00 initially, tapering to 2.50:1:00 by December 2027.
- Debt service cover, not to be less than 1.10:1.00 during the term of the Facilities.

The Bank has a fixed and floating charge over the Group's assets and the Group was in compliance with the above covenants throughout the period.

In July 2020 the Company created a bond facility which could issue up to a maximum of £50,000,000 nominal value. Any bonds issued were interest-free within the first three years of the facilities existence and thereafter paid 6% of the nominal value, annually in arrears, until the Company exercised its call option. The bonds were initially measured at fair value, which was considered to be the transaction price. Subsequently the liability was measured at amortised cost based on the expected cash flows over the expected life of the instrument. On 26 September 2023 the Company repurchased Bearer Bonds with a nominal value of £7,500,000 for £6,525,000 plus accrued interest of £84,000. The carrying value at the date of repurchase was £7,231,000, resulting in a value adjustment on bond settlement of £622,000. On 27 November 2024 the Company repurchased the remaining Bearer Bonds with a nominal value of £6,700,000 for £6,700,000 plus accrued interest of £143,000. The carrying value at the date of repurchase was £5,969,000, resulting in a value adjustment on bond settlement of £874,000.

In August 2020 an additional term loan for £1,000,000, repayable over six years, was secured through the Coronavirus Business Interruption Loan Scheme at an effective annual interest rate of 8.6%. At 31 March 2025 the liability was £26,000 (2024: £350,000).

17. LEASES

LESSEE ACCOUNTING

All leases where the Group is a lessee are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets
- Leases with a term of 12 months or less.

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RIGHT OF USE ASSETS	Land and buildings £000	Motor Vehicles £000	Total £000
Balance at 31 March 2023	982	-	982
Depreciation	(152)	(4)	(156)
Addition through subsidiary acquisition	-	76	76
Balance at 31 March 2024	830	72	902
Additions	188	15	203
Disposals	(573)	-	(573)
Depreciation	(137)	(24)	(161)
Impairment	(181)	-	(181)
Depreciation eliminated on disposal	331	-	331
Balance at 31 March 2025	**458**	**63**	**521**

LEASE LIABILITIES	Land and buildings £000	Motor Vehicles £000	Total £000
Balance at 31 March 2023	1,071	-	1,071
Interest expense	64	1	65
Lease payments	(198)	(4)	(202)
Addition through subsidiary acquisition	-	73	73
Balance at 31 March 2024	937	70	1,007
Additions	188	15	203
Disposals	(295)	-	(295)
Fair value adjustment	(126)	-	(126)
Interest expense	79	5	84
Lease payments	(186)	(29)	(215)
Balance at 31 March 2025	**597**	**61**	**658**

Following the decision to close an unprofitable trading location, an impairment charge of £181,000 has been recognised against the carrying value of the right of use asset, reducing its value to nil. The lease liability has been reassessed to the next break date, resulting in a fair value adjustment of £126,000.

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025			2024		
	Land and buildings £000	**Motor Vehicles £000**	**Total £000**	Land and buildings £000	Motor Vehicles £000	Total £000
Depreciation charge on right of use assets	**137**	**20**	**157**	152	4	156
Interest on lease liabilities	**80**	**5**	**85**	64	1	65
Expenses related to low value and short-term leases	**88**	**-**	**88**	114	-	114
	305	**25**	**330**	330	5	335

LEASE LIABILITIES - MATURITY ANALYSIS OF CONTRACTUAL UNDISCOUNTED CASH FLOWS

	Carrying amount £000	Contractual cash flows £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
31 March 2025	**658**	**791**	**104**	**104**	**189**	**316**	**78**
31 March 2024	1,007	1,230	110	110	220	506	284

LESSOR ACCOUNTING

The Group leases certain assets to customers with preloaded software. It is not practical to split the revenue from the lease of the physical asset and that of the preloaded software. The revenue associated with leased assets during the year was £2,557,000 (2024: £2,584,000).

	Year 1 £000	Year 2 £000	Year 3 £000	Year 4 £000	Year 5 £000
31 March 2025	**680**	**372**	**220**	**139**	**71**
31 March 2024	805	391	176	92	40

18. EMPLOYEE BENEFITS

EQUITY SHARE OPTIONS

The Company operates share option plans for its employees, under which options to subscribe for the Company's shares have been granted. The plan is intended to incentivise employees, align their interests with those of shareholders, and encourage the retention of key employees.

Movement in employee equity options during the year:

	At 1 April 2024 Number	Granted Number	Lapsed Number	Exercised Number	**At 31 March 2025 Number**	Of which exercisable Number
2023 CSOP Scheme	3,333,330	-	(666,666)	-	**2,666,664**	-
2023 unapproved option scheme	16,151,332	-	-	-	**16,151,332**	-
	19,484,662	-	(666,666)	-	**18,817,996**	-
Weighted average exercise price (p)	15.3	-	9.0	-	**15.5**	-

Options outstanding at the year end:

	Grant date	Expiry date	Exercise price (p)	**2025 Number of share options**	2024 Number of share options
2023 CSOP Scheme	21/09/2023	21/09/2033	9.0	**2,666,664**	3,333,330
2023 unapproved option scheme	21/12/2023	21/12/2033	16.6	**16,151,332**	16,151,332
				18,817,996	19,484,662

The fair value of share options granted were calculated using the Black Scholes model. No options were granted in the year. The inputs used for fair valuing awards granted during the prior year were as follows:

	Grant date 21/09/2023	21/12/2023
Share price at grant date (p)	9.0	13.3
Exercise price (p)	9.0	16.6
Expected volatility	36.76%	36.39%
Option life	5	6.78
Risk-free interest rate	4.34%	3.53%

The expected volatility is based on the historical volatility of the Company's shares over a period equivalent to the option life.

The total expense recognised in profit or loss for the period arising from share-based payment transactions amounted to £106,000 (2024: £37,000).

SHARE-BASED SAVE AS YOU EARN (SAYE) SCHEME

The Company also operates an SAYE Scheme. There are currently no options in issue (2024: nil). No options have been issued, exercised or lapsed during the year.

19. SHARE CAPITAL

SHARE CAPITAL – GROUP AND COMPANY

In thousands of shares	Ordinary shares 2025	Ordinary shares 2024
In issue at 1 April	390,083	114,491
Issued by the Company	-	275,592
Shares on the market at 31 March – fully paid	**390,083**	390,083

Allotted, called up and fully paid	£000	£000
390,083,306 (2024: 390,083,306) ordinary shares of £0.01 each	3,901	3,901
63 deferred shares of £0.10 each	-	-
	3,901	3,901

The company issued 154,705,874 shares on 20 September 2023 and 120,886,604 on 29 September 2023 with a nominal value of £0.01 each at an issue price of £0.085, raising a total of £23.15m after issue costs of £0.28m.

Dividends

During the year and prior year no dividends were proposed or paid. After the balance sheet date, the Board proposed no final dividend would be made (2024: £nil).

20. SHARE PREMIUM AND OTHER RESERVES

The share premium represents the amounts subscribed for share capital in excess of the nominal value of shares.

Group and company

	2025 £000	2024 £000
At 1 April	28,255	7,866
Premium on shares issued by the Company in the year	-	20,669
Share issue costs	-	(280)
At 31 March	**28,255**	28,255

The Merger reserve arose when the Company previously undertook share for share exchanges when making acquisitions.

The share based payment reserve represents the recognised cost of share option schemes that have not been converted into share capital.

The translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

21. FINANCIAL INSTRUMENTS

Categories of financial instrument

Financial assets

	2025			2024		
	Amortised cost £000	Fair value through profit and loss £000	Total £000	Amortised cost £000	Fair value through profit and loss £000	Total £000
Trade and other receivables excluding non-financial assets	1,309	-	1,309	1,845	-	1,845
Cash and cash equivalents	8,566	-	8,566	15,391	-	15,391
	9,875	-	9,875	17,236	-	17,236

Financial liabilities

	2025			2024		
	Amortised cost £000	Fair value through profit and loss £000	Total £000	Amortised cost £000	Fair value through profit and loss £000	Total £000
Trade and other payables	2,350	-	2,350	2,410	-	2,410
Lease liabilities	658	-	658	1,007	-	1,007
Bearer bonds	-	-	-	6,009	-	6,009
Loans	6,312	-	6,312	350	-	350
Deferred and contingent consideration	1,634	2,196	3,830	440	599	1,039
	10,954	2,196	13,150	10,216	599	10,815

It is not the Group's policy to enter into financial derivatives for speculative or trading purposes. The financial instruments employed by the Group other than short term debtors and creditors are used to fund its operations and comprise cash, short term deposits and lease liabilities.

The Group's policy during the financial year ended 31 March 2025 and 31 March 2024 was to place the majority of its cash on short term deposit with its bankers.

Lease liabilities / bank loans

The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The market rate of interest for lease liabilities is determined by reference to similar lease agreements.

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables both current and non-current. Trade receivables are included in the balance sheet net of doubtful receivables, estimated by the Group's management. The maximum credit risk in respect of the Group's and Company's financial assets at the year-end is represented by the balance outstanding on trade receivables and other receivables due from Partners.

Interest rate risk

The Group and the Company do not have a material exposure to interest rates as most borrowings are at fixed interest rates.

Capital risk management

The Group's capital management objective is to ensure the Group's ability to continue as a going concern so that it can in future provide returns for shareholders and benefits for other stakeholders.

To meet this objective, the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group. The capital structure of the Group consists of shareholders' equity as set out in the Consolidated Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and borrowings.

21. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting agreements:

31 March 2025	Carrying amount £000	Contractual cash flows £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	2,350	2,350	2,350	-	-	-	-
Lease liabilities	658	791	104	104	189	316	78
Loans	6,312	6,754	611	335	671	5,137	-
Deferred consideration payable	1,634	1,764	764	1,000	-	-	-
Contingent consideration payable	2,196	2,566	234	54	2,278	-	-
	13,150	14,225	4,063	1,493	3,138	5,453	78

31 March 2024	Carrying amount £000	Contractual cash flows £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	2,410	2,410	2,410	-	-	-	-
Lease liabilities	1,007	1,230	110	110	220	506	284
Bearer Bonds*	6,099	13,132	402	-	402	1,206	11,122
Loans	350	363	181	155	27	-	-
Deferred consideration payable	440	467	167	300	-	-	-
Contingent consideration payable	599	678	180	50	266	182	-
	10,905	18,280	3,450	615	915	1,894	11,406

*Based on the expected cash flows used to calculate the effective interest rate for amortised cost.

All trade receivables are contractually due within 6 months.

Foreign currency risk

The Group transacts with some business in foreign currency, principally Euro, and therefore incurs some transaction risk. The risk does not warrant hedging activity by the Group to defend against the impact of exchange rate movements.

The Group's exposure to foreign currency risk denominated in GBP was as follows:

	31 March 2025 Euro £000	31 March 2025 GBP £000	31 March 2024 Euro £000	31 March 2024 GBP £000
Trade and other receivables	99	1,686	188	2,100
Cash and cash equivalents	509	8,057	449	14,942
Trade and other payables	(337)	(3,477)	(168)	(2,251)
	271	6,266	469	14,791

The Group's exposure to USD denominated in GBP is not material.

Sensitivity analysis

Where the Group operates in Europe both revenues and costs are in the local currency therefore the level of exchange risk is low. In the Eurozone the Group has a presence in Ireland and The Netherlands. In managing currency risks the Company and Group aims to reduce the impact of short-term fluctuations on the Company and Group's earnings. At 31 March 2025, it is estimated that a general increase of 25% in the value of the Euro would decrease the Group's profit before tax by approximately £33,000 (2024: £29,000) with an equal adjustment to equity. A general increase of 25% in the value of the US Dollar would have a negligible effect on the Group's profit before tax.

22. ACQUISITIONS

Acquisition of Be The Brand Experience Limited (BeTheBrand)

The entire issued share capital of BeTheBrand, a provider of marketing compliance and digital asset management workflow solutions for businesses providing financial services, was acquired on 30 May 2024 for consideration of £3,500,000. The initial consideration paid at completion was £2,800,000, with deferred consideration of £700,000 to be paid on the first anniversary of completion. In addition, the consideration was increased by a further £413,000 in respect of surplus cash within the business at the acquisition, £171,000 of which was paid on completion with the remainder deferred until the agreement of completion accounts. The present value of expected consideration payments at acquisition totalled £3,838,000.

BeTheBrand met Software Circle's acquisition criteria by being a software business and having a prominent position in its vertical market. Delivering solutions that generate revenues of a recurring nature.

In the period during the current financial year that BeTheBrand was owned by the Group, it contributed revenue of £1,650,000 and a profit before tax of £462,000. Had it been owned by the Group for the full year, it would have contributed revenue of £1,958,000 and a profit before tax of £567,000.

Net assets of BeTheBrand on acquisition:

	Book value £000	Adjustments £000	**Fair value £000**
Customer base	-	905	**905**
Technology	-	994	**994**
Development costs	229	(229)	**-**
Cash and cash equivalents	770	-	**770**
Trade and other receivables	196	-	**196**
Trade and other payables	(631)	-	**(631)**
Deferred tax	-	(475)	**(475)**
Net assets acquired	564	1,195	**1,759**
Consideration			**3,838**
Goodwill			**2,079**

Consideration satisfied by:	**£000**
Cash on completion	**2,971**
Deferred consideration	**867**
	3,838

An income approach was used to value contractual customer lists and relationships, using a discount factor of 12.1%. The useful life has been estimated at 10 years. The technology was valued by using a relief from royalty approach, based on a royalty rate of 40% and using a discount factor of 12.1%. The useful life has been estimated at 3 years.

Trade and other receivables include gross contractual amounts due of £148,000 of which £nil was expected to be uncollectible at the date of acquisition.

The goodwill arising from the acquisition of BeTheBrand is attributable to a number of factors, including the specialised knowledge and expertise of the assembled workforce and the market position.

The deferred tax liabilities recognised represent the tax effect which will result from the amortisation of the intangible assets, estimated using the tax rate substantively enacted at the balance sheet date.

22. ACQUISITIONS (CONTINUED)

Acquisition of Link Maker Systems Limited (Link Maker)

The entire issued share capital of Link Maker, whose adoption platform joins-up children's social care across the UK, was acquired on 25 July 2024 for consideration of £4,500,000. The initial consideration paid at completion was £3,000,000. Up to a further £1,500,000 is payable contingent upon the achievement of certain targets relating to the future financial performance of Link Maker and may be achieved over the 12 months following the 1st anniversary of completion. In addition, the consideration was increased by a further £580,000 in respect of surplus cash within the business at the acquisition, payable in full on the agreement of completion accounts. The present value of expected consideration payments at acquisition totalled £4,774,000.

Link Maker met Software Circle's acquisition criteria by being a software business and having a prominent position in its vertical market. Delivering solutions that generate revenues of a recurring nature.

In the period during the current financial year that Link Maker was owned by the Group, it contributed revenue of £993,000 and a profit before tax of £541,000. Had it been owned by the Group for the full year, it would have contributed revenue of £1,339,000 and a profit before tax of £625,000.

Net assets of Link Maker on acquisition:

	Book value £000	Adjustments £000	**Fair value £000**
Customer base	-	1,279	**1,279**
Technology	-	1,137	**1,137**
Property, plant and equipment	13	-	**13**
Cash and cash equivalents	1,032	-	**1,032**
Trade and other receivables	324	-	**324**
Trade and other payables	(1,305)	-	**(1,305)**
Deferred tax	-	(604)	**(604)**
Net assets acquired	64	1,812	**1,876**
Consideration			**4,774**
Goodwill			**2,898**

Consideration satisfied by:	**£000**
Cash on completion	**3,000**
Deferred consideration	**580**
Contingent consideration	**1,194**
	4,774

An income approach was used to value contractual customer lists and relationships, using a discount factor of 12.1%. The useful life has been estimated at 10 years. The technology was valued by using a relief from royalty approach, based on a royalty rate of 50% and using a discount factor of 12.1%. The useful life has been estimated at 3 years.

Trade and other receivables include gross contractual amounts due of £206,000 of which £nil was expected to be uncollectible at the date of acquisition.

The goodwill arising from the acquisition of Link Maker is attributable to a number of factors, including the specialised knowledge and expertise of the assembled workforce and the market position.

The deferred tax liabilities recognised represent the tax effect which will result from the amortisation of the intangible assets, estimated using the tax rate substantively enacted at the balance sheet date.

Acquisition of Total Drive Software Limited (Total Drive)

The entire issued share capital of Total Drive, who provide an end-to-end software solution for Driving Instructors, was acquired on 13 March 2025 for consideration of up to £7,500,000. The initial consideration paid at completion was £3,500,000, with deferred consideration of £1,000,000 to be paid on the first anniversary of completion. Up to a further £3,000,000 is payable contingent upon the achievement of certain targets relating to the future financial performance of Total Drive and may be achieved over the calendar year 2026. In addition, the consideration was increased by a further £91,000 in respect of surplus cash within the business at the acquisition, £27,000 of which was paid on completion with the remainder deferred until the agreement of completion accounts. The present value of expected consideration payments at acquisition totalled £4,952,000.

Total Drive met Software Circle's acquisition criteria by being a software business and having a prominent position in its vertical market. Delivering solutions that generate revenues of a recurring nature.

In the period during the current financial year that Total Drive was owned by the Group, it contributed revenue of £60,000 and a profit before tax of £37,000. Had it been owned by the Group for the full year, it would have contributed revenue of £986,000 and a profit before tax of £533,000.

Net assets of Total Drive on acquisition:

	Book value £000	Adjustments £000	**Fair value £000**
Customer base	-	303	**303**
Technology	-	1,080	**1,080**
Property, plant and equipment	4	-	**4**
Cash and cash equivalents	330	-	**330**
Trade and other receivables	2	-	**2**
Trade and other payables	(276)	-	**(276)**
Deferred tax	-	(346)	**(346)**
Net assets acquired	60	1,037	**1,097**
Consideration			**4,952**
Goodwill			**3,855**

Consideration satisfied by:	**£000**
Cash on completion	**3,527**
Deferred consideration	**946**
Contingent consideration	**479**
	4,952

An income approach was used to value contractual customer lists and relationships, using a discount factor of 13.4%. The useful life has been estimated at 9 years. The technology was valued by using a relief from royalty approach, based on a royalty rate of 50% and using a discount factor of 13.4%. The useful life has been estimated at 3 years.

Trade and other receivables include gross contractual amounts due of £2,000 of which £nil was expected to be uncollectible at the date of acquisition.

The goodwill arising from the acquisition of Total Drive is attributable to a number of factors, including the specialised knowledge and expertise of the assembled workforce, the market position and the revenue growth profile.

The deferred tax liabilities recognised represent the tax effect which will result from the amortisation of the intangible assets, estimated using the tax rate substantively enacted at the balance sheet date.

23. CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES

	Lease liabilities £000	Loans £000
Balance at 1 April 2023	1,071	12,984
Cash flows		
Repayment of borrowings	-	(6,894)
Lease payments	(201)	-
Non cash changes		
Interest	64	981
Value adjustments	-	(622)
Arising on acquisition of subsidiary	73	-
Balance at 31 March 2024	1,007	6,449
Cash flows		
Repayment of borrowings	-	(7,361)
Interest paid	-	(913)
Proceeds of new loans	-	6,700
Lease payments	(216)	-
Non cash changes		
Interest	85	563
Additional lease	203	-
Value adjustments	(421)	874
Balance at 31 March 2025	**658**	**6,312**

24. CAPITAL COMMITMENTS

The Group and Company have no commitments to incur capital expenditure at the year end (2024: nil).

25. RELATED PARTY TRANSACTIONS

In the year ended 31 March 2025, no dividends were paid (2024: nil).

At the year end the Directors of the Company controlled 1.08 per cent of the voting shares of the Group.

The compensation of the Directors, who are the key management personnel, is disclosed in note 4 and within the Directors Remuneration Report on pages 48-49.

Related party transactions in the prior year

On 29 August 2023, the Company announced a fundraising to raise a total of up to approximately £27.9 million (before expenses), comprising a conditional placing and subscription, supported by new and existing investors, and a conditional open offer to qualifying shareholders at 8.5p per share.

As announced on 29 August 2023 Investmentaktiengesellschaft für Langfristige Investoren TGV and Value Focus Beteilgungs GmbH, substantial shareholders in the Company, subscribed for 79,411,764 ordinary shares and 76,470,588 ordinary shares respectively, which constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies. Matthias Riechert, a director of the Company, subscribed for 2,352,940 ordinary shares. Chapters Group AG, a company in which Jan-Hendrik Mohr, Chair of Software Circle plc, acts as CEO, subscribed for 23,529,410 ordinary shares.

On 29 September 2023, the following Directors purchased shares in the Company at a price of 8.5p each as part of the open offer to existing shareholders:

	Number of shares	Subsequent holding
Gavin Cockerill	46,259	138,777
Richard Lightfoot	467,646	619,802
Simon Barrell	42,678	128,034
Conrad Bona	1,294,118	2,462,959

On 26 September 2023, the Company repurchased Bearer Bonds with nominal value of £2,300,000 from Chapters Group AG for £2,001,000 plus accrued interest of £25,639. The terms for repurchase offered were equal to those offered to all other bond holders.

On 8 September 2023, Iain Brown transferred 84,075 ordinary shares from his personal holding to his self-invested personal pension. This transaction resulted in a disposal of 133 shares.

On 16 October 2023, Conrad Bona transferred 83,580 ordinary shares from his personal holding to his self-invested personal pension.

On 21 December 2023, Iain Brown purchased 40,879 ordinary shares, increasing his holding to 124,954.

On 20 December 2023, Matthias Riechert purchased 110,000 ordinary shares and on 27 December 2023 a further 150,000 ordinary shares, increasing his holding to 2,612,940.

On 18 March 2024, the Company announced Chapters Group AG had increased its holding to 36,933,954 shares and then on 20 March 2024 further increased its holding to a total of 116,634,908. This represents 29.90% of the issued share capital.

Related party transactions in the current year

On 4 November 2024, Matthias Riechert purchased 110,633 ordinary shares, increasing his holding to 2,723,573.

On 27 November 2024, the Company repurchased Bearer Bonds with nominal value of £1,700,000 from Chapters Group AG for £1,700,000 plus accrued interest of £36,329. The terms for repurchase offered were equal to those offered to all other bond holders.

On 31 January 2025, Richard Lightfoot transferred 326,202 ordinary shares from his personal holding to his self-invested personal pension. This transaction resulted in a disposal of 292 shares.

On 4 March 2025, Matthias Riechert purchased 469,000 ordinary shares, increasing his holding to 3,192,573.

26. POST BALANCE SHEET EVENTS

In May 2025, one of the Group's operating units fell victim to an authorised push payment fraud which resulted in £426,770 being inadvertently sent from its bank account. The incident was identified shortly after the transaction was made and, with the help of the banks involved, all funds were subsequently recovered.

Advisers and Company information

Registered Office
c/o Gateley Legal
Ship Canal House
98 King Street
MANCHESTER
M2 4WU

Company Number
03983312 (England and Wales)

Website Address
www.softwarecircle.com

Company Secretary
Richard A Lightfoot

Financial Adviser, Nominated Adviser and Broker to the Company
Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

Solicitors to the Company
Gateley plc
Ship Canal House
98 King Street
MANCHESTER
M2 4WU

Auditors to the Company
RSM UK Audit LLP
Landmark
1 St Peter's Square
Oxford Street
MANCHESTER
M1 4PB

Registrars and Receiving Agents to the Company
MUFG Corporate Markets
10th Floor, Central Square
29 Wellington Street
LEEDS
LS1 4DL

Bankers to the Group
Virgin Money
48-50 Market Street
MANCHESTER
M1 1PW

SOFTWARE CIRCLE
plc

Hyphen Building / 75 Moseley Street / Manchester / M2 3HR

e: investors@softwarecircle.com

www.softwarecircle.com

Software Circle plc is registered in England and Wales under number 03983312
Registered office: c/o Gateley Legal, Ship Canal House, 98 King Street, Manchester, M2 4WU. VAT Registration No. GB 764 5390 08