redcentric

REPORT & ACCOUNTS

2026

Year ended 31 March 2026 | Redcentric plc
Company Number 08397584

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Corporate highlights

During the reporting period

- Business performed in line with market expectations:
  - Reported revenue of £132.0m (FY25: £135.1m);
  - Adjusted EBITDA of £17.4m (FY25: £18.8m);
  - Adjusted EBITDA margin slightly reduced at 13.2% (FY25: 13.9%); and
  - Reported operating profit of £8.1m (FY25: £8.4m).
- Annual Recurring Revenue (“ARR”) robust at £116.2m (FY25: £118.7m); and
- Underlying ARR marginal increase of 0.6% to £113.2m (FY25: £112.5m).

After the reporting period

- Completed the sale of Redcentric Data Centres Limited (“RDC”) on 30 April 2026 for gross consideration of £124.9m;
- Tender Offer completed with £90m cash being returned to shareholders;
- On 28 August 2026, the Group agreed new banking facilities comprising a £30m RCF facility with a £10m Accordion facility with NatWest Bank and Barclays Bank on an initial three-year term;
- Share buy-back programme of up to £1.5m approved on 11 August 2026. At 25 September 2026, 1,140,937 Ordinary Shares have been purchased through this programme;
- Adjusted net debt as at 25 September 2026 was £2.8m (31 March 2026: £36.8m);
- Appointed Tim Sykes as CFO in June 2026 following the conclusion of Tony Ratcliffe’s fixed term contract; and
- Completed first deal with Syntura involving the provision of a fully managed service solution for Syntura’s Broadcom requirements that enables Syntura to continue to serve their customers utilising VMware technologies until 31 March 2033.

Outlook

- Enhanced go to market strategy established with the pipeline building across the Group’s core product areas;
- Further simplification of the Group's technology platforms to improve customer service and efficiency;
- AI roadmap developing, supporting both customer solutions and further operational efficiencies;
- The Board will maintain a continued focus on tangible shareholder returns, including a reinstated progressive dividend and opportunistic buy-backs where appropriate;
- Following the sale of RDC, Redcentric is a purely focused Managed Services Provider (“MSP”) business, and the Board believes the Group has the right focus and balance sheet to deliver on its strategy and to deliver compelling client service and tangible shareholder value; and
- Trading since the year end has been in line with internal plans. The business has an encouraging pipeline, and adjusted EBITDA is expected to be in line with current market expectations.

Strategic Report

Highlights (continued)

Financial highlights

Unless otherwise indicated, the following results are based on the continuing operations of the Group. Percentage changes are calculated on absolute values:

	Year ended 31 March 2026 ("FY26")	Year ended 31 March 2025 ("FY25")	Change
Total revenue	**£132.0m**	£135.1m	-2.3%
Recurring revenue [1]	**£118.1m**	£120.7m	-2.1%
Recurring revenue percentage[1]	**89.5%**	89.3%	+0.2ppts
Exit Annual recurring revenue ("ARR")[2]	**£116.2m**	£118.7m	-2.1%
Underlying exit ARR[2]	**£113.2m**	£112.5m	+0.6%
Gross profit	**£80.5m**	£83.3m	-3.3%
Gross margin	**61.0%**	61.6%	-0.6ppts
Adjusted EBITDA[3]	**£17.4m**	£18.8m	-7.4%
Adjusted EBITDA[3] margin	**13.2%**	13.9%	-0.7ppts
Reported operating profit	**£8.1m**	£8.4m	-3.9%
Reported profit before tax	**£4.8m**	£4.4m	+10.5%
Group Net debt	**(£71.7m)**	(£65.5m)	-9.5%
Group Adjusted net debt [4]	**(£36.8m)**	(£41.9m)	+12.2%
Adjusted basic earnings per share[5]	**3.30p**	3.82p	-13.7%
Reported basic earnings per share	**1.99p**	1.70p	+17.1%

This Annual Report and Accounts contains certain financial measures that are not defined or recognised under IFRS but are presented to provide readers with additional financial information that is evaluated by management and investors in assessing the performance of the Group.

This additional information presented is not uniformly defined by all companies and may not be comparable with similarly titled measures and disclosures from other companies. These measures should not be viewed in isolation or as an alternative to those measures that are derived in accordance with IFRS.

For an explanation of the alternative performance measures used in this report and reconciliations to their most directly related GAAP measure, please refer to the Chief Financial Officer's Review.

[1] Recurring revenue comprises revenue recognised in each financial year from customers contracted or by predictable customer habit at the time of recognition;

[2]ARR is the amount of recurring revenue that the business has contracted with customers or by predictable customer habit at the year end and Underlying ARR is ARR adjusted for certain items as described within the Chief Financial Officer's Review;

[3] Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation ("EBITDA") further adjusted for exceptional items and share-based payments, including National Insurance;

[4]Adjusted net debt comprises reported net debt (borrowings net of cash) but excluding any supplier loans or lease liabilities that would have been classified as operating leases under IAS 17 and is a measure reviewed by the Group's banking syndicate as part of covenant compliance; and

[5] Adjusted basic earnings per share comprises earnings before tax, exceptional items and share-based payments and associated National Insurance to which a notional tax charge of 25% is applied.

For more detailed explanations of the alternative performance measures used in this report and reconciliations to their most directly related GAAP measure, please refer to the Chief Financial Officers Review.

Strategic Report

Highlights (continued)

Financial Highlights – Total Operations

(combined MSP business unit and the Data Centre ("DC") business unit that is recognised as discontinued under IFRS 5)

- Total revenue for the Group was £165.0m (FY25: £169.9m);
- Recurring revenue for FY26 was £150.6m (FY25: £155.0m);
- Recurring revenue percentage of 91.3% (FY25: 91.2%); and
- Adjusted EBITDA was £32.0m (FY25: £35.4m).

Outlook

Following the disposal of RDC, Redcentric is fully focused on organically growing its MSP business. We have refined our go-to-market strategy and established a new business team to help realise our market opportunity.

The factors weighing on reported revenue and historical ARR are easing. Underlying ARR increased marginally in FY26, and we expect this to build through FY27 to deliver stable reported revenue for the year against FY26. While complex solutions typically involve long lead times and sales cycles, our lead-generation efforts are beginning to build our pipeline of opportunities, and market dynamics are expected to support near-term demand.

Our cost base is now right-sized to current revenue, and margins should improve in FY27 as the full-year impact of in-year savings comes through. Better use of our ERP system, continued solution-stack rationalisation and AI should drive further margin improvement, with adjusted EBITDA expected to be in line with current market expectations.

Our financial position is strong, supported by our new banking facilities. As revenue stabilises, growth becomes sustainable, profitability improves and free cash flow becomes more predictable, the Board remains committed to further shareholder returns.

Current FY27 trading in the continuing MSP business is in line with plan, with the balance sheet strengthened and the Group focused solely on organic growth and tangible investor returns. Despite a challenging MSP sector, we are confident in our product suite, our market position and our people, ensuring the foundations for growth and shareholder value creation are in place.

Strategic Report
Chairman's Statement

I am pleased to introduce the Annual Report and Accounts for Redcentric plc ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2026 ("FY26").

Overview

FY26 was the year in which the strategic realignment outlined in last year's Annual Report was substantially completed. The separation and post year end sale of the RDC has simplified our corporate structure, leaving the Group as a focused, pure play MSP, with a significantly strengthened balance sheet.

The sale to Stellanor Datacenters Group Limited (backed by DWS) completed in April 2026 with the final balancing payment of £9.5m received on 16 September 2026 following agreement of the completion accounts, meaning a total cash consideration of £124.9m was received. The transaction crystallised significant value from an asset the Board had built both organically and by acquisition while enabling the Board to honour last year's commitment to deliver a material return of capital to shareholders.

As at 31 March 2026, the DC business was classified as held for sale and is presented as a discontinued operation under IFRS 5 *Non-current Assets held for Sale and Discontinued Operations*. Based on the net asset carrying value at year end of £53.5m, the Group expects to report a profit on disposal in FY27.

Capital returns and balance sheet

Our immediate priority following the disposal was returning surplus cash to shareholders while maintaining a resilient balance sheet to support our MSP growth strategy. After transaction costs, net proceeds were applied to reduce debt, fund working capital and execute a substantial capital return.

On 28 August 2026 the Group agreed new long-term bank facilities on terms the Board considers appropriate for our focused operating model. The new banking facilities comprise a £30m RCF facility with a £10m Accordian facility. Adjusted net debt at 31 March 2026 was £36.8m. Following the post-year end cash inflow from the sale of the DC business, the repayment of an element of the Group's indebtedness and the funding of the tender offer, adjusted net debt has been substantially reduced to £2.8m at 25 September 2026. Detail is set out in the Chief Financial Officer's Review.

In July 2026, the Company completed a tender offer at 160 pence per share, returning £90m and acquiring 56.25m shares, 35.3% of the issued share capital at that time. A concurrent share capital restructure simplified a fragmented shareholder register while an on-market share buy-back of up to £1.5m was approved.

The ordinary dividend was suspended in FY25 pending completion of the RDC disposal. Following completion of that transaction and the associated capital return, the Board's has reviewed the Group's capital allocation framework. Future decisions will balance shareholder returns with investment in core the business and the maintenance of appropriate net cash/debt position under the Group's new facilities.

The Board intends to reinstate a progressive dividend policy. Subject to trading performance of the Group's financial position at the time, the first interim dividend is expected to be declared with the announcement of the Interim results for the six months ending 30 September 2026.

In addition, the Board will continue to consider opportunistic buy-backs where it believes this to be an attractive use of capital, having regard to market conditions, available liquidity and the Group's other capital requirements. The current buy-back programme of up to £1.5m, approved on 11 August 2026, will be reviewed on completion.

Focus on the MSP business

The continuing business traded throughout FY26 in a competitive market characterised by cost-conscious customers and pressure at renewal particularly across the public sector. Reported revenue was £132.0m (FY25: £135.1m) with recurring revenue resilient at 89.5% of total revenue (FY25: 89.3%).

Underlying ARR closed at £113.2m (FY25: £112.5m), an increase of 0.6%. While the growth was modest, this ARR metric highlights the underlying stability relative to headline reported revenue. Adjusted EBITDA of £17.4m (FY25: £18.8m) was in line with market expectations, at a margin of 13.2% (FY25: 13.9%), reflecting a stronger second half and continued cost discipline following prior year platform rationalisations. Inflation in staff and bought-in costs limited margin progress in the year, but efficiency actions already completed are expected to deliver fuller benefits in FY27. Adjusted EBITDA is reported after the costs of the Company's listing of approximately £0.7m (FY25: £0.6m). The Group's statutory EBITDA was £16.2m (FY25: £16.6m).

Strategic Report
Chairman's Statement (continued)

Focus on the MSP business (continued)
Our market position remains compelling: The Group's MSP offering occupies an attractive mid-market position with expertise and scale enough to serve complex, regulated and public-sector clients. The Group's offering is focused enough to sit between the global operators and smaller independents. Management's focus is now entirely on the MSP business with a strategy built on deepening customer relationships, protecting renewals, growing higher-quality recurring revenue across Cloud, Connectivity and Communications, and driving cash generation. Remaining duplicate platforms alongside stranded costs from the DC separation are being eliminated.

Board, governance and people
Michelle Senecal de Fonseca has completed a first full year as Chief Executive, having joined the Board as a Non-Executive Director in February 2024 and taken the executive role in May 2025. Tony Ratcliffe served as Chief Financial Officer on a fixed-term contract from August 2025, successfully helping to deliver the RDC disposal before Tim Sykes joined as CFO post period end in June 2026. Peter Brotherton remained an Executive Director until May 2025 to support the transition subsequently acting as a strategic adviser through the disposal process. I would like to thank Peter and Tony for their dedication and contribution in a demanding and transformational year.

Outlook
The Group is now a dedicated UK Managed Services company, with high recurring revenue, a strong balance sheet, low working capital requirements and a focused strategy with an encouraging pipeline. Near-term priorities are growth in the core product set, further improvement in the quality of earnings, cash conversion and consistent application of the capital allocation framework. The distraction of running two businesses is behind us and we look forward to executing the MSP opportunity.

Recurring profitability remains the core of the strategy, the cost base is aligned to current revenue, and the Group's cash position after the disposal continues to support both business investment as well as the Board's commitment to further shareholder returns.

Trading since the year end has been in line with internal plans. Reported revenue in FY27 is expected to be stable against FY26, however, with the savings and efficiencies made across the Group, Adjusted EBITDA for FY27 is expected to be in line with current market expectations.

Maintaining client service continuity throughout the separation was a top priority, and transfers completed smoothly. I thank our MSP team for delivering on this while executing a complex carve-out, and our DC colleagues who transferred to Stellanor. My thanks also go to our customers for their ongoing loyalty and to our shareholders for their continued support.

Richard McGuire
Chairman
25 September 2026

Strategic Report
Chief Executive's Review

Introduction

The strategic decision to divest RDC and establish the Group as a pure play MSP has been transformational for the Group.

Executing the divestment was highly complex, requiring substantial operational resources to prepare RDC for standalone operation and ensure a seamless handover to its new owners. We continue to provide contracted transitional services (running up to 30 April 2027) with both parties aligned to shortening this handover window wherever practical.

The separation has confirmed that the MSP business is well positioned to realise an exciting growth opportunity which can deliver significant shareholder value.

The IT Managed Services market

UK customer demand for managing IT infrastructure, cybersecurity and end-user systems is well established.

The market is highly fragmented, including global telecom operators, system integrators, hardware and software providers and local independent providers. Structurally it is divided into a handful of large global players, a lot of smaller operators and a select group of mid-tier providers including Redcentric.

With that market landscape, Redcentric has a market leading position in the UK public sector, notably in NHS trusts, as well as commercial sectors and enjoys a high-quality diverse customer base.

The Board believes that Redcentric's mid-market position is a competitive advantage. Furthermore, it believes the Group has the requisite scale to provide an attractive offering that is also nimble enough to offer the high levels of service and engagement that differentiate it, particularly from larger players. The Group does not suffer from many of the challenges that its smaller competitors face, such as the lack of a delivery structure, reputation, reliability and financial strength.

The Group's AIM listing is another competitive advantage providing clients with full financial transparency and governance assurance. Additionally following the sale of RDC, our deleveraged balance sheet and low gearing establish Redcentric as a secure, long-term counterparty for enterprise and public-sector procurement.

Strategy and business model

The Group provides a broad range of IT Managed Services across its three core specialist areas of Cloud, Connectivity and Communications. Each of these areas has a dedicated focus with technologically advanced infrastructure and appropriately skilled resources. Historically, the Group has built its offering both organically and through M&A and is now focused on optimising this offering and driving organic growth, without fully discounting opportunistic corporate activity.

The Group is well positioned in the market to combine the benefits of proprietary networks with a flexible and technically skilled workforce capable of delivering and supporting critical services and solutions in an exceptionally secure environment.

The Group seeks to differentiate itself in three distinct ways:

- Innovation - in the design and delivery of services;
- Reliability - the right technical skills, organised in the right way, to give predictable high-quality results; and
- Value - service offerings designed to offer value for money to mid-market customers.

The Group has a well-established account management team, complemented where appropriate by strategic partners, working to deepen and broaden the Group's relationships with existing customers. Since taking the CEO role, I have reallocated expenditure toward greater investment in our go-to-market capability to drive new customer acquisition. That capability is now maturing, and I expect to see the benefits come through in the latter part of FY27 and beyond, making customer acquisition KPIs increasingly important as we move forward.

Broadcom's restructuring of its partnership and licence models has created a window of opportunity in the market which I believe the Group is well positioned to take advantage of. The Group's renewed position as one of only seven Pinnacle Partners for Broadcom's VCSP programme in the UK is testament to the depth of expertise and experience we hold in the business. Not just in the development and management of VMware environments, but also in navigating the shifting role of Private Cloud as part of organisation's cloud strategies.

Coupled with many businesses taking a fresh view of sovereignty in their technology stack, and the role of AI within it, the Group is well positioned to provide solutions that address a rapidly evolving market. With momentum continuing to build in both the channel and with end users, we continue to see this as a significant growth driver.

Strategic Report
Chief Executive's Review (continued)

Strategy and business model (continued)
The Group's high proportion of recurring revenue, approximately 89.5% for FY26, consistent year-on-year, is a highly attractive facet of its business model. Our focus is to maintain this element of the model. Because recurring revenue relates to the classification of that revenue at the time of recognition during the year, we have also introduced ARR as a key indicator of the Group's recurring revenue at the year end in this report, and I am pleased to report that our Underlying ARR increased 0.6% in FY26.

As we move into FY27 and beyond, the negative factors that have required adjustments between reported ARR to Underlying ARR for FY25 and FY26 will subside making the measure more transparent over time. I expect to see year-on-year Underlying ARR growth into FY27 and beyond, with momentum building in the second half. That said, it is essential that the Group continues to deepen its customer relationships through complementary non-recurring services which will remain a core feature of our offering.

Our core markets are the UK public sector along with commercial and large enterprise scale customers, with a significant amount of business secured through bid or tender processes. Contracts are typically multi-year. There is a natural cycle when contracts approach renewal and the Group generally seeks to renew on broadly similar terms. Despite customer loyalty, the Group typically faces pressure to reduce cost to the customer at renewal or to consider newer or more competitive offerings.

To address this, the Group remains committed to staying at the technological forefront of the market, continually refreshing its offering to meet the advancing needs of its customers. The Group has a strong and reliable infrastructure and has developed a delivery model that provides assurance and certainty for customers.

Given the complexities of carving out and selling RDC, our immediate focus is on an organic growth strategy. That being said, the Board retains its opportunistic approach to M&A where targets meet strict criteria including being strategically relevant, financially accretive, contributing to Group scale, expanding or enhancing infrastructure to deliver greater levels of security and service, bringing new technologies to benefit from innovation or offering cross-selling opportunities.

Customer successes

FY26 saw the Group continue to grow existing customer relationships while expanding its footprint in key verticals with new logo wins.

The Group continues to build new relationships and support vital work across the NHS and its partners. One notable win involved taking on the delivery and management of connectivity and voice solutions to support mental health and community services for an NHS Foundation Trust. This multi-year contract reflects the trust NHS organisations put in our experience and understanding of the unique dynamics and role that infrastructure plays in delivering patient care, whilst supporting the NHS strategy of shifting care provision into the community.

Another vital link in that shift to community focused care is with our community pharmacy customers. A long-standing customer, and one of the UK's largest community pharmacy chains has committed to a five-year network renewal and upgrade programme across 640 locations. Part of a nationwide digital transformation programme, this will see sites benefit from best-in-class network security and resilience, supporting future ready services across the UK.

Our customers continue to evolve their technology strategies in a fast-paced landscape, and we remain focused on partnership models that adapt and evolve alongside them. This includes working with a growing SAAS organisation on their cloud transformation, migrating them from IaaS to a fully managed Azure environment designed to enable the organisation's ambitious global expansion plans.

Operations
As the separation from RDC commenced, the Group also initiated a restructure of its own operations. The primary objectives were to enhance customer focus, strengthen functional specialism and eliminate duplicated activities. We achieved this by moving from Cloud, Connectivity and Communications lines of business to a single functional operating structure.

In the second half of FY26, we undertook a comprehensive review of the Group's business processes, including its ERP system. This analysis focused on identifying opportunities to improve customer experience while achieving substantial efficiency and cost gains. This has yielded operational improvements that will be realised throughout FY27 and beyond, supporting margin expansion.

Strategic Report
Chief Executive's Review (continued)

Strategy and business model (continued)

Product categories

Cloud

As a result of historic acquisitions, the Group accumulated numerous cloud platforms and services, which were complementary but contained elements of duplication. The Group continues to rationalise these platforms through its standard platform life cycle management process while managing customer requirements.

The Group's capabilities, specifically within data storage/backup and recovery services have been optimised, simplifying go-to-market propositions while reducing operational complexity. As a result, the Group's offering is strongly suited to current and growing market demands in these areas.

Investment in the year focused on the Group's market leading Sovereign Private Cloud platform, which is designed to deliver a highly secure and compliant private cloud for government, public sector and wider regulated organisations, with platform enhancements, service improvements and operational oversight completed to provide a strong basis for continuing growth in platform usage, particularly at a time of growing sovereign platform dependency.

Connectivity

The Group successfully removed a significant amount of legacy network configuration from historic acquisitions and development work was completed to onboard the remainder of the Group's key circuit supply chain.

Artificial Intelligence ("AI")

While customer adoption of AI is still at a relatively early stage, the Group is moving quickly. AI represents a key strategic opportunity, supporting both the evolution of customer-facing services and operational transformation.

During the year, investment focused on improving service quality, responsiveness and efficiency through the adoption of AI-enabled tools, automation and analytics across service operations, customer engagement and business processes. Programmes such as OCT, Aviator, OSS AI and a Bid Opportunity Viability Agent are building the foundations for improved service consistency and stronger customer outcomes with measurable productivity gains.

From a product perspective, we expect to deliver a growing portfolio of internally developed and partner facilitated AI-enabled solutions and managed services that enhance value for our customers. Investment is focused on Private AI-ready infrastructure, managed Microsoft Copilot services, AI governance and security capabilities, and intelligent automation services that help organisations improve productivity and accelerate decision-making. These capabilities are designed to help customers adopt AI securely and at scale, accelerate digital transformation, enhance employee and customer experiences, and realise measurable business outcomes from their technology investments.

Over the next 12 months, our focus will shift from targeted deployments to broader operational integration, embedding AI capabilities across service management, platform operations, security, sales and support functions. Alongside this, investment is being made in product management, architecture and engineering capabilities to ensure AI considerations are embedded into product strategy, platform design and service development from inception. The Group's DevOps function is also being re-oriented towards AI-centric practices, leveraging automation, intelligent observability and AI-assisted development to accelerate delivery while improving reliability and scalability.

In addition, the Group is developing AI-driven data management and enrichment processes to enhance the granularity of its profitability and productivity performance, driving faster and better decision-making.

Summary financial results

More detailed financial data is summarised in the Chief Financial Officer's Report with fuller detail in the Financial Statements.

Reported revenue for the Group was £132.0m (FY25: £135.1m) which included a £0.6m reduction in non-recurring revenue due to an expected reduction in services to our NHS customers following relatively high levels of spend in recent years. Recurring revenue fell by £2.5m.

Strategic Report
Chief Executive's Review (continued)

Summary financial results (continued)

The Board considers that this reduction was driven largely by customer churn inherited from the historic acquisitions of Sungard, Piksel and 4D. At the time that these businesses were acquired, the Board was aware that certain of the customers had already made irreversible arrangements to move to alternative providers, given the inherent uncertainty of continued supply from the acquired companies, specifically Sungard, which was in administration at the time of the acquisition. This feature of the historic M&A strategy creates a 'drag' on growth in reported revenue and ARR and this drag can continue for several years because new systems can take many years to build. The process of exit is still ongoing into FY27 but is not expected to continue beyond then.

In addition, there has been a short-term impact of the reaction in the market to the Broadcom acquisition of VMware where short-term 'on-demand' licences produced short-term growth in FY25 but this has reversed in FY26. Further, the Group has strategically exited a specific loss-making contract which has reduced revenue but is earnings enhancing.

The Group has introduced ARR as a key performance indicator. To reflect the Group's true operational trajectory, headline ARR has been adjusted for the legacy factors outlined above.

Underlying ARR at 31 March 2026 was approximately £113.2m which was marginally ahead of £112.5m at 31 March 2025. I am encouraged by this positive movement which demonstrates that the underlying business is turning towards growth as legacy headwinds subside and our go-to-market strategy gains momentum.

I am particularly pleased with the Group's levels of profitability with adjusted EBITDA of £17.4m (FY25: £18.8m), with margin decreasing only slightly to 13.2% (FY25: 13.9%) as a result of inflationary cost increases in our cost of goods sold. The Group's statutory EBITDA was £16.2m (FY25: £16.6m). We have controlled costs tightly against a backdrop of reducing revenue and also managed to adjust the focus of our spend toward our planned investments made during the second half of the year to support future growth initiatives, the benefits of which are expected to be realised from the second half of FY27 onwards.

Further, the full year effect of these cost savings will be experienced through FY27 where I expect to see enhanced margins come through.

Michelle Senecal de Fonseca
Chief Executive Officer
25 September 2026

Strategic Report
Chief Financial Officer's Review

Overview

The results for the year are presented in a similar format to the prior year, with the separation of the continuing MSP business and the discontinued DC business. The sale of RDC completed on 30 April 2026 and thus the DC business unit was owned throughout FY26. Under IFRS 5, the financial reporting for this year primarily highlights the continuing operations, i.e. the continuing MSP business. The detail in the Statement of Comprehensive Income therefore shows the line-by-line results of the continuing MSP business, together with appropriate comparative data for the prior year to allow a meaningful comparison.

The financial results of the DC business have been summarised and included as a single line item in the Consolidated Statement of Comprehensive Income – "profit/loss after tax for the period from discontinued operations".

At the balance sheet date only, the assets and liabilities of the DC business have been shown as two-line items on the Consolidated Statement of Financial Position – "assets held for sale", shown within current assets, and "liabilities directly associated with the assets held for sale", shown within current liabilities.

The financial review below covers the primary Financial Statements as presented and, unless otherwise stated, focuses on the continuing MSP business.

Revenue

Reported revenue for the continuing MSP business for the year was generated wholly from the UK and was £132.0m (FY25: £135.1m). Within reported revenue, recurring revenue comprises revenue recognised in each financial year from customers contracted or by predictable customer habit at the time of recognition but which may not be assessed in that way at the equivalent year end. The Board considers that this is a helpful measure as it highlights how much of the Group's total revenue was earned through this source as compared to non-recurring revenue which is revenue recognised from the delivery of products or services in the period and is generally short-term. Reported revenue can be analysed below:

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000	Change £'000	Change %
Recurring revenue	**118,116**	120,657	(2,541)	-2.1%
Non-recurring revenue	**13,869**	14,481	(612)	-4.2%
Total revenue	**131,985**	135,138	(3,153)	-2.3%

The recurring revenue represented 89.5% (FY25: 89.3%) of the total reported revenue for the year and recurring revenue reduced during the year due, principally, to the following key non-continuing factors:

- Loss of customers that were acquired with historic acquisitions, particularly Sungard;
- The Group's strategic shift away from low margin solutions;
- Market dynamics associated with Broadcom's acquisition of VMware and the first phase of the one-time effect on revenues of that; and
- Normal churn in the customer base driven by general usage, pricing negotiation and customer infrastructure factors which are beyond the control of the Group.

Non-recurring revenue dropped back to more normalised levels following the higher levels achieved through our services into the NHS during the previous two financial years.

Whilst the Board believes that recurring revenue is a relevant measure of performance, it also acknowledges that another supplementary measure can be more informative because recurring revenue is defined as such at the date that the revenue is recognised rather than by reference to the year end. Specifically, the Board considers that Annual Recurring Revenue (ARR), as defined below, is a key performance indicator.

Annual Recurring Revenue (Alternative Performance Measure)

A key indicator of the commercial performance, strength and progression of the business is the scale and trajectory of its ARR. ARR is the amount of (annualised) recurring revenue that the business has with customers at a point in time, specifically at the year end, and is reasonably expected to recur into future accounting periods. An analysis of the progression of the ARR of the Group from 31 March 2025 to 31 March 2026 is as follows:

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000	Change £'000	Change %
Total ARR	**116,201**	118,667	(2,466)	-2.1%
ARR associated with:				
Customer losses from historic acquisitions	**(2,198)**	(3,001)	803	-26.8%
Strategic shift away from low margin solutions	**(1)**	(1,302)	1,301	-99.9%
On-demand VMware licences	**(802)**	(1,864)	1,062	-57.0%
Underlying ARR	**113,200**	112,500	700	+0.6%

The Board considers that the adjusting factors in the table above are unlikely to recur going forwards and, as a result, this analysis provides further insight into the current trajectory of the Group and its current momentum. It is encouraging that, when viewed from this perspective that the Group's underlying ARR has grown, albeit modestly, over the period. The Group's focus remains to drive further growth in ARR.

Gross profit

The MSP's gross profit is summarised below:

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000	Change £'000	Change
Gross profit	**80,526**	83,281	(2,755)	-3.3%
Gross margin	**61.0%**	61.6%	n/a	-0.6ppts

Whilst the Group has the benefit of index-linked annual price increases in many of its customer contracts, this has been more than offset by the inflationary cost price increases of staff costs and bought-in product and services directly associated with the delivery of its services that are included within the cost of goods sold.

Operating expenses

The MSP's total operating costs were £72.5m, a decrease of 3.2% on the £74.9m in FY25. An analysis of the major components of the cost base is shown below:

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000	Change £'000	Change %
Employment costs*	**40,667**	37,299	3,368	+9.0%
Office costs	**5,282**	742	4,540	+611.9%
Network and equipment costs	**15,145**	22,471	(7,326)	-32.6%
Other administrative costs	**2,061**	4,011	(1,950)	-48.6%
Operating costs before depreciation, amortisation, share-based payment charges and National insurance and exceptional items	**63,155**	64,523	(1,368)	-2.1%
Operating costs before depreciation, amortisation, share-based payment charges and National insurance and exceptional items (expressed as a % of reported revenue	**47.9%**	47.7%	n/a	+0.2ppts
Depreciation of property, plant and equipment	**4,481**	4,001	480	+12.0%
Amortisation of intangibles	**2,140**	2,593	(453)	-17.5%
Depreciation of right-of-use assets	**1,516**	1,610	(94)	-5.8%
Exceptional costs	**253**	924	(671)	-72.6%
Share-based payments and associated National Insurance	**916**	1,235	(319)	-25.8%
Total operating costs	**72,461**	74,886	(2,425)	-3.2%
Reported operating profit	**8,065**	8,395	(330)	-3.9%
Reported operating margin	**6.1%**	6.2%	n/a	0.1ppts

** During the current year, the Group identified that £0.9m of employee benefit costs that should have been included in wages and salaries were not included in the prior year. As the impact on the comparative period was not material, comparative information has not been restated. The current year disclosure has been updated to include these costs and therefore is not directly comparable to the prior year presentation.*

The Group has been successful in managing its operating expenditure down in line with the reducing revenue in order to preserve operating margins. In particular:

- Employment costs have increased due to inflationary factors and a reclassification of certain employee benefit costs from administrative costs which has been partially offset by a reduction in headcount during the year;
- Other administrative costs have reduced due to the above reclassification of certain employee benefit costs to employment costs;
- Office costs have increased due to are-classification of costs that were previously classified within network and equipment costs and vice versa. The aggregate costs across these categories have reduced due to reducing volumes and cost savings made through the rationalisation of the Group's product portfolio;
- Depreciation of property plant and equipment has increased due to the high level of investment in the prior year;
- Amortisation of intangibles has reduced due to certain customer relationship assets reaching the end of their useful economic lives;
- Exceptional costs in the prior year included costs associated with an aborted acquisition and integration costs of a previous acquisition and there have been no similar costs incurred during the period; and
- Share-based payment charges has reduced due to a senior employee leaving during the year which has resulted in the prior year charges in respect of options granted to them being credited to the income statement during the year.

EBITDA and adjusted EBITDA (Alternative Performance Measure)

The Board's key measure of underlying business profitability and assessing trends across periods is earnings before interest, tax, depreciation and amortisation ("EBITDA") further adjusted for exceptional items, share-based payments and associated National Insurance costs ("Adjusted EBITDA"). Adjusted EBITDA for continuing operations for the year was £17.4m (FY25: £18.8m) whist adjusted EBITDA for discontinuing operations was £14.6m (FY25 16.6m).

EBITDA and adjusted EBITDA (Alternative Performance Measure) (continued)

The Board considers that this metric provides a useful measure of assessing the underlying trading performance of the continuing Group as it excludes items which may distort comparability between reporting periods, for example one-off exceptional costs, or amortisation of acquired intangibles arising from business combinations, which varies year-on-year dependent on the timing and size of any acquisitions, and obscure the visibility of the underlying trading performance of the business. Adjusted EBITDA also helps to more easily assess the business' ability to generate cashflow and is a widely adopted metric.

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Reported operating profit	**8,066**	8,395
Amortisation of intangible assets arising on business combinations	**989**	1,535
Amortisation of other intangible assets	**1,151**	1,058
Depreciation of property, plant and equipment	**4,481**	4,001
Depreciation of right-of-use assets	**1,516**	1,610
EBITDA	**16,203**	16,599
Exceptional costs (Note 9)	**253**	924
Share-based payments and associated National Insurance	**916**	1,235
Adjusted EBITDA	**17,372**	18,758
Adjusted EBITDA margin (expressed as a percentage of reported revenue)	**13.2%**	13.9%

The reduction in underlying EBITDA margin is largely attributable to the reduction in gross margin described above with overheads being maintained at a consistent level of revenue but with a shift toward growth-related commercial activities.

Finance costs

For continuing operations, net finance costs reduced by £0.8m to £3.2m (FY25: £4.0m) primarily as a result of a reduced level of borrowing and a lower interest on the Group's borrowings.

Tax

For continuing operations, the tax charge for the year was £1.7m (FY25: £1.7m).

The total tax charge for the year was £1.5m (FY25: £2.5m) comprising an income tax charge of £1.6m (FY25: £0.4m), and a deferred tax credit of £0.2m (FY25: charge of £2.1m).

Discontinued operations

The net profit after tax for the discontinued operations was £9.0m (FY25: £0.8m), shown as a single line item in the Consolidated Statement of Comprehensive Income. A fuller analysis of the components of this amount is shown in Note 5 of this Report.

Revenue for the discontinued operation for the year was generated entirely in the UK and was £42.1m (FY25: £44.6m). The reduction in revenue is primarily due primarily to customer losses associated with the Sungard acquisition and one individually significant customer loss which was not part of the acquired customer base. With only a partial offset of a reduced level of direct cost of goods sold, this reduction in revenue has largely dropped through to Adjusted EBITDA which was £14.6m for the year (FY25: £16.6m).

Earnings per share

As detailed further in Note 13 to this Report, the basic and diluted earnings per share for continuing operations amounted to 1.99 pence per share and 1.93 pence per share in the year, compared to 1.70 pence per share and 1.64 pence per share in FY25.

Adjusted basic and diluted earnings per share on continuing operations, which is an Alternative Performance Measure and excludes tax, amortisation of acquired intangibles, share-based payments and associated National Insurance and exceptional items to which a notional tax charge of 25% is applied, amounted to 3.30 pence per share and 3.20 pence per share in the year, compared to 3.82 pence per share and 3.70 pence per share in FY25.

Cash flow

The Group's Consolidated Cash Flow Statement is presented below and can be summarised as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Operating profit	**19,160**	11,460
Non-cash items	**12,351**	23,931
Operating cash flow before exceptional items and movements in working capital	**31,511**	35,391
Cash cost of exceptional items and provisions	**(3,989)**	(1,353)
Operating cash flow before changes in working capital	**27,522**	34,038
Net working capital movements	**(1,698)**	(4,127)
Cash generated from operations	**25,824**	29,911
Tax paid	**(649)**	(145)
Net cash generated from operating activities	**25,175**	29,766
Net cash used in investing activities	**(7,102)**	(11,362)
Net cash used in financing activities	**(16,321)**	(18,497)
Net increase/(decrease) in cash and cash equivalents	**1,752**	(93)

The constituent elements of the cash flow can be summarised as follows:

- Non-cash items includes depreciation and amortisation of the property, plant and equipment and the intangible assets of the DC business which have been classified as current assets and have not been either depreciated or amortised, respectively;
- The nature of the exceptional items is described in detail at Note 9;
- Working capital increased due to short-term timing differences associated with the collection of trade receivables;
- The level of investment in leasehold improvements and computer equipment in the DC business that was incurred during the prior year was not required in the current period; and
- The level of dividends paid reduced by approximately £3.8m but this was offset by increased costs associated with the Group's asset finance obligations.

In order to provide greater insight into the Group's cash generation from continuing operations, the table below reconciles the operating profit of the MSP to adjusted cash generated from the MSP operations, highlighting the key non-cash items, working capital movements and other operating cash flows that influence the conversion of profit into cash.

Continuing operations	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Operating profit	**8,066**	8,395
Depreciation and amortisation	**8,137**	8,204
Exceptional costs	**253**	924
Share-based payments	**916**	1,235
Adjusted EBITDA	**17,372**	18,758
Loss on disposal of fixed assets	**23**	-
Non-cash movement on provisions	**140**	-
Working capital movements	**(1,753)**	(3,871)
Cash movement on provisions	**(397)**	(33)
Adjusted cash generated from operations	**15,385**	14,854

Adjusted cash generated from continuing operations was £15.4m (FY25: £14.9m), representing cash conversion of 88.6% of adjusted EBITDA (FY25: 79.2%). The Group benefited from continued strong underlying profitability from the MSP business.

Cash flow (continued)

The Group's focus remains on converting operating profit into sustainable cash flows while maintaining investment in the business. This measure provides management and investors with a clearer view of underlying cash generation before the impact of financing costs, taxation and investment expenditure.

Net debt

Net debt for the Group amounted to £71.7m at 31 March 2026, compared to £65.5m at 31 March 2025, an increase of £6.2m. A detailed reconciliation of the movement in the year is shown in Note 23.4 to this Report.

The table below summarises the Group's total movements (continuing and discontinued operations) in the components of net debt, with the cash flow and non-cash flow elements separated out:

	As at 31 March 2024 £'000	Net cash flow £'000	Net non-cash flow £'000	As at 31 March 2025 £'000	**Net cash flow £'000**	**Net non-cash flow £'000**	**As at 31 March 2026 £'000**
Cash	3,130	(93)	(19)	3,018	**1,752**	**(55)**	**4,715**
Revolving Credit Facility	(39,885)	4,515	(3,577)	(38,947)	**1,918**	**(2,927)**	**(39,956)**
Term Loan	(21)	18	-	(3)	**3**	**-**	**-**
Asset Financing Facility	(3,609)	(1,367)	52	(4,924)	**3,805**	**101**	**(1,018)**
Lease Liabilities	(31,980)	10,013	(2,632)	(24,599)	**9,083**	**(19,928)**	**(35,444)**
	(72,365)	13,086	(6,176)	(65,455)	**16,561**	**(22,809)**	**(71,703)**

Included in lease liabilities at 31 March 2026 are £34.9m (FY25: £23.6m) of IFRS 16 lease liabilities that were previously classified as operating leases under IAS 17 *Leases*.

The analysis of net debt at 31 March 2026 between continuing operations and discontinued operations is shown below:

	Continuing operations £'000	**Discontinued operations £'000**	**Total Group Year ended 31 March 2026 £'000**
Cash	**4,715**	**-**	**4,715**
Revolving Credit Facility	**(39,956)**	**-**	**(39,956)**
Term Loan	**-**	**-**	**-**
Asset Financing Facility	**(1,018)**	**-**	**(1,018)**
Lease Liabilities	**(2,422)**	**(33,022)**	**(35,444)**
Net Debt	**(38,681)**	**(33,022)**	**(71,703)**

Adjusted net debt (Alternative Performance Measure)

Adjusted net debt is reported net debt (i.e. total borrowings net of cash) less supplier term loans and lease liabilities that would have been classified as operating leases under IAS 17 and is a measure reviewed by the Group's banking syndicate as part of covenant compliance as detailed in Note 23.2. The table is based on the both the Group's continuing and discontinued operations.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Borrowings - Revolving Credit Facility	**(39,956)**	(38,947)
Borrowings - Lease liabilities	**(35,444)**	(24,599)
Borrowings - Term loan	**-**	(3)
Borrowings - Asset Financing Facility	**(1,018)**	(4,924)
Total borrowings	**(76,418)**	(68,473)
Cash	**4,715**	3,018
Reported net debt	**(71,703)**	(65,455)
Term loans	**-**	3
Lease liabilities defined by the banking syndicate	**34,914**	23,562
Adjusted net debt	**(36,789)**	(41,890)
Shown as:		
Continuing operations	**(36,789)**	(38,771)
Discontinued operations	**-**	(3,119)
Adjusted net debt	**(36,789)**	(41,890)

Financing

Total facilities and amounts drawn at 31 March 2026, compared to the year end date FY25 are summarised below.

	31 March 2026			31 March 2025		
	Available £'000	**Drawn £'000**	**Undrawn £'000**	Available £'000	Drawn £'000	Undrawn £'000
Committed						
Revolving Credit Facility	**60,000**	**40,000**	**20,000**	80,000	39,000	41,000
Term Loan	**-**	**-**	**-**	3	3	-
Asset Financing Facility	**10,000**	**1,018**	**8,982**	10,000	4,924	5,076
Lease Liabilities	**35,444**	**35,444**	**-**	24,600	24,600	-
	105,444	**76,462**	**28,982**	114,603	68,527	46,076
Uncommitted						
Accordion Facility	**20,000**	**-**	**20,000**	20,000	-	20,000
	20,000	**-**	**20,000**	20,000	-	20,000
Total borrowing	**125,444**	**76,462**	**48,982**	134,603	68,527	66,076

Subsequent events

During the current financial year and before the date of this report, the Group has been successful in delivering multiple strategic events which have impacted the Group's operations and its financial position, as follows:

- The sale of RDC which completed on 30 April 2026;
- A tender offer, which delivered £90.0m of cash to shareholders during August 2026;
- A share capital restructure, which resulted in an efficient realisation of cash to approximately 7,000 shareholders at a cash cost of approximately £46,000 during August 2026;
- A re-negotiation of its bank facilities that was completed on 28 August 2026; and
- A structured share buy-back programme of up to £1.5m of shares that is due to conclude on 30 September 2026.

Sale of RDC

The sale of RDC completed on 30 April 2026, and total gross proceeds received were £124.9m. Costs directly attributable to the sale were approximately £5.0m.

The carrying value of the net assets of the DC business at 31 March 2026 were:

	At 31 March 2026 £'000
Assets held for resale	**106,628**
Liabilities directly associated with the assets held for resale	**(53,163)**
Net assets held for resale	**53,465**

The summary above indicates to the Board that the Group will report a substantial profit on sale of RDC within its results for the year ended 31 March 2027.

Tender Offer and Share Capital Restructure

On 19 June 2026, the Company published a circular to shareholders (the "Circular") whereby it offered to purchase up to a maximum of 56,250,000 shares at a price of £1.60 per share (the "Tender Offer") and also to undertake a share capital restructure (the "Share Capital restructure") designed to provide a large number of minority shareholders with an efficient exit and to enable the company to reduce the associated administrative costs.

On 22 July 2026, the Company reported a full take-up of the Tender Offer and, accordingly, the Company purchased and cancelled 56,250,000 ordinary shares which represented 35.3% of the issued share capital at that time, with settlement made on or around 5 August 2026.

Immediately following the Tender Offer, the Company undertook the Share Capital Restructure which resulted in the Company purchasing a further 26,660 ordinary shares into treasury for a total consideration of approximately £46,000 (with the total number of shares held in treasury being 27,140).

Share buy-back programme

On 11 August 2026, the Company announced that it had approved a share buy-back programme of up to £1.5m in the period to 30 September 2026, in accordance with the authority given by shareholders at the General Meeting held on 7 July 2026. At 25 September 2026, the total number of shares purchased was 1,140,937 with an aggregate purchase price of approximately £1.2m.

Subsequent events (continued)

Current net debt and bank facilities

As a result of the combination of these corporate actions and strong first half weighted operating cash generation, the Group's net debt position as at 25 September 2026 (before normal month end payments) is materially different to that presented within this Consolidated Statement of Financial position as at the year end and can be summarised as set out below.

	At 25 September 2026 £'000
Cash	17,430
Revolving Credit Facility	(19,269)
Asset Financing Facility	(673)
Lease Liabilities*	(1,717)
Net debt	**(4,229)**
Lease Liabilities that would have been classified as operating leases under IAS 17	1,394
Adjusted net debt	**(2,835)**

** Lease Liabilities and Lease Liabilities that would have been classified as operating leases under IAS17 are calculated as at 31 August 2026, being the most recent internal reporting date of the Group. The Board considers that the amounts at 25 September are not significantly different.*

Further, Adjusted net debt, ie. total borrowings net of cash less lease liabilities that would have been classified as operating leases under IAS 17 is £2.8m.

Furthermore, on 28 August 2026, the Group reached agreement for new bank facilities, and these are summarised below along with the associated utilisation.

	Available £'000	Drawn £'000	Undrawn £'000
Committed			
Revolving Credit Facility	**30,000**	**19,269**	**10,731**
Asset Financing Facility	**4,500**	**673**	**3,827**
Lease Liabilities	**1,717**	**1,717**	**-**
	36,217	**21,659**	**14,558**
Uncommitted			
Accordion Facility	**10,000**	**-**	**10,000**
	10,000	**-**	**10,000**
Total borrowing facilities	**46,217**	**21,659**	**24,558**

Uncommitted facilities represent facilities available to the Group, but which may be withdrawn by the lender subject to agreement by the lenders and hence are not within the Group's control.

These new facilities are provided by two banks and have an initial period of 3 years with an option for a further year, to be exercised at the Group's discretion subject to the Group not being in breach at the time.

The borrowing cost of the RCF is determined by the Group's leverage and has a variable borrowing cost based on a margin over SONIA at the Group's current leverage levels with a current margin of 165 basis points at this leverage. A commitment fee is payable on the undrawn portion of the RCF at 40 basis points.

Strategic Report

Chief Financial Officer's Review (continued)

Closing

FY26 was a year of transition. The MSP business delivered high-quality recurring revenue and cash conversion with a reduction in adjusted net debt. The Group completed the sale of RDC and the final elements of the separation are coming to completion.

Post period end, the receipt of £124.9m of proceeds from the sale of the DC business, the £90m tender offer, the share capital restructure and the refinancing of the Group's facilities have reset the balance sheet around a simpler, cash-generative MSP model.

The Board's priorities for FY27 are unchanged: protect and grow underlying ARR, drive further efficiencies to optimise operating margins and convert earnings into cash. Utilisation of the Group's cash will continue to be determined with a disciplined approach toward capital allocation between organic investment and further returns to shareholders.

Tim Sykes
Chief Financial Officer
25 September 2026

Strategic Report
Section 172 Statement – Our Stakeholders

The Board recognises its duty to consider the needs and concerns of the Group's key stakeholders during its discussions and decision-making. The Board acknowledges the importance of fostering relationships with all of its stakeholders, as set out below. More detailed information on how the Directors have discharged their duties under section 172 of the Companies Act 2006 is available in the Strategic Report on pages 1- 43 and the Corporate Governance Report on pages 45-52 of this Report.

Colleagues

- Strategy, leadership and engagement – During FY26, the Group refreshed its managed services strategy in preparation for the sale of the data centre business, with customer centricity placed at the core of the operating model. The Board recognised that colleague engagement and clear communication were critical to the successful delivery of this strategy. A full colleague survey was undertaken at the start of the year, resulting in refreshed people priorities and Group-wide and divisional action plans. The Group also enhanced its internal communications approach through regular leadership updates, "Extended Ops Board" briefings to senior staff, townhalls and recognition of business and colleague achievements.
- Culture, capability and retention – The Group continued to invest in colleague development, recognition and wellbeing as strategic enablers of performance and retention. FY26 initiatives included continued support for hybrid working, flexible leave and family-friendly policies, wellbeing and financial benefits, and the introduction of in-the-moment colleague recognition through Spotlight awards. The Group also intends to roll out more defined learning and development pathways to support colleague growth, contribution and career development.
- Inclusion, safety and responsible employment – Creating a diverse, inclusive and safe working environment remains central to the Group's people agenda. During FY26, the Group maintained its diversity, equality and inclusion forum, introduced a new diversity and inclusion policy and reviewed recruitment processes to support a diverse workforce. The Group also maintained high standards of health and safety through training, site assessments and statutory audits, with no RIDDOR accidents reported during the year. The Group's inclusion and engagement progress was further reflected in its recognition in the Sunday Times Best Places to Work awards.

Further information is included in the Corporate Responsibility section on pages 25-26 and in the Corporate Governance Report on pages 44-52 of this Report.

Customers

- Customer focused – During FY26, the Board supported the MSP business's renewed focus on customer centricity as a core element of the Group's refreshed strategy. This is intended to ensure that decisions on service delivery, operational improvement, customer engagement and future investment are aligned to the needs and priorities of customers.
- Listening and service improvement – The Group continued to use customer feedback, NPS surveys, regular service reviews and customer sentiment reporting to understand service performance and identify areas for improvement. Feedback is reviewed through operational and senior management forums, supporting timely action on emerging issues and helping to inform the Group's continuous service improvement priorities.
- Customer engagement and communication – The Group continued to develop its customer engagement model, including more targeted marketing, improved use of customer data and technology, and clearer communications on services, incidents and changes. These activities support the Board's commitment to building stronger customer relationships, improving the customer experience and aligning the Group's proposition with customer requirements.

Suppliers

- The Board considers effective supplier partnerships to be an important enabler of the Group's refreshed MSP strategy, supporting operational resilience, innovation, customer outcomes and sustainable growth.
- Supplier alignment – The Group has continued to focus on partnerships with suppliers operating in fast-growing and strategically important areas, including cloud and cyber security, where supplier capability and innovation are closely aligned with customer requirements and the Group's future proposition. Examples include the Group's strategic relationships with VMware by Broadcom, Microsoft, Fortinet, HPE and Veeam, which support cloud, communications, cyber security, infrastructure and resilience services.

Suppliers (continued)

- Sustainability and values – The Group continued to maintain its annually reviewed sustainable supply chain policy and engage with suppliers aligned to its strategic goals and values. The Group has also continued to invest in its supplier portal, a digital platform supporting compliance, supply chain diversity and inclusion, and stronger partnerships focused on sustainability and carbon reduction.
- Supplier payment practices – The Group has continued to improve the timeframes in which it pays suppliers. This supports strong supplier relationships and supply chain resilience, while also supporting the Group's ability to meet requirements under public sector frameworks.

Shareholders

- Analyst and investor roadshows - The Chief Executive Officer and Chief Financial Officer hold analyst and investor roadshow meetings throughout the year, particularly following the release of the Company's interim and full year results, and feedback from those meetings is shared with the Board.
- The Chairman and all Directors make themselves available for direct engagement with shareholders, when required.
- AGM - The Company's AGM is a key opportunity for engagement between the Board and its shareholders, particularly smaller or retail shareholders who do not participate in the roadshow schedules. The AGMs are held as face-to-face meetings, although shareholders are given the opportunity to submit questions for the Board ahead of the AGM if they cannot attend in person.
- Annual Report and Accounts – The Group's Annual Report and Accounts is made available to all shareholders online and in hard copy, where requested.
- All presentations and regulatory announcements are made available on the investor section of the Group's website. During FY26, the Group launched its new shareholder platform, Investor Centre, enabling shareholders to access and manage their investment with greater ease.

Further information is included in the Corporate Governance Report on pages 45-52 of this Report.

Environment and Communities

- Strategic ESG commitment – During FY26, the Group strengthened its commitment to its ESG goals, recognising that responsible business decisions support long-term value creation, better environmental outcomes and stronger communities. The Group continued to maintain its ISO 14001:2015 environmental management certification and to work with specialist ESG partners to support sustainability strategy, data analysis, reporting and the identification of environmental and social value opportunities.
- Carbon reduction and Net Zero – In January 2026, the Group refreshed its carbon reduction plan and renewed its commitment to Net Zero, aligned with the UK-wide target to reach net zero by 2050. The Group continues to monitor performance against its carbon reduction initiatives and to report its climate position through relevant statutory and voluntary reporting channels.
- Estate optimisation – During FY26, the Group continued to align its physical estate with its refreshed strategy and hybrid working model, including giving up underused office space in York in exchange for a smaller co-working environment. In preparation for the sale of the data centre business, the Group also undertook an efficiency programme that significantly reduced the space and power used by the MSP business in data centres.
- Colleague and operational initiatives – The Group continued to support lower-carbon ways of working, including hybrid working and its electric car salary sacrifice scheme, helping to reduce business-related travel and support colleagues in making more sustainable choices.

Further information on the Group's ESG activities is available on the Group's website (ESG | the Group) and in the Sustainability section of the Annual Report on pages 27-43 of this Report.

Strategic Report
Risk Management

The Board considers effective risk management to be integral to the Group's stewardship, resilience and long-term value creation. A disciplined approach to the identification, assessment and management of risk supports the integrity of the Group's operations, reinforces its values and helps sustain stakeholder confidence.

The Group's risk management framework is well established and embedded throughout the business. It supports the delivery of strategic objectives, aligns risk oversight with the operating model, safeguards critical assets and underpins progress towards a sustainable future. This is reinforced by a prudent culture in which risks are identified promptly, assessed rigorously and mitigated where practicable.

Risk governance

The Group requires all colleagues to identify, record, monitor and manage risk at the appropriate level, supported by clear accountability and reinforced through independent oversight from central specialist functions.

Risks are identified and assessed through a consistent enterprise-wide framework, with each business unit accountable for the risks arising within its remit. Risks assessed as having a high likelihood or material impact are escalated through the relevant operating boards to the Company Board, where they are considered alongside wider Group and corporate risks. This ensures clear visibility, accountability and consistency of oversight.

In addition to business unit risk registers, dedicated functional registers are maintained for environmental, sustainability, quality, financial, business continuity, information technology and cyber security matters. These are actively managed by the relevant specialist teams.

Principal risks

Management has identified the following principal risks, which remain broadly consistent with those reported in the prior year. Following the sale of the DC business unit, the nature and relative significance of certain risks may change over time; however, the principal risks set out below continue to be relevant to the Group's operations.

Risk Category	**Identified Risk**	**Description of Risk**	**Risk Mitigation**
Technology	Cyber security	Dynamic geopolitical and threat environment increases the risk of cyber-attacks, data breaches and service disruption affecting the Group and its customers.	The Group continues to monitor the evolving cyber threat landscape and maintains a strong control environment spanning policy, process, technology, testing, training and proactive monitoring. It also works closely with external cyber specialists and recognised authorities to ensure its security posture continues to evolve in line with emerging risks.
Financial	Market conditions	Macroeconomic uncertainty, changing market conditions and potential loss of major customers could adversely affect growth, profitability and cash generation.	The Group monitors trading conditions closely and continually seeks opportunities to improve efficiency without impacting service quality. The Board also believes the Group benefits from a broad and diverse customer base, helping to reduce exposure to individual customers or sectors.

Principal risks (continued)

Risk Category	Identified Risk	Description of Risk	Risk Mitigation
Financial	Customer concentration	Failure to manage large and complex customer relationships could result in significant revenue loss and reputational damage.	The Group maintains formal sales management plans and regular engagement with key customers. Service delivery and sales functions work closely together, supported by a structured customer satisfaction process, to help ensure customer relationships remain strong and aligned with business objectives.
Sustainability	Environment	Environmental factors may impact operations, facilities, colleagues and customers. Customer demand is also evolving as organisations seek to reduce emissions and improve sustainability performance.	The Group operates a dedicated ESG Committee and maintains an environmental risk register to identify and manage environmental risks. It is certified to a recognised environmental management standard and sets annual objectives focused on improving energy efficiency, reducing waste and supporting its wider carbon reduction initiatives.
Sustainability	Business continuity	Operational disruption from loss of people. Facilities, systems or processes could affect service delivery and customer outcomes.	The Group maintains externally certified business continuity arrangements and regularly assesses the resilience of its people, facilities, systems and processes. Crisis exercises, continuity planning and routine testing of backup and recovery arrangements help ensure the business remains prepared for potential disruption.
Capability	Competition	The Group operates in a highly competitive market and may face pricing pressure from larger competitors with greater scale.	The Group continually monitors competitor activity and regularly reviews its pricing and service propositions to ensure it remains competitive. Continued investment in capability and scale further strengthens the Group's market position.
Capability	People	The Group depends on attracting, retaining and developing skilled employees. Insufficient staffing levels or skills shortages could affect performance.	The Group continues to invest in attracting and retaining skilled employees by providing a rewarding working environment, competitive remuneration and opportunities for career development. Access to multiple talent pools and centres of excellence further supports workforce capability.
DC Disposal	Financial	Post-disposal commercial arrangements may be agreed on less favourable terms, affecting future profitability and value.	The Group is aware of this factor and assesses the transaction as a whole rather than the discrete elements in isolation through market research of prevailing market rates for goods and services, careful negotiation and ongoing review of commercial arrangements following the disposal.

Strategic Report

Risk Management (continued)

Principal risks (continued)

Risk Category	Identified Risk	Description of Risk	Risk Mitigation
DC Disposal	Operational	Outsourcing a key part of the MSP supply chain to a third party may reduce direct control and impact service levels.	The Group seeks to manage this risk through careful negotiation and ongoing management of post-disposal commercial arrangements, applying the same disciplines used for other critical supplier relationships.
DC Disposal	Strategic	Disposal of a major business unit may divert management attention, reduce cross-selling opportunities and weaken purchasing leverage.	The Board continues to monitor the transition closely and remains focused on ensuring that the strategic benefits of the disposal are realised while minimising disruption to the ongoing business.
DC Disposal	Reputational	Changes arising from the disposal could be viewed negatively by some stakeholders and customers.	The Group has maintained clear and consistent communication with customers, employees and other stakeholders throughout the process in order to minimise certainty and protect stakeholder confidence.

Strategic Report
Corporate Responsibility

Our colleagues

At the Group we firmly believe our success is created by our people as this drives the positive impact we have on our customers, our communities and the environment.

In FY26 the business saw the near conclusion of the sale of the data centre business, with the actual sale completing shortly after the conclusion of the financial year and ongoing central support is being provided to the DC business under the transitional services agreement.

In preparation for the sale of the DC business, the MSP business has been focused on a period of redefining and rebuilding a clear and refreshed managed services business strategy which aligns the remaining business with our new strategic pillars. Customer centricity will be firmly placed at the core of our operating model moving forwards.

The Board believes this revised MSP strategy supports the growth and direction of the business moving forwards under a refreshed leadership team with clarity of direction and proposition for the overall business and our customers.

The Group continues to be committed to a hybrid working model, allowing all colleagues continued flexibility but with the benefit of collaboration opportunities which are critical for idea generation and progression. This approach has also enabled us to attract from a significantly wider pool of talent, increasing both the bench strength and capability of our colleagues.

This year has been another busy year for the business, and the focus on process improvements and efficiencies across all areas of the business has continued and will continue into the year ahead. This will yield significant benefits for both colleagues and customers, enabling more interesting work for our colleagues and improving our customers' experience on a day-to-day basis.

Listening to our colleagues

The Group runs an ongoing programme of two-way engagement with colleagues to ensure we listen to and understand the sentiment and engagement of all our colleagues. A full colleague survey was run at the start of the financial year enabling a full refresh of our people priorities and focus moving forwards.

Clear Group wide and Divisional action plans were put in place, and these have been actioned over the course of the year, resulting in a number of positive changes for our colleagues.

In March 2026 the Group entered the Sunday Times Best Places to Work awards and the business is proud to confirm that it has subsequently been successful in obtaining a place in the Times Best Place to Work Big Employer list, which we have celebrated with our colleagues who are at the heart of this significant achievement.

We are committed to continuing to listen to the views of colleagues and ensuring tangible actions are put in place to address the latest survey feedback to achieve even higher levels of engagement moving forwards. The results of this and future surveys will inform and refine people priorities and focus for the years ahead.

The Leadership Team are excited to continue the positive movement of the engagement of our colleagues over the next 12 months and are confident the recently launched strategy and revised internal communication strategy will enable us to achieve this.

Our revised communication strategy focuses on:

- Quarterly live streamed townhalls updating on our business progress against our strategy and key deliverables
- Monthly colleague updates from the leaders of our key strategic programmes and pillars
- Regular Operations Board video updates
- Win wires, keeping our colleagues up to date with customer activity and business successes
- Regular celebrations of our Extra Mile recognition award winners
- Introduction of in the moment colleague recognition via our Spotlight awards

In the year ahead we will roll out more defined learning and development pathways for our colleagues to support their growth, contribution and career development as well as further enhancing our communication and leadership engagement/reach across the whole business.

Our colleagues (continued)

Our Commitment to Wellbeing

We believe in supporting all aspects of colleague wellbeing, physically, emotionally and financially through a range of benefits and support programmes and this has been reflected in our recent wellbeing and diversity scores from the Times Best Places to Work survey.

We are heartened to see that our colleagues are telling us we are an inclusive workplace which is committed to supporting their wellbeing.

Through FY26 we have delivered a number of initiatives across the three wellbeing pillars including:

- Access to private medical and permanent health insurance schemes;
- Partnerships with suppliers to provide discounted dental, physiotherapy and other health-related discounts
- Occupational health support;
- An employee assistance scheme open to both colleagues and their family members;
- Over the last 12 months we have run a number of well-being webinars which have been well attended by our colleagues including desk Pilates, managing mental health and sleep awareness; and
- From a financial perspective we continue to support our colleagues by providing a Perks discount scheme, EV salary sacrifice scheme, salary sacrifice pension scheme and access to a discounted SAYE scheme to grow savings whilst investing in the business.

Our flexible leave scheme and family-friendly policies are at the heart of enabling our colleagues to match their benefits and decisions to their personal needs.

Equality and diversity

Creating a diverse, inclusive and great place for all colleagues to work and thrive is a top priority of the Group's people agenda.

The Group actively supports the principle of equal opportunities in employment and is committed to ensuring that individuals are treated fairly, with respect and are valued. The Group opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, religion or belief, nationality, ethnic or national origin, sex, gender reassignment, sexual orientation, marital or civil partner status, age or disability (the "Protected Characteristics").

It is important that no one receives less favourable treatment or is disadvantaged on any of the above grounds. Every possible step is taken to ensure that individuals are treated equally and fairly and that decisions on recruitment and selection and opportunities for training and promotion are based solely on objective and job-related criteria.

The Group has an established diversity, equality and inclusion forum and has created a new diversity and inclusion policy aimed at ensuring these principles are maintained across the business. All recruitment processes have been reviewed to ensure that recruitment is from a diverse workforce and we have seen year-on-year improvements in our gender pay gap, reflecting our continued efforts and focus. The recent Sunday Times survey includes a diversity measure, and the Group is pleased to confirm that this indicated our minority colleagues are as engaged as our majority groups.

Health and safety

The Group is committed to maintaining high standards of health and safety. Colleagues receive and have access to an extensive library of health and safety training through our learning management system and where appropriate face-to-face training is undertaken. New starters are provided with an induction that includes safety awareness and DSE Assessment.

There were no RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents reported during the year.

All sites have had fire risk assessments as well as Statutory-compliant audits completed, providing confidence that all sites comply with UK Health & Safety legislation requirements and the Board is meeting its duty of care responsibilities.

Lone working technology provided through an external partner; Solo Protect has been maintained to ensure lone worker safety.

Additional training has been made available for all appropriate colleagues, to support their ability to operate in a safe and compliant manner.

The Group actively promotes a positive safety culture with employee engagement and instruction whilst guidance is communicated through a corrective action process, a well-managed health and safety policy, safety notice boards, and is supported by a quick guide booklet.

Strategic Report
Sustainability Reporting

The Group is captured by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations, which require Alternative Investment Market (AIM)-registered companies with more than 500 employees to include mandatory climate-related financial disclosures within their annual reports. This disclosure outlines the Group's compliance, detailing its processes for identifying, assessing and managing climate-related risks and opportunities across the four pillars of Governance, Risk Management, Strategy, and Metrics and Targets for the reporting period 1st April 2025 to 31st March 2026. The Group has complied with all eight of the CFD recommendations in the current reporting period.

In addition to CFD-related reporting, the Group discloses its energy usage and carbon emissions following the Streamlined Energy & Carbon Reporting (SECR) regulation, thereby abiding by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Furthermore, the Net Zero target and strategy enable us to align with the UK's 2050 Net Zero targets, supporting our monitoring and management of our emissions across the Group.

To date, the Group has operated as an MSP and DC business. During the reporting period, the Group progressed plans for the disposal of the DC business, which had previously been separated from the MSP operations. This change in business structure has been considered when conducting the CFD process. Governance and reporting arrangements are kept under review to ensure they remain appropriate to the Group's changing risk profile and strategic focus.

Governance

Climate-related risks and opportunities are overseen through the Group's established governance structures, ensuring clear accountability, strategic alignment, and strong Board-level oversight.

Board Oversight

The Board holds ultimate responsibility for the Group's long-term strategy and risk management framework, ensuring that climate considerations are appropriately integrated into business strategy, financial planning and decision-making. For example, climate-related considerations inform the Board's oversight of capital allocation, including the approval of targeted investment in data centre energy efficiency upgrades, with over £200k invested during the year to improve cooling efficiency.

Climate-related risks and opportunities form part of the Board's formal agenda; these are reviewed at least annually and monitored throughout the year through scheduled reporting. The Chief Technology Officer ("CTO") provides formal quarterly updates to the Board, enabling it to monitor key developments such as changes to the climate risk register, emerging risks and opportunities, and progress against mitigation actions and targets. These updates support the Board's consideration of climate-related matters as part of its review of the Group's business strategy and major action plans.

The Board's oversight is informed by external Environmental, Social, and Governance ("ESG") expertise. Inspired Limited ("Inspired") provides specialist advice to support the identification and assessment of climate-related risks and opportunities, strengthening the robustness of information presented to the Board.

Executive Responsibility

On the Board, the Chief Executive Officer ("CEO") and Chief Finance Officer ("CFO") lead executive oversight of sustainability, including climate-related issues. They are responsible for ensuring alignment between the Group's climate-related priorities, strategic objectives and risk management approach, and for communicating these priorities to the Board and key stakeholders. ESG performance measures are embedded within the Operations Board remuneration framework, reinforcing accountability and aligning management incentives with the delivery of the Group's ESG strategy.

Management

Sustainability Committee

The Sustainability Committee oversees the identification, assessment, monitoring and management of climate-related issues, including monitoring progress against goals and targets, while the Board retains ultimate oversight and accountability. The Chief Technology Officer ("CTO") acts as Executive Sponsor of the Committee.

The Committee is supported by an internal Champions Team which comprises key representatives from across the business, including the Director of Data Centres & Facilities and the Public Sector Frameworks Manager. The Champions Team focuses on specific aspects of ESG, with particular emphasis on the Social pillar, and is integrated into the Sustainability Committee. During FY26, the Sustainability Committee held four formal meetings, attended by Committee members, the Champions Team, and senior managers and directors across key business functions, including Facilities, Finance and Commercial.

Sustainability Committee (continued)

Inspired supports the Sustainability Committee by providing specialist advice and technical guidance on climate-related risks and opportunities. During FY26, Inspired attended two Sustainability Committee meetings, including a targeted training session on the TCFD framework to support management capability in climate-related matters. As the Committee includes Board-level executive membership, this training also supported the development of climate-related competency at the Board level.

TCFD Working Group ("the Working Group")

Within the Sustainability Committee, a TCFD Working Group has been established, with certain key members appointed with responsibility for the delivery of the annual TCFD assessment. The Working Group is responsible for the practical identification, assessment and monitoring of climate-related risks and opportunities.

In January 2026, Inspired facilitated a Climate Risk Workshop for the Working Group, supporting the annual climate risk assessment and enabling the identification of emerging risks and opportunities. The outputs of this workshop, including the updated climate risk register, were presented to the Sustainability Committee and subsequently escalated to the Board as part of the climate risk register sign-off process. This ensures that Board oversight is informed by current, detailed and robust analysis.

Risk Management

The Board retains ultimate accountability for the Group's risk management framework, delegating oversight through established committees. Environmental risk (including climate change) remains a principal risk to the Group's business following its initial classification by the overarching Risk Committee in August 2021. The initial classification reflected an assessment of its potential to affect the Group's ability to conduct business, secure assets and respond to evolving customer expectations.

In FY26, the Group continued to advance and formalise its strategic management of climate-related issues. The Group's climate risk management process is integrated within its Enterprise Risk Management Framework, ensuring risks and opportunities are consistently identified, assessed, managed, and monitored across all levels of the Group.

Identify

With support from Inspired, the Group undertook an annual climate scenario analysis to identify climate-related risks and opportunities across the Group and key suppliers. As part of this process, discovery calls were held with key internal stakeholders across relevant business functions to review the applicability of potential climate-related risks and opportunities to the Group's operations, activities and strategic priorities. The process considers two categories of climate-related risks:

- Physical risks – risks stemming from the direct physical impacts of climate change. Physical risks can be classified as:
    - Acute – event-driven (e.g. wildfires, flooding, heatwaves); or
    - Chronic – longer-term shifts in climate patterns (e.g. sea level rise, rising temperatures, water stress)
- Transition risks and opportunities – those associated with the transition towards a low-carbon economy (across main themes of policy and legal, market, reputation, and technology).

Physical risks are assessed on a site-by-site basis, reflecting variations in geographic location and local climate exposure, while transition-related risks and opportunities are assessed at the Group level. The analysis is conducted across three future warming pathways and three time horizons, of which more information can be found on page 34.

Assess

Findings from the updated climate scenario analysis were reviewed and evaluated in a dedicated Climate Risk Workshop, facilitated by Inspired and attended by the Working Group. During this workshop, relevant climate-related risks and opportunities were assessed and used to inform the annual update to the Climate Risk Register, which captures the issues most significant to the Group's operations and strategic planning. Following the workshop, the identified risks and opportunities were further refined and scored, and the assessment outcomes were presented to the Sustainability Committee in March 2026. This assessment process is conducted annually, building on prior year analysis and bringing together the Sustainability Committee and representatives from key business functions to support a robust and consistent evaluation.

Risk Management (continued)

Assess (continued)

Separate assessments were conducted for scenarios including and excluding data centres in the Group portfolio. Risks and opportunities were assigned an impact score, assessing both direct and indirect impacts, as well as actual and potential consequences. This is the first year that the Group has integrated financial modelling into its climate risk assessment to better quantify the financial materiality of climate-related issues across scenarios and timeframes. Scoring was based on the highest impact time horizon(s) and highest impact warming pathway(s).

Table 1: Risk and opportunity impact assessment

Risk Value	Operational	Financial	Legal	Compliance	Reputational Damage
1 – Very Low	No impact	No financial impact	None	None	None
2 – Low	Minor impact	Minor financial impact	None	None	Single customer aware
3 – Medium	Some impact	Some financial loss	Litigation or fines	Potential breach	Multiple customers aware
4 – High	Operations unable to function	Significant financial loss	Litigation or prosecution	Loss of certification	Local media coverage
5 – Very High	Business threatened	Major financial losses	Prosecution or imprisonment	Loss of certified obligations	National media coverage

The likelihood of the risk or opportunity occurring was then determined. For climate-related risks, likelihood ratings reflect the probability of the risk materialising, taking into account existing mitigations and past occurrences. For climate-related opportunities, likelihood ratings reflect the probability of realisation, considering barriers to realisation and current enabling conditions.

Table 2: Risk and opportunity likelihood assessment

Rating	Rating Description
5 – Very High	It is almost certain that the risk or opportunity will occur
4 – High	It is highly possible that the risk or opportunity will occur
3 – Medium	It is possible that the risk or opportunity will occur
2 – Low	It is unlikely that the risk or opportunity will occur
1 – Very Low	It is highly improbable that the risk or opportunity will occur

Risks and opportunities are also assigned a risk region based on geographical scope, categorised into three risk region levels: 1 (Low), limited coverage sites; 2 (Medium), moderate coverage sites; and 3 (High), comprehensive coverage sites. The final risk score was derived from the following formula:

Risk = (Impact score x Likelihood score x Risk Region score)

The risk score was benchmarked against the Group's Risk Management Scale, where scores ranging from 1 to 24 were classified as Low Risk, 25 to 48 as Medium Risk, and 49 to 75 as High Risk. Climate-related risks and opportunities scoring 25 and above were deemed material.

The results of the FY26 climate risk assessment and the Group's material climate-related risks and opportunities are presented in tables 4-6.

Risk Management (continued)

Manage

The outcomes of the assessment inform the prioritisation of management actions and resource allocation for the financial year. Climate-related risks are managed in line with the Group's established Risk Response Framework, with risks reduced, avoided, transferred or accepted based on severity, cost-benefit considerations and Senior Management approval.

Each climate-related risk and opportunity is assigned to risk owners from relevant operational areas for overseeing and implementing agreed mitigation measures throughout the year. The Sustainability Committee reviews the effectiveness of these measures through regular engagement with risk owners and considers any material escalations. All climate-related risks and opportunities and associated mitigation measures are formally reviewed at least annually as part of the corporate risk process.

Strategy

Climate change presents a range of risks and opportunities that may affect the Group's financial performance, operations, and long-term strategic direction. To ensure its business model remains resilient, the Group must first understand the nature and scale of the potential climate-related impacts over time.

Approach

The Group has developed a structured approach to identifying, assessing and managing climate-related risks and opportunities, informed by regulatory guidance and industry best practice. The Group uses climate scenario analysis to assess the potential impacts of climate change on its business strategy and future financial planning, and to evaluate the resilience of its strategy under a range of future climate pathways. In FY26, the Group conducted renewed annual climate scenario analysis across all ten of its UK sites, covering both offices and data centres.

To enhance understanding of how climate change may affect the Group's wider value chain, the assessment also included an analysis of the 22 largest UK suppliers by spend. The results of the climate scenario analysis were presented at the annual Climate Risk Management Workshop. As a result of this assessment, four transition risks, four physical risks and two climate-related opportunities were deemed material to the Group, as detailed in tables 4-6.

The assessment also considered the evolving risk profile of the business, considering the anticipated divestment of the Group's data centre operations. Climate-related risks and opportunities were therefore evaluated under two operating boundary assumptions: one including the DC business, and one reflecting the Group's anticipated post-divestment operating model as an exclusive MSP. For FY26 reporting, material risks and opportunities have been identified with reference to both assessments, recognising the transitional nature of the Group's business model during the reporting period.

Climate scenario analysis

The Group applies a range of climate scenarios to assess the impact of climate change on its operations from a best-case scenario (below 2°C) to a worst-case scenario (above 3°C). Climate scenarios represent plausible long-term climate pathways and are used to evaluate the Group's exposure to the impacts of climate change.

The climate scenarios have been developed using several internationally established frameworks and models, including the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP), the International Energy Agency's (IEA) World Energy Model (WEM), the Network for Greening the Financial System (NGFS) and other recognised national and regional climate models. These models offer important insights into the potential impacts of climate change but have limitations, such as potential deviations between predicted and actual conditions. They may also potentially overestimate or underestimate certain climate variables.

The Group is committed to continuously improving its climate scenario analysis and will update its climate models in line with the latest scientific research and guidance as and when it becomes available.

The following table provides details of the climate scenarios used by the Group to understand its vulnerability to climate change impacts over time.

Strategic Report
Sustainability Reporting (continued)

Strategy (continued)

Climate scenario analysis (continued)

Table 3: Scenario warming pathways and time horizons used in the climate scenario analysis

<table>
<tr><td colspan="3">Scenario Warming Pathways</td></tr>
<tr><td colspan="3">Below 2ºC ("Proactive") scenario
This scenario reflects a coordinated global response to climate change, with governments, businesses, and consumers aligning around long-term decarbonisation goals. Clear policy direction and sustained investment in low-carbon technologies support a gradual transition to cleaner markets, avoiding the most severe physical climate impacts and resulting in a relatively stable operating environment.
Under this scenario, the Group would experience increasing regulatory and customer expectations related to emissions reduction, energy efficiency, and climate disclosure. Resilience is supported by the Group's commitment to Net Zero and ongoing energy efficiency measures.</td></tr>
<tr><td colspan="3">Between 2-3ºC ("Reactive") scenario
In this scenario, climate policy develops unevenly across jurisdictions, creating fragmented and sometimes reactive regulatory requirements for businesses. Investment in low-carbon technologies progresses more slowly, while physical climate impacts intensify, leading to increased disruption across supply chains and infrastructure.
The Group may experience greater uncertainty arising from changing regulatory expectations and increased physical risks affecting critical suppliers, including data centre providers. However, the Group can demonstrate resilience through its diversified supplier base and ongoing monitoring of climate-related risks through the risk register and budgetary planning processes. The post-divestment operating model reduces direct exposure to energy-intensive infrastructure while maintaining the ability to engage with data centre suppliers on efficiency improvements.</td></tr>
<tr><td colspan="3">Above 3ºC ("Inactive") scenario
This scenario assumes continued global inaction, with emissions rising and limited progress in low-carbon innovation. As climate tipping points are crossed, severe physical impacts emerge, resulting in widespread operational disruption, supply chain failures, and increasing costs associated with climate adaptation.
This scenario presents the greatest challenge to the Group's operating environment, driven largely by heightened physical risks affecting third-party data centres, network infrastructure, and other critical suppliers. While reliance on data centre services remains high, resilience is supported by the Group's MSP model, which avoids direct ownership of high-risk physical assets and provides greater flexibility to respond to supplier disruption. Strategic planning prioritises service continuity, supplier resilience, and the ability to adapt sourcing arrangements as climate risks intensify.</td></tr>
<tr><td colspan="3">Time Horizons</td></tr>
<tr><td>Short-term (2025-2029):
In the short-term, transition risks are expected to become evident as climate policy, regulation, and customer expectations continue to evolve in support of a lower-carbon economy.
The Group focuses on strengthening its resilience through the implementation of energy efficiency measures, engagement with key suppliers, and progress against its net zero ambition. This timeframe aligns with the Group's FY28 near-term supplier target.</td><td>Medium-term (2030-2039):
Over the medium term, climate impacts on both the transition and physical sides are expected to become more pronounced across most scenarios.
For the Group, this period is expected to require greater emphasis on managing climate-related risks within the supply chain, including reliance on critical service providers such as data centres. This timeframe aligns with the Group's FY30 near-term Scope 1 and 2 target.</td><td>Long-term (2040-2054):
The long-term timeframe reflects the greatest potential for climate-related disruption, particularly under the reactive and inactive scenarios where physical risks dominate.
This timeframe aligns with the Group's Net Zero by 2050 target and the UK Government's Net Zero 2050 target.</td></tr>
</table>

Strategy (continued)

Results

Tables 4-6 outline the Group's material climate-related risks and opportunities, which may influence its financial planning, operations, and strategic direction. For each material risk and opportunity, the scenario warming pathway and time horizon presented reflect those assessed as having the highest potential impact on the Group. Following the FY26 climate risk assessment, three new transition risks (mandates on and regulation of existing products and services, carbon pricing, and costs to transition to lower emissions technology) and one new physical risk (water stress) were classified as material this year. One new opportunity (energy source) was classified as material. One risk (enhanced emissions reporting obligations) and two opportunities (products and services and resilience) were no longer assessed to be material. These reclassifications reflect improved understanding of the specific impact of these risks, in addition to the evolving risk profile of the Group, resulting in the revaluation of their significance.

Results (continued)

Table 4: Material climate-related physical risks

No.	Risk	Impact	Mitigation controls
P1	**Rising Mean Temperatures** Chronic Long-Term (2040-2054) >3°C	10/10 (100%) of the Group's sites are expected to experience Rising Mean Temperatures. A persistent rise in mean temperatures presents operational and financial risks to the Group. Greater cooling requirements across sites will increase operational expenditure ("OpEx"), while higher ambient temperatures may reduce staff productivity. Peripheral network equipment, communication hubs, and client-side infrastructure not housed in climate-controlled environments may experience increased risk of thermal degradation, reduced performance, or unplanned shutdowns, potentially affecting service reliability. Supply chain disruption from associated extreme weather events could also delay procurement of IT hardware needed for client projects.	• The Group utilises highly efficient cooling systems in its data centres, with ongoing technological advancements expected to reduce both carbon emissions and operating costs over time. • Outside of data centres, the Group's physical footprint is limited, with a largely remote workforce minimising exposure to wider temperature-related impacts on office environments. • The Group closely monitors potential issues within its supply chain. • Since the data centres will remain a significant part of the Group's supply chain post the sale of the data centres, this risk will remain material. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).
P2	**Water Stress** Chronic Long-Term (2040-2054) >3°C	7/10 (70%) of the Group's sites are expected to experience either a major or critical level of water stress. Water scarcity presents indirect but material risks to the Group's operations and cost base, mainly affecting OpEx. Drought conditions in key semiconductor manufacturing regions could disrupt the global tech supply chain, increasing procurement costs for servers and networking equipment. Reduced water availability for power station and data centre cooling may constrain electricity generation, increasing the risk of regional outages and driving up energy costs. Localised water restrictions could also result in modest utility cost increases. Emerging regulatory requirements around industrial water use may introduce additional compliance costs and operational constraints.	• The Group monitors water usage at all of its data centres. At some of its sites, inefficient water chillers have been replaced with gel cooling, significantly accelerating the reduction in water consumption. • The Group closely monitors potential issues within its supply chain. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).

Sustainability Reporting (continued)

Results (continued)

Table 4: Material climate-related physical risks (continued)

No.	Risk	Impact	Mitigation controls
P4	**Increased frequency and severity of flooding** Acute Long-Term (2040-2054) >3°C	3/10 of the Group's sites (Elland, Reading, and West Byfleet) are in areas at risk of flooding. Flood events pose a material operational and financial risk to the Group across several interdependent areas. Damage to offices, data centres, and network infrastructure can cause significant service outages, requiring additional OpEx and capital expenditure ("CapEx"), while flooded road and rail links impair field engineer mobility and the ability to meet service level agreements ("SLAs"). Together, these impacts risk revenue loss, client attrition, and contractual penalties. The Group may also experience indirect exposure through supply chain disruption affecting hardware availability, alongside rising insurance premiums and capital expenditure requirements for flood resilience. Overall, the increasing frequency of acute flood events presents a compounding risk to operational continuity, client commitments, and financial performance.	• The Group actively monitors extreme weather events and receives environmental agency alerts to respond promptly. Annual Business Continuity and Disaster Recovery exercises, focused on flooding scenarios, test preparedness across all teams. • Remote working capability and the ability to deliver most client support digitally, combined with site-level flood mitigation measures and comprehensive insurance coverage, provide meaningful resilience against flood disruption. Regular drainage maintenance and ongoing flood risk assessments support long-term operational continuity. • Since the data centres will remain a significant part of the Group's supply chain post the sale of the data centres, this risk will remain material. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).
P6	**Increased Frequency and Severity of Heatwaves** Acute Long-Term (2040-2054) >3°C	10/10 (100%) of the Group's sites are expected to experience heatwaves. Prolonged heatwaves present operational and financial risks across several areas. Heat stress among field and office-based staff may reduce productivity, increase absenteeism, and raise associated welfare costs. Elevated power demand during extreme heat events requires additional OpEx and increases the risk of grid instability and outages, potentially disrupting network switching, transmission sites, and remote support capabilities. Supply chain disruption to IT hardware logistics and manufacturing could delay client provisioning and repairs, while repeated heatwave-related insurance claims may drive up premiums over time.	• The business is fully equipped for remote work, allowing employees to avoid travel during extreme heat. Team members can choose to work from home or on-site, depending on which environment offers the best working conditions. • The Group closely monitors potential issues within its supply chain. • Since the data centres will remain a significant part of the Group's supply chain post the sale of the data centres, the heatwave risk will remain material. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).

Results (continued)

Table 5: Material climate-related transition risks

No.	Risk	Impact	Mitigation controls
T2	**Mandates on and regulation of existing products and services** Policy & Legal Short – Medium-Term (2025-2039) <2°C, 2-3°C	Potential regulatory mandates on energy efficiency present capital and cost risks for the Group. Future Power Usage Effectiveness ("PUE") targets or waste heat recovery requirements could render older data centre infrastructure non-compliant, necessitating further capital investment to upgrade facilities. Post the sale of the DC business, the Group may need to absorb some of the cost within its OpEx as its key data centre suppliers upgrade to more efficient technology. Minimum energy efficiency standards for IT hardware sold in the UK could restrict supplier choice and permanently increase procurement costs across MSP contracts.	• The Group continuously strives to enhance energy efficiency and better understand the factors influencing power consumption. This year, the Group has made significant investments in metering across all data centres. • This has implications on the Scope 3 emissions of customers, as the Group acts as a supplier. Customers aiming to reduce their Scope 3 footprint will factor these insights into their sustainability strategies, potentially influencing pricing and invoicing structures. • The Group's exposure to regulatory mandates is likely to decrease moderately after divesting the DC business, as data centres are typically subject to more stringent energy efficiency and reporting requirements than MSP services. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets; near-term supplier target (table 8).
T4	**Carbon Pricing** Policy & Legal Medium – Long-Term (2030-2054) 2-3°C	Carbon pricing may increase operating costs for the Group through both direct and indirect channels. Carbon costs are already reflected in UK wholesale electricity prices through mechanisms such as the UK Emissions Trading Scheme ("ETS"), which may result in sustained increases in operating expenditure. Future UK legislation could also introduce direct carbon taxation for high-emission activities, potentially creating additional tax liabilities, particularly under higher-warming scenarios. In addition, expanded carbon pricing across the economy may increase costs for key suppliers, including data centre operators, IT hardware manufacturers, and logistics providers, with cost increases passed through to the Group via higher prices for goods and services, increasing the cost base for managed services contracts.	• The Group expects its total CO_2 emissions to decrease over time due to its commitment to achieving Net Zero. The Group can further mitigate this risk by generating its own renewable energy and reducing reliance on the national grid. • The Group has committed to purchasing green energy, locking in prices 24 months in advance. • Exposure to carbon pricing mechanisms is expected to decrease significantly following the sale of the DC business, as the Group will no longer operate energy-intensive data centre infrastructure that drives higher Scope 2 emissions. Only Scope 1 and 2 emissions are subject to taxation. **Related Metrics & Targets:** Scope 1 and 2 emission reduction targets (table 8).

Results (continued)

Table 5: Material climate-related transition risks (continued)

No.	Risk	Impact	Mitigation controls
T6	**Increased cost of energy and raw materials** Market Short – Long-Term (2025-2054) <2°C, 2-3°C	Global energy price volatility, driven in part by carbon pricing mechanisms such as the UK Emissions Trading Scheme ("ETS"), presents a material risk to operating margins. Simultaneously, supply chain pressures and resource scarcity are increasing procurement costs for IT hardware, directly raising the Cost of Goods Sold ("COGS") across MSP contracts. While some costs can be passed through on direct sales or at contract renewal, the competitive nature of the MSP market limits pricing flexibility, and sustained cost inflation could compress margins on fixed-price contracts over time.	• The Group maintains strong supplier relationships through regular reviews to manage risks and identify issues early. • Although energy prices remain unpredictable, the Group monitors market trends, secures renewable energy tariffs, and locks in energy prices 24 months in advance. To offset potential cost increases, the Group continues to prioritise energy efficiency and cost reduction measures. • This risk is likely to increase following the sale of the data centres, as increased costs related to data centres in the supply chain as a result of required upgrades may be passed through to the Group. The Group will have less control and oversight of energy efficiency since the data centres will be part of their supply chain rather than in their direct control. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets; near-term supplier target (table 8).
T9	**Costs to transition to lower emissions technology** Technology Short – Medium-Term (2025-2039) <2°C, 2-3°C	The transition to low-carbon technology presents CapEx and COGS pressures for the Group. Premium, high-efficiency hardware commands higher procurement costs compared to conventional alternatives, permanently increasing Cost of Goods Sold across both cloud platforms and client installations. Existing higher-carbon product lines face potential obsolescence or future regulatory restrictions, risking asset write-downs. Ongoing and anticipated CapEx requirements to upgrade data centre cooling systems and infrastructure efficiency represent a sustained financial commitment that may intensify as regulatory standards tighten.	• The Group partners with two key high-end suppliers for hardware procurement, ensuring access to up-to-date and energy-efficient technology. • Capital expenditure associated with transitioning to lower-emissions technology is expected to reduce following the divestment of the DC business. However, ongoing investment will still be required to meet the Group's net zero target, meaning this transition risk remains material. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets; near-term supplier target (table 8).

Results (continued)

Table 6: Material climate-related opportunities.

No.	Opportunity	Impact	Opportunity Response
OP1	**Resource Efficiency** Short – Long-Term (2025-2054) <2°C, 2-3°C	The Group has started its Net Zero journey by engaging ESG specialists to set credible Greenhouse Gas ("GHG") targets aligned with the UK's 2050 Net Zero strategy. Greater resource efficiency through modern equipment improves resilience, reduces downtime, maintenance, space needs and waste, and supports circular economy principles by extending asset life across MSP and data centre infrastructure. These improvements can deliver rapid energy cost savings and long-term financial benefits, while stronger efficiency credentials can enhance bids and help win clients seeking low-emission IT solutions.	• The Group can position itself to be ready for changing customer demands as it is on the Net Zero journey. Substituting current technology in data centres would come at a cost to the Group. However, it is undergoing measures to improve energy efficiency by 40%. • At some of its sites, inefficient water chillers have been replaced with gel cooling, significantly accelerating the reduction in water consumption. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).
OP2	**Energy Source** Short – Long-Term (2025-2054) <2°C, 2-3°C	Adopting renewable or lower-carbon energy across data centres and network sites can reduce long-term electricity costs, limit exposure to fossil-fuel price volatility, and lower Scope 2 emissions across hosting, cloud, and connectivity services. This can strengthen the Group's position in tender processes, support access to green financing or public incentives, and reduce future exposure to carbon regulation in energy-intensive operations.	• The Group is improving its infrastructure by preparing roofs for the installation of solar panels. • The Group's sites are operated on certified renewable energy. **Related Metrics & Targets:** Scope 1, 2 and 3 emission reduction targets (table 8).

The Group assesses the resilience of its business strategy annually against a range of climate-related scenarios, including below 2°C, 2 to 3°C, and above 3°C warming pathways. The FY26 assessment indicated that, although higher warming pathways are expected to increase operational costs, physical risk exposure, and supply chain disruption, the Group's business model remains resilient across all three scenarios. This resilience is supported by a change in business structure through the removal of the most energy-intensive part of the business, namely the data centres, and a greater focus on the MSP business, resulting in a more asset-light operating model. Resilience is also supported by energy efficiency measures, strong supplier relationships, and progress towards net zero. In addition, readiness is strengthened through annual scenario analysis across key sites and suppliers, and the integration of climate-related considerations into the Group's strategic and financial planning.

Metrics and Targets

The Group recognises the importance of reducing its carbon footprint and supporting a sustainable future. The Group has calculated its Greenhouse Gas (GHG) emissions across Scope 1, Scope 2, and selected Scope 3 emissions categories since FY22. The emissions discussed in Scope 1 are defined as direct emissions from owned sources, Scope 2 as indirect emissions from purchased utilities, and Scope 3 as all other indirect emissions resulting from all business activities.

Sustainability Reporting (continued)

Carbon Balance Sheet

The Group's emissions disclosures align with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and ISO 14064-1, using an operational control approach. Of the 15 Scope 3 categories defined by the GHG Protocol, nine are applicable to the Group. The remaining six categories are not applicable as the Group does not undertake activities within these areas. These are Category 8: Upstream Leased Assets; Category 9: Downstream Transportation and Distribution; Category 10: Processing of Sold Products; Category 13: Downstream Leased Assets; Category 14: Franchises; and Category 15: Investments. A detailed breakdown of emissions across all relevant categories is set out in table 7.

Table 7: Carbon Balance Sheet

	Greenhouse Gas Emissions Inventory		FY25 and Comparison		FY22 and Comparison	
Emissions Scope & Category	**Current Year FY26 tCO_2e**	**% of total emissions (location-based)**	**Previous Year FY25 tCO_2e***	**% Change FY25-FY26**	**Baseline Year FY22 tCO_2e***	**% Change FY22-FY26**
Scope 1	**254.00**	**0.95%**	**310.16**	**-18.10%**	**23.27**	**+991.54%**
Transportation	13.84	0.05%	14.06	-1.55%	n/a*	n/a
Other Fuels and Refrigerants	240.16	0.90%	296.10	-18.89%	23.27	+932.07%
Scope 2 (location-based)	**12,432.04**	**46.57%**	**16,014.45**	**-22.37%**	**4,016.50**	**+209.52%**
Scope 2 (market-based)	**2,762.67**	**-**	**1,990.18**	**+38.82%**	**n/a***	**n/a**
Scope 3	**14,008.38**	**52.48%**	**19,981.78**	**-29.89%**	**14,737.04**	**-4.94%**
1. Purchased Goods & Services	2,783.84	10.43%	7,890.42	-64.72%	10,982.35	-74.65%
2. Capital Goods	3,270.17	12.25%	4,047.85	-19.21%	n/a*	n/a
3. Fuel- and Energy-related Activities	4,822.81	18.07%	5,284.33	-8.73%	1,512.45	+218.87%
4. Upstream Transportation and Distribution	26.29	0.10%	37.37	-29.63%	27.88	-5.69%
5. Waste Generated in Operations	0.13	0.0005%	5.68	-97.78%	1.91	-93.38%
6. Business Travel	182.90	0.69%	123.15	+48.53%	68.53	+166.91%
7. Employee Commuting	381.45	1.43%	382.91	-0.38%	74.70	+410.68%
11. Use of Sold Products	2,540.72	9.52%	2,210.04	+14.96%	2,068.92	+22.80%
12. End-of-life Treatment of Sold Products	0.07	0.0003%	0.03	+164.60%	0.30	-75.90%
Total emissions (location-based)	**26,694.43**	**100.00%**	**36,306.37**	**-26.47%**	**18,776.81**	**+42.17%**
Total emissions (market-based)	**17,025.07**	**-**	**22,282.09**	**-23.59%**	**14,760.31**	**+15.34%**
Emissions Intensity (location-based) tCO_2e per m2	**1.06**	**n/a**	**1.45**	**-26.47%**	**2.12**	**-49.83%**

**These emission categories were not reported in the baseline year.*

N.B. The reported consumption figures have been rounded to zero decimal places. Emissions figures and intensity metrics have been rounded to two decimal places. Any calculations have been conducted using complete, unrounded figures.

Sustainability Reporting (continued)

Emissions Analysis

Scope 3 emissions made up 52.48% of the Group's total location-based emissions in FY26. Total Scope 3 emissions have decreased between FY25 and FY26, driven mainly by a decrease in emissions from Scope 3 Category 1 (Purchased Goods and Services), which resulted in a 64.72% decrease between the years (-5,107 tCO_2e). GHG emission reductions in this category were driven by lower operating expenditure in the reporting period. Scope 3 Category 2 (Capital Goods) and Category 3 (Fuel- and Energy-related Activities) emissions also experienced material reductions between the two reporting years. Emissions from Category 2 reduced by 19.21% (-778 tCO_2e) since FY25, due to reduced capital expenditure in the year. Category 3 emissions fell by 8.73% (-462 tCO_2e) since FY25, driven by lower electricity consumption following the implementation of energy-efficiency measures, alongside reduced fuel use and company car mileage reduction.

Scope 2 (location-based) emissions were the Group's second-largest emissions source in FY26, accounting for 46.57% of total location-based emissions. Scope 2 emissions decreased by 22.37% compared with FY25, equivalent to a reduction of 3,582 tCO_2e. Further reductions are expected as the Group continues to implement energy-efficiency measures and as the UK electricity grid continues to decarbonise.

Targets

The Group has committed to setting both near-term and Net Zero emission reduction targets. The approach is aligned with the Science-Based Targets initiative's (SBTi) definition of Net Zero, which requires organisations to reduce emissions by "at least 90% across its value chain and neutralise any remaining emissions through permanent carbon removal, all in line with limiting global warming to 1.5°C".

The Group established a FY22 baseline for Scope 1, 2 and 3 emissions and committed to achieving a Net Zero target of at least a 90% absolute reduction in Scope 1, 2 (location-based) and 3 GHG emissions by FY50. The Group also set a near-term target to reduce absolute Scope 1 and Scope 2 emissions by 42% by FY30, from the same FY22 baseline year. Progress against these targets is monitored using absolute Scope 1, 2 and 3 emissions, measured in tonnes of carbon dioxide equivalent ("tCO_2e").

Sustainability Reporting (continued)

Targets (continued)

Table 8: Emissions Reduction Targets

Emissions Targets and Supporting Measures	Description	Progress
Net Zero Target: Scope 1, 2 & 3	Reduce absolute Scope 1, 2 (location-based), and 3 GHG emissions by at least 90% by FY50, from a FY22 baseline year.	**% Change from FY22 (baseline):** +42.17% Annual reduction required from FY26: -3.87% **Status:** Off track. Progress has been materially affected by the acquisition of additional data centre sites after the FY22 baseline year, with the target to be reviewed as part of the planned post-divestment rebaselining exercise. **Related risks and opportunities:** P1, P2, P4, P6, T2, T4, T6, T9, OP1, OP2
Near-Term Target: Scope 1 & 2	42% absolute reduction in Scope 1 and Scope 2 (location-based) emissions by FY30, from a FY22 base year.	**% Change from FY22 (baseline):** +214.03% Annual reduction required from FY26: -20.38% **Status:** Off track. Progress has been materially affected by the acquisition of additional data centre sites after the FY22 baseline year, with the target to be reviewed as part of the planned post-divestment rebaselining exercise. **Related risks and opportunities:** P1, P2, P4, P6, T2, T4, T6, T9, OP1, OP2
Near-Term Supplier Target	86% of the Group's suppliers (by spend) covering Scope 3 Category 1 "Purchased Goods and Services" and Category 2 "Capital Goods" will have science-based targets by FY28.	**% Change:** n/a **Status:** Under review. The Group is reassessing the supplier engagement target and associated monitoring process following changes to its business structure and supplier base, including the planned sale of the DC business. Progress against this target has not been quantified for FY26 and will be reviewed as part of the Scope 3 rebaselining exercise. **Related risks and opportunities:** T2, T6, T9

Based on the latest FY26 reporting, the Group is currently not on track to achieve its stated emissions reduction targets. Total Scope 1, 2 (location-based) and 3 emissions have increased by 42.17% against the FY22 baseline, while Scope 1 and Scope 2 (location-based) emissions have increased by 214.03%. This increase is primarily attributable to the acquisition of additional data centre sites after the FY22 baseline year, which materially increased the Group's emissions profile due to the energy-intensive nature of data centre operations. The Group had planned to review its emissions baseline following these acquisitions to ensure continued comparability and alignment with the enlarged business. However, following the subsequent decision to sell the DC business, the Group will instead undertake a wider rebaselining exercise in the next reporting year, after completion of the divestment. This will ensure future targets reflect the Group's continuing operations and that emissions reductions arising from structural changes are not treated as operational decarbonisation.

The Group has also set a supplier engagement target for 86% of suppliers (by spend) covering Scope 3 Category 1 "Purchased Goods and Services" and Category 2 "Capital Goods" to have science-based targets by FY28. For FY26, progress against this target has not been quantified. The Group is reviewing the supplier engagement target and associated data collection process as part of its wider re-baselining exercise, following the sale of the DC business. These changes are expected to materially affect the Group's supplier base and Scope 3 emissions boundary. Following completion of the re-baselining exercise, the Group will reassess the target, update the supplier baseline where required and determine an appropriate approach to future supplier engagement and progress monitoring.

Sustainability Reporting (continued)

Streamlined Energy and Carbon Reporting

Reporting year: April 2025 – March 2026
The Group's Scope 1 direct emissions and Scope 3 indirect emissions (arising from the combustion of transportation fuels, other fuels, and the use of refrigerants) totalled 304.55 tCO_2e for the reporting year. These emissions resulted from the combustion of 537,891 kWh of fuel and represent a reduction of 16.92% compared with FY25.

Scope 2 (location-based) indirect emissions from purchased electricity totalled 12,432.04 tCO_2e for the reporting year. These emissions resulted from the consumption of 70,237,488 kWh of electricity used in day-to-day business operations, including electricity purchased from the grid. This represents a reduction of 22.37% compared with FY25.

The Group's operations recorded a location-based emissions intensity of 0.51 tCO_2e per Total Floor Area (m2) during the reporting year. This represents a 22.25% reduction in the operational carbon intensity compared with FY25.

The following tables show the consumption and location-based emissions for financial years ending March 2026 and March 2025 for all UK operations.

Table 9: the Group Total Energy Consumption (kWh)

Utility and Scope	FY26 UK (kWh)	FY25 UK (kWh)	Year-on-year change (%)
Scope 1 Total	**317,630**	**328,508**	**-3.31%**
Other Fuels	254,618	264,652	-3.79%
Transportation	63,012	63,856	-1.32%
Scope 2 Total	**70,237,488**	**77,345,814**	**-9.19%**
Grid-Supplied Electricity	70,237,488	77,345,814	-9.19%
Scope 3 Total	**220,261**	**247,644**	**-11.06%**
Transportation	220,261	247,644	-11.06%
Total	**70,775,379**	**77,921,966**	**-9.17%**

Table 10: the Group Total Location-based Emissions (tCO_2e) and Associated Intensity Metrics

Emissions Scope	FY26 UK (tCO_2e)	FY25 UK (tCO_2e)	Year-on-year change (%)
Scope 1 Total	**254.00**	**310.16**	**-18.10%**
Other Fuels	35.29	35.78	-1.36%
Refrigerants	204.87	260.32	-21.30%
Transportation	13.84	14.06	-1.55%
Scope 2 Total	**12,432.04**	**16,014.45**	**-22.37%**
Grid-Supplied Electricity	12,432.04	16,014.45	-22.37%
Scope 3 Total	**50.55**	**56.44**	**-10.44%**
Transportation	50.55	56.44	-10.44%
Total	**12,736.58**	**16,381.04**	**-22.25%**
Total tCO_2e/Total Floor Area (m^2)	**0.51**	**0.65**	**-22.25%**

The intensity metric has been calculated using total tCO_2e emissions and the selected performance indicator, Total Floor Area (m^2), for the relevant reporting period. Total Floor Area (m^2) was 25,085.21 in both FY26 and FY25.

Sustainability Reporting (continued)

Streamlined Energy and Carbon Reporting

Year-on-year changes

- Refrigerants & Other Fuels emissions have decreased by 18.89% in FY26 compared to FY25. Refrigerant leak reduction is due to continuous site maintenance and equipment improvements. Other fuels decreased following a business decision to reduce generators' running hours.
- Electricity emissions (location-based) have decreased by 22.37% in FY26 compared to FY25. The reduction is largely driven by energy efficiency measures implemented at the data centres, and a 14.51% decrease in the published 2025 Department for Energy Security and Net Zero (DESNZ) UK-grid electricity emission factor.
- Transport emissions have decreased by 8.67% in FY26 compared to FY25. The reduction falls within normal business activity fluctuations. A contributing factor may be the closure of the York site at the end of November 2025.
- The location-based intensity metric decreased by 22.25% in FY26 compared to FY25, driven by the decrease in emissions as the floorspace remained unchanged.

Energy Efficiency Narrative
The Group is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

Measures Undertaken in FY26:

Light-emitting Diode (LED) Lighting Improvements
The Group completed the replacement of legacy lighting with LED systems at the Reading site and is progressing additional efficiency enhancements at the London West site. The transition to LED technology improves efficiency by reducing electricity consumption, lowering heat output, and extending equipment lifespan.

Redundant IT Removal
The Group undertook a targeted programme to identify and remove redundant IT equipment across key sites. This initiative reduced unnecessary energy consumption, optimised efficiency, and supported ongoing efforts to streamline the Group's digital infrastructure.

Uninterruptible Power Supply (UPS) Replacement
The Group continued its programme of replacing older, less efficient UPS units with modern, high-efficiency models. The Group achieved measurable reductions in electricity use and supported its wider energy-efficiency objectives.

Measures To Be Addressed in FY27
On-Going Actions
The Group will continuously assess opportunities to implement additional energy-efficiency measures across its operations.

Sustainability Reporting (continued)

Measures To Be Addressed in FY27 (continued)

Reporting Methodology

In line with UK SECR legislation, the Group is mandated under the Streamlined Energy and Carbon Reporting (SECR) framework and complies fully with all reporting requirements. All SECR energy consumption and CO_2e emissions have been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard; Greenhouse Gas Protocol – Scope 2 Guidance; ISO 14064-1 and ISO 14064-2; Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance. Government Emissions Factor Database 2025 version 1.0 has been used, utilising the published kWh gross Calorific Value (CV) and kgCO2e emissions factors relevant for the reporting period 1st April 2025 – 31st March 2026.

Estimates were undertaken to cover missing billing periods for properties where the Group is indirectly responsible for utilities (i.e. via a landlord or service charge). Consumption for the York office was estimated using the Harrogate office's spend-per-kWh ratio, which was then applied to York's total energy spend. All estimations equated to 0.04% of reported consumption. This is an improvement over the FY25 estimation level of 4.71%.

Market-based emissions have been calculated using a supplier-specific emissions factor of 0 tCO_2/kWh for eight supplies under 100% renewable energy contracts, comprising seven with Bryt Energy Limited and one for the Woking landlord site where the contract was held with TotalEnergies from the 1st of April 2024 to the 30th of September 2025. Where the electricity supplier was unknown, market-based emissions were calculated using the UK residual mix factor of 0.000420757 tCO_2/kWh, as published by the Association of Issuing Bodies (AIB), which was applied to three electricity supplies, including York, Harrogate, and Woking for part of the year.

Michelle Senecal de Fonseca
Chief Executive Officer
25 September 2026

Governance

Introduction to Governance

The Board recognises the continued importance of the highest standards of corporate governance and integrity. It is committed to ensuring strong and effective corporate governance as the foundation to deliver long-term value growth and for meeting shareholder expectations for proper oversight and leadership of the business.

As Chairman of the Board, I am responsible for corporate governance within the Group and together with the Board, I am committed to ensuring the Group maintains sound governance and adherence to ethical operating structures and decision-making processes which support the business strategy and direction.

The Board believes that the implementation of good corporate governance principles provides shareholder value and transparency, promoting sustainable, long-term success for the Group and its stakeholders.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2023 (the "Code") as its benchmark for governance matters. At the date of this Report, the Board believes the Company is compliant with the Code other than Principles 6 and 7 as they relate to Board composition and independence and Principle 8 as it relates to formal Board assessments of effectiveness.

This section of the Report sets out how the Group has addressed the principles of the updated Code and includes more detail in relation to the Company's current non-compliance with Principles 6, 7 and 8.

The Board is committed to continuing to review and update its approach and will update its Corporate Governance statement in the AIM Rule 26 section of the Group's website.

Richard McGuire
Chairman
25 September 2026

Governance

Corporate Governance

Governance Principle	Application
Principle 1 Establish a purpose, strategy and business model which promote long-term value for shareholders	The Group's model and strategy have a very clear business purpose, which is discussed within the Chief Executive's Review on pages 6-9 of this Report. Following the decision to split the business into two discrete business units, MSP and DC, the Board made the decision in March 2025 to dispose of the DC business unit in order to focus on developing and growing the MSP business unit, whilst also realising a return from the anticipated sale of the DC business unit. The sale of the DC business unit was completed on 30 April 2026. The Group's strategy has therefore shifted as the business plan has been focused accordingly on the development of the MSP business unit. Details of the key risks and challenges facing the Group and the high-level management or mitigation of such risks and challenges are outlined on pages 22-24 of this Report. The Group continues to operate a tiered hierarchy for risk management, with functional management of direct risks and consistent measures across all functions, and escalation of significant value risks, along with principal corporate risks, to the Group's corporate risk register. Risks addressed include financial risks, addressed via the internal control processes. The corporate risk register is shared, reviewed and refined with the Audit Committee and Board at various points in the year, where potential mitigation actions are also considered.
Principle 2 Promote a corporate culture that is based on ethical values and behaviours	The Board aims to lead by example with respect to promoting a healthy corporate culture and ensuring that ethical values and behaviours are embedded in the business. The processes in place for decision making require high standards of behaviour from the Board and are clearly documented in the Group's terms of reference, the Company's share dealing code and the requirement for ongoing disclosure of interests. Employment policies adopted by the Group assist in embedding a culture of ethical behaviour and the values set out in its corporate social responsibility statement, included in this Report. Ongoing training on the Group's compliance and anti-bribery policy and the Group's Modern Slavery Act policy continues to reinforce the culture of ethical values and behaviours. The Group is pleased to have seen strong engagement in the Group's support of charitable activity in the year, with a number of volunteering challenges and successful fundraising events. This activity includes maintenance of the Trees For Life partnership, a partnership with Generation (which supports underprivileged young adults into the workplace), the Mission Christmas volunteering campaign, Easter Egg appeal and charity walks. Several local and national charities have been supported through the year by colleague fundraising, including Macmillan Cancer Support. All colleagues are granted a day's paid volunteering, and the Group encourages colleagues to use this day to take part in local volunteering activity. The Board was delighted that the year has continued to see a strong take up of the Company volunteering day as colleagues support their chosen causes.

Corporate Governance (continued)

Governance Principle	Application
Principle 3 Seek to understand and meet shareholder needs and expectations	The Group continues to be committed to engaging with its shareholders to ensure that the strategy and business model and key events of the Company are clearly shared and understood. Whilst the Board does include two significant shareholder members, which has impacted the level of independence in the Board composition, the Board recognises the benefits of the additional skills brought to the Board and the greater shareholder alignment, engagement and representation at the highest level within the Company. The Board believes that the disclosures of this Report provide information necessary for shareholders to assess the Group's performance, business model and strategy. Hard copies of the Annual Report are issued to all shareholders that have requested them, and copies are also available on the Group's website. The Group's half year reporting is also available on its website, and the Group makes full use of its website to provide information to the shareholders and other interested parties. The Company issues regulatory announcements through RNS to ensure that important news is shared with all shareholders, potential shareholders and the wider investment community in a clear and uniform way. The Executive Directors are also in regular contact with and available to the Company's shareholders and brief the Board on any relevant feedback or issues raised by shareholders. During the year, investor briefings and roadshows were held following announcement of the Group's preliminary and interim results. Other ad-hoc one-to-one meetings with significant investors and potential investors were also held through the year to discuss the Group's strategy and operations. There is also regular dialogue with shareholders through the Company's corporate broker, Cavendish Capital Markets Limited ("Cavendish"), who provide research which assists in setting shareholder and market expectations. Cavendish keep the Board abreast of shareholder feedback and input and assist in setting up meetings with investors or potential investors. Any reports from analysts that refer to the Company or cover the sector are circulated to the Board to support their understanding of the views of the investment community. Cavendish provide feedback directly to the Board from shareholder meetings and other events such as the investor days. Any update on key shareholding changes and any relevant investor sentiment is also provided at each Board meeting. There is a dedicated investor relations contact email address by which shareholders or investors may contact the Company (investorrelations@redcentricplc.com) and the Company Secretary also deals with a number of written queries throughout the year along with the Company's registrar, MUFG Corporate Markets. The Chair and other Non-Executive Directors always make themselves available to shareholders on an as needed basis. The AGM is a key opportunity for all shareholders to have the opportunity to raise questions with the Board. The Board is pleased to once again be able to welcome shareholders in person to the planned AGM this year. To ensure that shareholders who are unable or would rather not attend the AGM have the ability to ask questions of the Board, the Board shall accept any questions relating to the business being dealt with at the AGM which are submitted by shareholders in advance to the Company. The voting record at the Company's general meetings is monitored and published. The Chairman engages directly with large shareholders who vote against resolutions to better understand their position.

Corporate Governance (continued)

Governance Principle	Application
Principle 4 Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success	The Board recognises that the long-term success of the business relies on a number of key stakeholders, as described on pages 20-21 and 25-26 of this Report, including colleagues and customers. The engagement with these important stakeholders is fundamental to helping the Board make the best business decisions. **COLLEAGUES** Having the right colleagues in the right roles will always be critical to the success of the business. The Board is committed to ensuring the Group encourages and maintains a high-performing culture, underpinned by strong engagement with all colleagues through the year. During the year, the relocation of the Group's head office to a new space was completed. These facilities, as well as other Group locations, are modern and efficient, with a large number of standing desks and collaboration spaces which enhance and support colleagues' productivity. The Group's approach to hybrid working has continued, which has provided access to a much broader and experienced talent pool. Management ran further engagement surveys in the year and is in the process of collating feedback and prioritising potential initiatives to address points raised by colleagues. The partnership with LinkedIn Learning continues to receive positive feedback from colleagues. All line managers have access to create LinkedIn Learning and Development pathways for their teams, with take-up and utilisation of the programmes and materials on offer continuing to increase month on month. The physical, emotional and financial well-being of colleagues continued to be a key focus for the Group in the year, and this remains management's commitment in the new year. Management has developed and enhanced the Group's well-being strategy, maintaining multiple areas of support for colleagues, including access to an Employee Assistance Programme, offering mental health support, access to health schemes and discounts, shopping discounts and an ongoing programme of webinars across a variety of subjects. The Group has continued to invest in the future of the business by supporting young people into work through apprenticeship programmes. The Group has also continued to maintain its SAYE scheme, giving colleagues the opportunity to become personally invested in the equity of the Company. During the year, the Company granted options over a total of 531,241 ordinary shares under this scheme. **CUSTOMERS** The Group's extensive customer services offering, which is detailed on the Group's website at https://www.redcentricplc.com/services/, is core to the Group's customer proposition and the Group is in regular dialogue with its existing and potential customers in order to best understand and respond to their ongoing and future requirements. The Group also keeps abreast of customer needs and communicates its proposition to customers through regular customer surveys, monthly and quarterly service reviews and through its social media channels. During the year the Group appointed a marketing director to its Operations Board, recognising the importance of a dedicated marketing function to increase market intelligence and access. The marketing team are aggressively developing the function's capabilities to better engage with existing customers and prospects and the market as a whole. **SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES** The Group is committed to fulfilling its environmental and social responsibilities. The Group has maintained its ISO 14001:2015 environmental management certification during the year, through which it identifies and evaluates those business aspects that can impact the environment, ensures relevant compliance obligations are met and measures its environmental performance against agreed objectives. The Group has continued to focus on carbon reduction improvement initiatives for its data centre estate, whilst monitoring those measures already implemented to evaluate performance against anticipated savings. The commitment to social value is demonstrated through various offerings, including digitally driven fundraising campaigns, the collaboration with the Breck Foundation (which provides training to pupils and teachers in the arena of staying safe online) and the provision of employment and training opportunities for local residents.

Corporate Governance (continued)

Governance Principle	Application
Principle 4 (continued)	The Board also considers its shareholders and suppliers to be key stakeholders. Details of how the Group fosters relationships with its stakeholders and considers their needs are set out in the Section 172 statement on pages 20-21 of this Report.
Principle 5 Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	As set out in the Audit Committee Report on page 55-57 of this Report, the Board is committed to ensuring that risk management forms part of the way the Group operates and is embedded within the business, coordinated by the Chief Financial Officer. As well as identifying key risks, focus is towards identifying the potential likelihood and impact of identified risks materialising, then assessing and prioritising potential mitigating actions. The key risks and challenges facing the Group and the high-level management of such are outlined on pages 22-24 of this Report. The Group continues to operate a tiered hierarchy for risk management, with functional management of direct risks and consistent measures across all functions, and escalation of significant value risks, along with principal corporate risks, to the Group's corporate risk register. The corporate risk register is shared and refined with the Audit Committee and Board at regular intervals in the year, coordinated by the Chief Financial Officer and with particular attention paid to addressing mitigating actions for each risk identified. There continues to be close focus on emerging climate change related risks with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations being integrated into the Group's risk management framework. These risks are managed by the Group's Sustainability Committee, which provides regular reports to the Board. The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Operating Board. However, the internal control system is designed to manage rather than eliminate risk and can therefore only provide reasonable and not absolute assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. Enhancements continue to be made to Microsoft Dynamics 365 (D365), the Group's ERP system, overseen by the Group's Chief Technology Officer, which are expected to further strengthen the Group's control environment. The principal elements of the Group's internal control system cover financial, operational and compliance controls and include: 1. close management of the day-to-day activities of the Group by the Executive Directors; 2. an established budgetary system with the preparation and approval of an annual budget by the Board and regular monitoring and review of performance against budget and prior year, with at least quarterly forecast updates through the year; 3. detailed monthly reporting to the Board, both at Group and business unit level (including financial information, performance against plan and key performance indicators) whereby the Executive Directors report on significant changes to the business or its outlook to the extent they represent significant risk; 4. an organisational structure that has clear reporting lines and delegated authorities, which has recently been amended to focus on functional responsibilities rather than product towers; 5. management and monitoring of risk and performance at multiple levels throughout the Group; and 6. continually improving finance, legal and assurance and compliance functions that maintain processes and systems to enhance the control environment, including the control of expenditure, authorisation limits, purchase ordering, sales order intake, contract review and approval. The Group also works hard to maintain a number of ISO accreditations it has achieved over a number of years, detailed at https://www.redcentricplc.com/about-us/accreditations, and has a number of policies and procedures in place in order to fulfil the requirements and maintain these accreditations.

Corporate Governance (continued)

Governance Principle	Application
Principle 6 Establish and maintain the Board as a well-functioning, balanced team led by the chair	The composition of the Board is detailed on pages 53-54 of this Report. The Board has delegated specific responsibilities to the Board Committees. The composition of the Board Committees and how they discharge their responsibilities can be found on pages 58 of this Report. A key role of the Board's Nomination Committee is to keep the composition of the Board under review as the Group's business evolves. During the year and in the months following the year end date there were a number of changes in the composition of the Board. Peter Brotherton, former Chief Executive Officer, informed the Board in August 2024 that he intended to retire from the Board, which he did in May 2025. He has remained employed by the Group in order to provide a solid handover. For a short period between February and April 2025, Brian Woodford served as Chief Executive Officer Designate; however, he stepped down from the role due to personal reasons. Michelle Senecal de Fonseca, formerly a Non-Executive Director of the Company, was appointed Chief Executive Officer in May 2025. Michelle brings a wealth of experience from the technology sector to the role and has the benefit of knowing the Group very well, from having already served on the Board. David Senior, the Group's Chief Finance Officer since 2020, also informed the Board of his resignation in January 2025 and left the Group in April 2025. He was replaced by Tony Ratcliffe in August 2025 who served on a fixed term contract until June 2026. Whilst there was a gap of several months without a Chief Financial Officer, the Group was able to rely on a strong and highly qualified finance team in the interim. Tim Sykes replaced Tony Ratcliffe as Chief Financial Officer in June 2026. All Directors are encouraged and expected to use their independent judgement and to challenge matters where required, strategic, financial and operational. Whilst Oliver Scott and John Radziwill are not considered independent as a result of them being shareholder representatives, the Board was satisfied throughout the year and in the new financial year that it had a suitable Board composition with sound and appropriate governing principals in place, with a reasonable balance between independence and knowledge of the Group to enable it to discharge its duties and responsibilities effectively. The Board confirms that it currently has two independent Directors, a requirement of the Code, but acknowledges that the number of independent Directors on the Board has now been reduced such that the number of independent Directors does not balance or exceed the number of non-independent Directors, which currently comprises four in total – two Executive Directors and two Non-Executive Directors. This does not meet the formal requirements of this Principle of the Code. However, the Board is committed to keep the position under close review and will act as it believes necessary should it consider there is a need to address the number and composition of the Board in due course. The Executive Directors of the Company are employed on a full-time basis. Non-Executive Directors are required to devote such time to the Group's affairs as necessary to discharge their duties and this may change from time to time. In addition to scheduled Board meetings, members are required to attend other ad hoc Board meetings, Committee meetings, the AGM and any other business or general meetings as required. Board members are also required to consider all relevant papers before each meeting and to devote additional time in respect of preparation and ad hoc matters which may arise. Non-Executive Directors are required to obtain the agreement of the Chairman before accepting additional commitments that may affect the time that they are able to devote to their role as a Non-Executive Director. Further details of external appointments of the Board are included in their biographies on pages 53-54 of this Report. Details of the number of regular scheduled meetings of the Board and committees, together with the attendance record for each Board member, are set out on page 53 of this Report.

Corporate Governance (continued)

Governance Principle	Application
Principle 7 Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities	The business and management of the Group are the collective responsibility of the Board. The Board meets at least eleven times a year at various Group locations in accordance with its scheduled meeting calendar, which is supplemented by additional meetings as and when required. Monthly Board reports are circulated ahead of each Board meeting in respect of the previous month's trading and activities. The annual Board calendar typically includes presentations from members of the Operating Board through the course of the year. The attendance by each Board member at meetings held in the year is shown in the table on page 53 of this Report. Whilst there were changes in the Chief Executive Officer role, continuity was maintained as Peter Brotherton stayed with the business throughout the period of change and effected an orderly handover to Michelle Senecal de Fonseca. There was a gap of some months in the Chief Financial Officer role prior to Tony Ratcliffe's appointment. The Board was satisfied that the wider finance team provided solid reporting and ensured controls were maintained in this period. The Board acknowledges that this gap compromised the formal requirements of this Principle of the Code. However, this has now been addressed, and the Board is committed to maintaining strong levels of governance with a robust control environment and solid Board oversight. At each scheduled Board meeting, the Board considers and reviews the trading performance of the Group for the previous month and year-to-date, as well as the outlook, together with additional relevant topics. The Board and its Committees receive appropriate and timely information prior to each meeting in accordance with a reporting timetable agreed by the Board and Operating Board. A formal Board agenda is issued by the Chair for each meeting. The Board has a formal written schedule of matters reserved for its review and approval including approval of an annual budget, major capital expenditure and approval prior to issuance of its interim and annual results. All specific actions arising from meetings are minuted following each Board or Committee meeting, for appropriate follow up by the Executive Directors and Company Secretary and subsequent review at the next meeting. The Board is supported by the Audit, Nomination and Remuneration Committees. A report on the composition, responsibilities and key activities of the Audit Committee is set out in the Audit Committee Report and in the Directors' Remuneration Report for the Remuneration Committee. Nomination Committee meetings are tabled annually and further as required, particularly as and when necessary to identify and nominate for approval by the Board, any candidates for Board appointment. The Nomination Committee engages external consultants when appropriate to assist in the search for and selection of new Board members and has terms of reference which have been formally approved by the Board. At least annually, and now on an ongoing basis in reference to the non-compliance referred to in principle 6, the Board reviews the structure, size, composition and diversity of the Board. It also considers succession planning and regularly reviews the leadership needs of the organisation. The senior management of the business is known as the Operating Board, which comprises the most senior leaders from the Group's business units and functional disciplines. Authority for execution of approved policies, delivery of the business plan and daily running of the business is delegated by the Board to the Executive Directors together with the Operating Board, which manages and monitors operational performance across the business and ensures effective decision-making. The Operating Board meets on a weekly basis and provides written summary reports to the Executive Directors on a monthly basis for discussion at each Board meeting to ensure that the Board always has the most up to date information possible. Directors' details and biographies are on pages 53-54 of this Report. The Board considers that it has the appropriate mix of skills and experience to enable it to execute its duties and responsibilities effectively and appropriately given the nature and size of the Group. However, and as Noted in Principle 6, it is very mindful of the need to maintain independence on the Board.

Corporate Governance (continued)

Governance Principle	Application
Principle 7 (continued)	Directors are responsible for ensuring their continuing professional development to maintain their effective skills and knowledge. Details of performance assessments undertaken by the Board are set out below. The Board receives monthly reports on the Group's operational and financial performance with formal agendas and reports circulated to the Board in advance of each meeting. The Board has access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are adhered to. Directors are able to obtain further advice or seek clarity on issues raised in reports or at meetings from colleagues within the Group. The Board also has a procedure whereby any Director may seek, through the Company Secretary, independent professional advice in furtherance of their duties, if necessary, and at the Company's expense. Alan Aubrey is the Company's Senior Independent Director and provides a sounding board for the Chairman and an intermediary for the other Directors, where required. On appointment to the Board, all new Directors receive a tailored induction pack and introductions to relevant personnel within the Group.
Principle 8 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board last carried out an evaluation of its own performance in FY24. This assessment was internally facilitated and comprised the following elements: • a questionnaire completed by every Board member covering Board and Committee structure, processes, agendas and priorities. Each Board member's assessment of their individual performance and feedback on each other was also sought. The questionnaire was based on templates designed by external consultants with considerable experience of Board reviews, but tailored to meet the specific circumstances of the Group; and • completion of a skills matrix by each Board member, as referred to under Principle 7 above, to identify areas of expertise on the Board and additional areas that the Board could consider in relation to future appointments. Due consideration was given to the feedback reported back to the Board. Consideration will be given to a further formal evaluation being carried out. The Board also undertakes regular, less formal assessments of its effectiveness to ensure alignment with the needs of the business. The Chair maintains close communications with Board members, and all Directors are encouraged to provide feedback on all areas of the Board's efficacy. The Nomination Committee is responsible for developing succession plans in respect of the Board. Openness amongst Board members is encouraged regarding individual members future plans to enable the Company to manage orderly transitions. Management work with the Group's HR team to identify and develop emerging leaders across the Group to help maintain and nurture a pool of internal talent for future career development opportunities and growth.

Corporate Governance (continued)

Governance Principle	Application
Principle 9 Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture	The Group has maintained a remuneration policy for a number of years. It was established with the benefit of advice from external consultants and has been continuously reviewed over the years. The primary objectives of the policy are: • to operate a transparent, simple and effective remuneration structure which encourages the delivery of Group targets in accordance with its business plan and strategy; • to attract, motivate and retain the best people of the highest calibre by providing competitive and appropriate short and long-term variable pay which is dependent upon challenging performance conditions; and • to promote the Group's purpose, culture and beliefs and promote the long-term success of the Group and ensure that the policy is aligned with the interests of, and feedback from, its shareholders. The Board supports the emphasis placed on remuneration transparency by the Code and full details of both the Directors' Remuneration Policy and actual remuneration are published in full below. See pages 58-62 of this Report. At the Company's forthcoming AGM, the Directors' Remuneration Report containing the Remuneration Policy as well as the Directors' remuneration will be put forward as resolutions for the shareholders' vote. Following the disposal of the DC business unit, the Board expects the Remuneration Committee to undertake a detailed review of the remuneration policy during the new financial year, with any potentially updated policy being put forward to shareholders at the 2027 AGM.
Principle 10 Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders	The Board communicates with its shareholders in a range of ways including through the Annual Report and Accounts, interim and full-year results announcements and presentations as well as further trading updates and other news events where required, the AGM, investor roadshow meetings and further one-to-one meetings with major shareholders or potential new shareholders. The Group's website (www.redcentricplc.com), particularly the investor section of the site, also provides a range of corporate information for shareholders, investors and the public, including all Company announcements and presentations. Group performance information is also communicated to colleagues, within the limitations imposed by the Company's public company disclosure obligations, in a number of ways, including regular colleague-wide email communications from the Executive Directors and Operating Board and monthly colleague briefing sessions. The Group conducted another colleague survey in the year, the results and proposed outputs of which were shared with colleagues, along with potential initiatives to address points raised by colleagues. Further details of how the Company maintains a dialogue with customers and suppliers, both being key stakeholders, are set out in the section 172 statement at pages 20-21 of this Report.

Governance

Board of Directors

The following table details the attendance of the Board members at regular scheduled Board and Committee meetings held during FY26 which they were eligible to attend.

Name	Position (at 31 March 2026)	Board		Audit Committee		Remuneration Committee		Nomination Committee	
		Total	Attended	Total	Attended	Total	Attended	Total	Attended
Richard McGuire	Chair	11	11	3	3	5	3	-	-
Alan Aubrey	NED	11	11	3	3	5	5	-	-
Oliver Scott	NED	11	11	3	3	5	5	-	-
John Radziwill	NED	11	11	3	3	5	5	-	-
Michelle Senecal de Fonseca	CEO	11	11	-	-	-	-	-	-
Tony Ratcliffe (appointed 18 August 2025, resigned 11 June 2026)	CFO	8	8	-	-	-	-	-	-
Peter Brotherton (resigned 31 May 2025)	CEO	2	2	-	-	-	-	-	-
David Senior (resigned 30 April 2025)	CFO	1	1	-	-	-	-	-	-

Current Non-Executive Directors

Richard McGuire, Independent Non-Executive Chairman of the Board

Appointment date: 27 September 2024

Committee membership: Chair of the Nomination Committee, member of the Remuneration and Audit Committees

Experience and external appointments: Richard is an experienced chairman and non-executive director, having held directorships in a portfolio of companies across the technology, financial, real estate and leisure/gaming sectors.

Alan Aubrey, Independent Non-Executive Director (and Senior Independent Director)

Appointment date: 21 July 2022

Committee membership: Chair of the Audit Committee, member of the Remuneration and Nomination Committees.

Experience and external appointments: Alan is an experienced executive and non-executive director, having been CEO of IP Group PLC from 2006 to 2021 and having served as Non-Executive Chair of Ceres Power Holdings PLC and Proactis Holdings PLC, and Non-Executive Director of Avacta Group PLC. Alan currently serves as Non-Executive Chair of OXCCU Tech Limited, and on the boards of Eluctis Limited, ChemAI Limited and Rio AI Limited. Alan has also formerly served on the boards of Oxford Nanopore and Oxford Sciences Innovation PLC, and has served as Non-Executive Director and Chair of the Audit Committee of (what was then) the Department for Business, Innovation and Skills.

Governance

Board of Directors (continued)

Oliver Scott, Non-Executive Director (non-independent)

Appointment date: 1 December 2023

Committee membership: Chair of the Remuneration Committee, Member of the Audit and Nomination Committees

Experience and external appointments: Oliver is a partner of Kestrel, the independent investment manager, which Oliver co-founded in 2009. Kestrel is one of the Group's largest shareholders. Oliver is currently a Non-Executive Director of Pebble Beach Systems Group PLC and K3 Business Technology Group Ltd. Previous roles include non-executive board positions at Idox PLC, IQGeo Group PLC, Gresham Technologies PLC and KBC Advanced Technology PLC.

John Radziwill, Non-Executive Director (non-independent)

Appointment date: 31 October 2024

Committee membership: Member of the Audit, Remuneration and Nomination Committees

Experience and external appointments: John is a representative of ND Capital, one of the Group's largest shareholders. He is a highly experienced director and has held several senior leadership roles in investment banking, advisory and asset management.

Current Executive Directors

Michelle Senecal de Fonseca, Former Independent Non-Executive Director, appointed Chief Executive Officer from May 2025

Appointment date: 13 February 2024

Experience and external appointments: Michelle is an experienced executive and non-executive director in the technology industry, having been Managing Director for Vodafone's cloud and hosting services business, and serving as Area Vice President for Sales and Services for Northern Europe at Citrix before becoming its Global Vice President for Strategic Alliances. Michelle also currently serves as a Non-Executive Director on the boards of GB Group PLC, ASU Global Foundation UK Limited and Women in Telecoms & Technology (WITT) Limited.

Tim Sykes, Chief Financial Officer

Appointment date: 11 June 2026

Experience and external appointments: Tim is an experienced CFO with over 30 years of financial experience, including 15 years as CFO of AIM listed Proactis Holdings plc. He has varied operational, transactional, and strategic experience and has driven significant growth, both organically and via M&A. He concurrently served as CFO at Avacta Group plc, Eleco plc and Altitude Group plc, playing a key role in multiple acquisitions and fund-raising rounds. Most recently, as CEO of Proactis, he led the company through a successful take-private transaction, then subsequently joined Aptamer Group plc as a non-executive Director and also maintained a fractional CFO portfolio supporting high-growth ventures. Tim qualified as a Chartered Accountant with KPMG.

Audit Committee Report

Governance

During the year the Audit Committee comprised Alan Aubrey (who was also Chair of the Committee), Richard McGuire, Oliver Scott and John Radziwill.

The Committee meets at least twice a year at appropriate intervals in the financial reporting and audit cycle, and at other times during the year as agreed between the members of the Committee or as required. The Executive Directors are not members of the Committee but attend Committee meetings by invitation, as necessary, to facilitate its business. The Committee also meets the external Auditor at least once a year without management present, to discuss their remit and any issues arising from the previous audit.

During the year, the Committee met three times. Attendance details for the regularly scheduled meetings are provided on page 53 of this Report.

Key responsibilities

The Committee's terms of reference are available on the Investor section of the Group's website. In accordance with the terms, the Committee's responsibilities include:

- monitoring the integrity of the Financial Statements of the Group, including all formal announcements relating to financial performance;
- reviewing significant financial reporting issues and judgements contained in any announcements of financial performance;
- reviewing the effectiveness of internal financial controls and internal control and risk management systems and the need for an internal audit function;
- reviewing the adequacy of arrangements for the raising of concerns about possible wrongdoing, procedures for detecting and preventing fraud and systems and controls for the prevention of bribery;
- the recommendation of, appointment, re-appointment, and removal of the external Auditor;
- reviewing the scope and results of the external annual audit by the Auditor, their effectiveness, independence and objectivity; and
- reviewing the nature and extent of any non-audit services provided by the external Auditor.

The Committee reports on all such matters to the Board.

Internal control and risk management

The Audit Committee supports the Board in reviewing the risk management methodology and the effectiveness of internal control. The Group continues to operate a tiered hierarchy for risk management, with functional management of direct risks and consistent measures across all functions, and escalation of significant value risks, along with principal corporate risks, to the Group's corporate risk register. The corporate risk register is shared and refined with the Audit Committee and Board at key intervals in the year, coordinated by the Chief Financial Officer and with reporting on mitigating actions for each risk.

External audit

The Audit Committee approves the appointment and remuneration of the external Auditor and the Chief Financial Officer monitors the level and nature of non-audit services, and specific assignments are flagged for approval by the Audit Committee as appropriate. The Audit Committee reviews non-audit fees and considers implications for the objectivity and independence of the relationship with the external Auditor. The Committee maintains regular dialogue with the external Auditor on ways to improve the efficiency and effectiveness of the external audit process.

The responsibilities of the Board and external Auditor in connection with the Group's Financial Statements are set out in the Statement of Directors' Responsibilities and Auditor's Report respectively and details of the services provided by and fees payable to the Auditor are included in Note 8 to the Consolidated Financial Statements.

KPMG LLP were appointed as the Group's Auditor on 15 May 2017. The re-appointment of KPMG LLP as Auditors will be tabled at the forthcoming 2026 AGM.

Audit Committee Report (continued)

Financial reporting

The Committee reviewed the full year results, including the Annual Report and Accounts, the preliminary results announcement and the report from the external Auditor. In reviewing the statements and determining whether they were fair, balanced and understandable, the Committee considered the work and recommendations of management together with the findings reported by the external Auditor.

The Committee considered the appropriateness of the Group's accounting policies, including significant judgements and estimates applied in the preparation of the Financial Statements. To do this, the Committee reviewed the information provided by management and considered the views of the external Auditor on the accounting treatments, estimates and judgements adopted during the year.

The Committee concluded that the principal areas requiring particular focus during the year were the presentation of exceptional items and the annual impairment assessment of goodwill and parent company investments.

Exceptional items

The Committee reviewed management's assessment of items classified as exceptional and their presentation within the Financial Statements. In doing so, the Committee considered the Group's accounting policy, the nature of the items recognised and whether separate disclosure was necessary to provide shareholders with a clear understanding of the Group's underlying financial performance.

The Committee challenged management on the consistency of application of the Group's exceptional items policy and considered whether the classification was appropriate in the context of both the current and prior reporting periods.

Following discussion with management and the external Auditor, the Committee concluded that the classification and presentation of exceptional items was appropriate and consistent with the Group's accounting policy.

Goodwill impairment

The Committee reviewed management's annual impairment assessment of goodwill, including the methodology used and the key assumptions applied in determining the recoverable amount of the Group's cash-generating units.

The impairment assessment was supported by valuation models prepared by an independent third-party specialist using cash flow forecasts derived from Board-approved budgets and strategic plans prepared by management. The models incorporated assumptions relating to future trading performance, long-term growth rates and discount rates appropriate to each cash-generating unit.

The Committee reviewed the work performed by the independent valuation specialist, challenged management on the key assumptions adopted and considered the procedures undertaken by the external Auditor in this area. Particular focus was given to the reasonableness of forecast trading performance, growth assumptions and the weighted average cost of capital used within the valuation models.

The Committee Noted that the impairment assessments demonstrated headroom in each cash-generating unit and that no impairment charge was required. Having reviewed the analysis and challenged the underlying assumptions, the Committee concluded that the carrying value of goodwill remained appropriate at the reporting date.

The Committee has reviewed the assumptions, judgements and estimates used in this area by management and, following appropriate challenge, considers the accounting treatment and disclosures to be appropriate.

Audit Committee Report (continued)

Financial reporting (continued)

Company-only investment impairment

The Committee reviewed management's assessment of the carrying value of the Company's investments in subsidiaries.

The impairment assessment was supported by valuation models prepared by an independent third-party specialist using Board-approved budgets and strategic plans prepared by management. The recoverable amounts were determined using discounted cash flow methodologies, incorporating assumptions relating to future trading performance, long-term growth expectations and discount rates reflective of the risks associated with the underlying businesses.

The Committee reviewed the methodology applied by the independent valuation specialist and challenged management on the key assumptions used within the assessment. Particular consideration was given to forecast cash flows, the weighted average cost of capital and the resulting headroom available against the carrying value of the investments.

Following its review, the Committee was satisfied that the assumptions adopted were reasonable and supportable and concluded that the carrying value of the Company's investments remained appropriate at the reporting date.

The Committee has reviewed the assumptions, judgements and estimates used in this area by management and, following appropriate challenge, considers the accounting treatment and disclosures to be appropriate.

Matters reported in the prior year

The Committee considered whether any significant judgement remained in relation to segmental reporting, the identification of cash-generating units, the allocation of goodwill and the classification of assets held for sale and discontinued operations.

These matters were reported as significant judgements in the prior year following the separation of the Group's DC business and its classification as held for sale under IFRS 5. During the current year, the disposal of the DC business completed shortly after the year end and the revised operating structure has been fully embedded within the Group. Accordingly, these matters no longer represent significant areas of judgement in the current reporting period.

Going concern

The Committee reviewed management's assessment of the Group's ability to continue as a going concern, including the Group's financial forecasts, available liquidity, covenant compliance and committed banking facilities.

Following its review and challenge of management's assumptions, the Committee concluded that the adoption of the going concern basis of preparation remained appropriate and that the related disclosures in the Financial Statements were balanced, proportionate and appropriate.

Alan Aubrey
Chair of the Audit Committee
25 September 2026

Governance

Directors' Remuneration Report

Annual Statement

Introduction

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2026. As the Company is listed on the Alternative Investment Market ("AIM"), it is required to comply with AIM Rule 19 in respect of remuneration disclosures. However, the Board also provides additional voluntary disclosures in line with AIM best practice to enable shareholders to better understand and consider the Group's remuneration arrangements. This report is divided into three sections being:

- This **Annual Statement**, which summarises the Committee and its work and Policy implementation in FY27;
- The **Directors' Remuneration Policy**, which summarises the Company's Remuneration Policy; and
- The **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in FY26.

As a Committee, we are committed to fostering good relations with our shareholders and ongoing open dialogue. As such, I continue to be available for discussion with institutional investors concerning the Company's approach to remuneration at any time. We trust you will find this Report to be informative and look forward to receiving your support at our forthcoming AGM.

Committee members

The Remuneration Committee is chaired by Oliver Scott and Committee Membership during the year was as follows:

Chair	Member
• Oliver Scott (from 8 July 2025) • Michelle Senecal de Fonseca (to 8 July 2025)	• Richard McGuire • Alan Aubrey • John Radziwill

The Committee meets at least twice a year and at other times during the year as agreed between the members of the Committee. The attendance record for the meetings held in the year is included on page 53 of this Report.

Committee responsibilities

The Group is committed to maximising shareholder value over time. Each year the Remuneration Committee reviews the incentive and reward packages for the Chairman, Executive Directors and senior executives to ensure that they are aligned with the Group's strategic objectives and financial performance, and are appropriate to attract, retain and motivate management behaviour in support of the Group's culture and beliefs and support the creation of shareholder value. The Committee has formal terms of reference which can be found in the investor section of the Group's website. The Board (excluding the Non-Executive Directors) sets the annual base fees payable to the Non-Executive Directors, and they do not receive any additional benefits.

Advisors to the Committee

FIT Remuneration Consultants LLP ("FIT") continues to provide independent advice to the Remuneration Committee in respect of remuneration quantum and structure and developments in governance and best practice more generally. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at www.remunerationconsultantsgroup.com.

Implementation of the Remuneration Policy for the year ending 31 March 2027

- Michelle Senecal de Fonseca remains as CEO on a salary of £400,000.
- Michelle Senecal de Fonseca will participate in the Company bonus scheme moving forwards with a maximum earnings opportunity of 50% of base salary.
- Tim Sykes was appointed to the Board as CFO on 1 June 2026 on a salary of £240,000. As part of his appointment, he will receive an LTIP award on terms broadly aligned to that granted to the CEO in December 2025.
- Executive Directors will receive a workforce aligned pension at 5% of salary or where lifetime allowance or annual allowance restricts this, the pension will be paid as a cash supplement.

Oliver Scott
Chair of the Remuneration Committee
25 September 2026

Directors' Remuneration Report – Annual Statement (continued)

Directors' Remuneration Policy

This section sets out the Directors' Remuneration Policy ("Policy"). In order to deliver the Group's strategy, the primary objectives of the Policy are:

- to operate a transparent, simple and effective remuneration structure which encourages the delivery of Group targets in accordance with its business plan and strategy;
- to attract, motivate and retain the best people of the highest calibre by providing competitive and appropriate short- and long-term variable pay which is dependent upon challenging performance conditions; and
- to promote the Group's culture and beliefs and promote the long-term success of the Group and ensure that its policy is aligned with the interests of, and feedback from, the Company's shareholders.

Summary of Directors' Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to achieve the strategic aims.	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers, the performance, role and responsibility of each Director, market conditions, the Group's performance and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide a market-competitive benefits package.	Life assurance cover of four times salary, private medical insurance for themselves, their spouse and their children, access to permanent health insurance if required.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Workforce aligned pension which may be paid as a pension and/or cash allowance if annual or lifetime limits are met.	Currently 5% of salary	n/a
Annual bonus	To reward performance against annual targets which support the strategic direction of the Group.	Cash bonus of up to 100% based on financial and strategic targets.	Normally capped at up to 100% of salary	Sliding scale of financial and strategic targets.
LTIP	To drive and reward the achievement of longer-term objectives and align management with shareholders.	Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/clawback provisions at the discretion of the Committee. Awards are split between base awards and booster awards based on stretch performance targets.	Normally capped at 200% of salary	Metrics will be linked to financial, share price and/or strategic targets. Stretch targets apply to the booster award.
All-employee share awards	To align management with employees and shareholders.	Awards will be consistent with prevailing HMRC tax favoured all-employee share plans.	Prevailing HMRC limits	n/a
Non-Executive Directors	The Committee determines the Chairman's fee. Fees for the Non-Executive Directors are agreed by the Chairman and Chief Executive.	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are normally paid in cash. Travel and other reasonable expenses incurred in the course of performing their duties may be reimbursed. Other than in exceptional circumstances, Non-Executive Directors will not normally participate in incentive plans.	n/a	n/a

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Directors' Remuneration Report – Annual Statement (continued)

Service contracts

The Executive Directors have service contracts that are subject to no more than six months' notice. The Chairman and Non-Executive Directors do not have contracts of service but are subject to three months' notice

Annual Report on Remuneration

The Company has voluntarily included certain disclosures drawn from Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 within this Annual Report on Remuneration. The Company is not required to comply in full with all Schedule 8 disclosure requirements and has therefore only included those elements considered relevant to shareholders. Unless specifically stated otherwise, the disclosures contained within this section are limited to the audited remuneration information presented and should not be regarded as constituting full compliance with all Schedule 8 requirements.

The audited remuneration of the Directors in respect of the year, with prior year FY25 comparatives, was as follows:

	Year	Base Salary / Fees	Annual Bonus	Taxable benefits	Pension	Share-based payments	**Total**
		£'000	£'000	£'000	£'000	£'000	**£'000**
Executive							
Michelle Senecal de Fonseca[1]	**FY26**	**361**	**-**	**1**	**16**	**-**	**378**
	FY25	-	-	-	-	-	-
Tony Ratcliffe[2]	**FY26**	**184**	**240**	**-**	**12**	**-**	**436**
	FY25	-	-	-	-	-	-
Non-Executive Directors							
Richard McGuire[3]	**FY26**	**85**	**-**	**-**	**-**	**-**	**85**
	FY25	43	-	-	-	-	43
Alan Aubrey	**FY26**	**50**	**-**	**-**	**-**	**-**	**50**
	FY25	50	-	-	-	-	50
Oliver Scott	**FY26**	**45**	**-**	**-**	**-**	**-**	**45**
	FY25	42	-	-	-	-	42
Michelle Senecal de Fonseca	**FY26**	**5**	**-**	**-**	**-**	**-**	**5**
	FY25	50	-	-	-	-	50
John Radziwill[4]	**FY26**	**45**	**-**	**-**	**-**	**-**	**45**
	FY25	19	-	-	-	-	19
Former Directors							
Peter Brotherton[5]	**FY26**	**64**	**-**	**-**	**3**	**-**	**67**
	FY25	384	86	-	44	92	606
David Senior[6]	**FY26**	**22**	**-**	**-**	**1**	**-**	**23**
	FY25	231	-	-	12	52	295
Nike Bate[7]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	42	-	-	-	-	42
Brian Woodford[8]	**FY26**	83*	**-**	**-**	**-**	**-**	**83**
	FY25	240	**-**	-	**-**	**-**	240

1. *Appointed CEO on 7 May 2025.*
2. *Appointed CFO on 18 August 2025 and stepped down from the Board on 11 June 2026.*
3. *Appointed Chairman and Non-Executive Director on 27 September 2024.*
4. *Appointed as Non-Executive Director on 31 October 2024.*
5. *Stepped down as CEO and Executive Director on 31 May 2025.*
6. *Stepped down as CFO and Executive Director on 30 April 2025.*
7. *Stepped down as Chairman on 27 September 2024.*
8. *Stepped down as CEO designate on April 2025.*

**Basic salary, allowances and fees include £80k in respect of payment in lieu of notice (PILON).*

Annual Bonus for the year ended 31 March 2026 (audited)

The annual bonus plan for the CFO for FY26 was based on the Data Centre Sale and Delivery of the 3-year MSP plan. Following the Remuneration Committee's assessment of performance against the targets, a bonus of £240,000 was awarded to Tony Ratcliffe.

Payments for loss of office (audited)

Peter Brotherton stepped down as CEO on 31 May 2025. He continued to receive salary and benefits (reduced from August 2025). He retained an entitlement to existing LTIPs based, subject to performance testing and pro-rating.

Directors' Remuneration Report – Annual Statement (continued)

Annual Report on Remuneration (continued)

Payments for loss of office (audited) (continued)

Tony Ratcliffe stepped down as CFO on 11 June 2026. He received his base salary, benefits and pension up to the date of cessation. No further payments were made or are payable in respect of Tony's departure.

Share Based Awards granted in year (audited)

As announced on 18 December 2025, the Company granted share awards ('Options') over: (i) ordinary shares of 0.1 pence in the Company ('Ordinary Shares') to Michelle Senecal de Fonseca; and (ii) notional Ordinary Shares ('Notional Ordinary Shares') to Richard McGuire (Non-Executive Chair) as set out in the table below.

Director	Options	Option Price
Michelle Senecal de Fonseca	Options over 2,096,774 Ordinary Shares granted under the Company's 2016 Long Term Incentive Plan ("LTIP")	0.1 pence per Ordinary Share
Richard McGuire	Options over 514,113 Notional Ordinary Shares granted under a one-off arrangement that operates by reference to the LTIP	Nil per Notional Ordinary Share

The Options:

- are intended to be 'one-off grants' and it is not expected that any further LTIP awards will be made to these individuals over the course of the next three years; and
- will ordinarily vest and become exercisable from 18 December 2028, subject to the recipient's continued employment (or Chairmanship, as relevant) and the performance conditions having been met.

The performance conditions attached to the Options are based on the Company's absolute Total Shareholder Return ('TSR') measured from 10 December 2025 using a base price of 124p (being the average closing mid-market price over the three days prior to the announcement of the Company's Interim results on 10 December 2025).

Consistent with past practice, the TSR targets, which will be measured over the three-year performance period (the "Performance Period"), are as follows:

- No vesting will occur for an annualised TSR of less than 5%;
- 12.5% of the Options will vest for achieving an annualised TSR of 5% increasing pro-rata to; and
- 100% of the Options vesting for an annualised TSR of 15%.

Directors share awards in the Company (audited)

Details of share options in the Company held by the Directors during the year are as follows:

	Exercise price (p)	Balance, 31 March 2025 (number)	Granted (number)	Exercised (number)	Cancelled / lapsed (number)	**Balance, 31 March 2026 (number)**
Michelle Senecal de Fonseca	0.1	-	2,096,774	-	-	2,096,774
Richard McGuire	0.1	-	514,113	-	-	514,113
Peter Brotherton	0.1	1,857,311	-		(639,273)	1,218,038
	110.3	-	16,551	-	-	16,551
David Senior	0.1	1,050,026	-	-	(1,050,026)	-
		2,907,337	**2,627,438**	**-**	**(1,689,749)**	**3,845,526**

Directors' Remuneration Report – Annual Statement (continued)

Annual Report on Remuneration (continued)

Directors' interests in shares (audited)

The interests (both beneficial and family interests) of the Directors in office at the year end date in the share capital of the Company were as follows:

	Interests in ordinary shares at 31 March 2026 (number)	Interests in ordinary shares at 31 March 2025 (number)	**Interests in share-based incentive options at 31 March 2026 (number)**	Interests in share-based incentive options at 31 March 2025 (number)
Executive				
Michelle Senecal de Fonseca	**-**	**-**	**2,096,774**	**-**
Tony Ratcliffe	**-**	**-**	**-**	**-**
Peter Brotherton	**-**	452,479	**1,234,589**	1,857,311
David Senior	**106,550**	113,090	**-**	1,050,026
Brian Woodford	**-**	-	**-**	-
Non-Executive				
Alan Aubrey	**76,407**	76,407	**-**	-
Oliver Scott[1]	**6,090**	6,090	**-**	-
Richard McGuire[2]	**75,000**	-	**514,113**	-
John Radziwill[3]	**-**	-	**-**	-

1. *Oliver Scott is a beneficial owner of Kestrel Opportunities, who held 16,715,306 ordinary shares in the Company as at 31 March 2025 and 31 March 2026.*
2. *Options over* Notional Ordinary Shares granted under a one-off arrangement that operates by reference to the LTIP.
3. *John Radziwill is a representative of ND Capital Investments Limited, who held 25,531,554 ordinary shares in the Company as at 31 March 2025 and 31 March 2026.*

Share price

The market price of the Company's shares on 31 March 2026 was 114 pence per share. The highest and lowest market prices during the year were 143p and 113p respectively.

Oliver Scott
Chair of the Remuneration Committee
25 September 2026

Financial Statements

Directors' Report

The Directors present their annual report together with the audited Financial Statements for the year ended 31 March 2026.

Principal activity

The principal activity of the Group during the year was the supply of IT Managed Services. The provision of DC services was considered a discontinued operation throughout the year and through to 30 April 2026, when the sale of the DC business was completed. During the year the Company was a holding company for two principal trading companies.

The Strategic Report on pages 1-43 of this Report contains a review of the business, future developments and the principal risks and uncertainties.

Dividends

In the light of the successful tender offer, with £90m being returned to shareholders in July 2026, the Board does not expect to recommend the payment of a final dividend. However, the Board is committed to reviewing the reintroduction of an annual dividend.

Substantial shareholders

As at 31 March 2026 and 31 August 2026 (being the latest practicable date before the publication of this report) the Company had been notified of the following significant interests of 3% or more in its ordinary shares:

	31 March 2026 Number	31 March 2026 % of total	31 August 2026 Number	31 August 2026 %
Lombard Odier Asset Management	34,035,069	21.36%	24,920,410	24.18%
Kestrel Investment Partners	32,603,346	20.46%	20,515,900	19.90%
ND Capital Investments Ltd	25,531,554	16.03%	16,186,100	15.70%
Slater Investments	18,130,768	11.38%	11,280,640	10.94%
Harwood Capital	17,490,000	10.98%	11,109,461	10.78%
Chelverton Asset Management	5,429,760	3.41%	3,041,920	2.95%

As of 31 August 2026, the Company's issued share capital comprised 103,071,740 ordinary shares.

Directors and their interests

The following were Directors of the Group plc during the year or at the date of approval of these Financial Statements:

- Alan Aubrey
- Richard McGuire
- John Radziwill
- Oliver Scott
- Michelle Senecal de Fonseca
- Tim Sykes (appointed 11 June 2026)
- Peter Brotherton (resigned 31 May 2025)
- Tony Ratcliffe (appointed 18 August 2025, resigned 11 June 2026)
- David Senior (resigned 30 April 2025)
- Brian Woodford (resigned 2 April 2025)

Details of Directors' remuneration, service agreements and interests in the share capital of the Company are provided in the Directors' Remuneration Report on pages 58-62 of this Report.

All Directors will retire in accordance with the terms of the Articles of Association of the Company and, being eligible, will offer themselves for re-election at the forthcoming AGM.

Directors' indemnities and liability insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the CA 2006. The indemnity was in force throughout the year and remains in force. The Company also purchased and maintained Directors' and Officers' liability insurance throughout the year in respect of itself and its Directors and Officers.

Directors' Report (continued)

Employees

The Group's employment policies are designed to ensure that they meet the statutory, social and market practices where the Group operates. The Group systematically provides colleagues with information on matters of concern to them (including through Group-wide announcements and all employee calls), consulting them or their representatives regularly (including through colleague forums, roadshows, the Company's newsletter and the colleague survey), so that their views can be considered when making decisions that are likely to affect their interests. Colleague involvement in the Group's performance is encouraged (including through employee share schemes such as the SAYE Scheme), as achieving a common awareness on the part of all colleagues of the financial and economic factors affecting the Group plays a major role in maintaining its relationship with its employees.

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all colleagues, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment for disabled persons, having regard to their aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group.

For further information on our colleagues see the Corporate Responsibility Statement on pages 25-26 of this Report.

Going concern

The Group's activities and an outline of the developments taking place in relation to its services and marketplace are considered in the Strategic Report on pages 24-25 of this Report. A commentary on the revenue, trading results and cash flows is provided in the Chief Financial Officer's Report on pages 9-18 of this Report.

Note 23.8 to the Financial Statements sets out the Group's financial risks. The Group is forecast to continue to be profitable and cash generative with high and continuing levels of recurring revenue and high levels of cash conversion expected for the foreseeable future.

The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with applicable law and UK-adopted international accounting standards.

The Financial Statements are prepared on a going concern basis which the Directors believe to be appropriate for the reasons outlined in Note 2.1.

Purchase of own shares

The authority to make purchases of the Company's shares on its behalf was given by resolution of the shareholders at the Company's 2025 AGM. This was reconfirmed at the General Meeting on 7 July 2026 and a resolution to renew this authority will be presented at the 2026 AGM.

Annual General Meeting

The 2026 AGM will be held at the Company's registered office, Central House, Beckwith Knowle, Harrogate, North Yorkshire, HG3 1UG, at 11.00 a.m. on Thursday 22 October 2026. The notice convening the AGM and what shareholders should do to register their intention to attend and/or vote by proxy are contained in a separate circular to shareholders and on the Group's website at https://www.redcentricplc.com/investors/shareholder-documents/.

Corporate governance

The Group's statement on corporate governance can be found in the Corporate Governance section of this Report and forms part of this Directors' Report and is incorporated by reference.

The Group's financial risk management objectives and policies are described in Note 23.8 of the Financial Statements.

Disclosure of information to the Auditor

The Directors of the Company at the date of approval of these Financial Statements confirm, as far as they are aware, that there is no relevant audit information of which the Auditor is unaware. The Directors have individually confirmed that they have taken all reasonable steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Directors’ Report (continued)

Subsequent events

Full details of the events subsequent to the reporting date of 31 March 2026 are shown in Note 33 to the Financial Statements. In summary:

Disposal of the DC business

The Group continued to advance negotiations regarding the sale of the DC business unit after 31 March 2026, with the transaction completing on 30 April 2026. As the disposal took place after the reporting date, it has not been recognised in the Financial Statements for the year ended 31 March 2026.

The total gross proceeds received were £124.9m and costs directly attributable to the sale were approximately £5.0m.

Bank facilities

On 28 August 2026, the Group agreed new banking facilities to better support the requirements of the MSP - the new facilities comprise a £30m RCF facility with a £10m Accordion facility with NatWest Bank and Barclays Bank on an initial 3-year term.

Tender Offer and share capital restructure

Following the year end, the Group completed a capital reorganisation and return of capital to shareholders. On 7 July 2026 the Company completed the cancellation of its share premium account, creating approximately £75.8m of distributable reserves.

Subsequently, on 21 July 2026, the Company completed a £90.0m return of capital to shareholders through a tender offer. A total of 56,250,000 ordinary shares were repurchased and cancelled at a price of £1.60 per share, reducing the number of ordinary shares in issue from 159,321,733 to 103,071,733.

Following the tender offer and the issue of seven ordinary shares to facilitate the transaction, the Company completed a 20-for-1 share consolidation followed immediately by a 1-for-20 share subdivision, resulting in 103,071,740 ordinary shares of £0.001 each in issue. Fractional entitlements arising on the share consolidation were subsequently repurchased by the Company and are held in treasury. This was completed on 5 August 2026.

Share buy-back programme

On 11 August 2026, the Company announced that it had approved a share buy-back programme of up to £1.5m in the period to 30 September 2026, in accordance with the authority given by shareholders at the General Meeting held on 7 July 2026. At 25 September 2026, the total number of shares purchased was 1,140,937 with an aggregate purchase price of approximately £1.2m.

There have been no other significant events between the balance sheet date and the date of approval of these accounts.

By order of the Board

Liz Wild
Company Secretary
25 September 2026

Governance

Statement of Directors' Responsibilities

The Directors are responsible for preparing this Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company Financial Statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the parent Company Financial Statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

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 parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its Financial Statements comply with the CA 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

By order of the Board

Liz Wild
Company Secretary
25 September 2026

KPMG

Independent auditor’s report

to the members of Redcentric plc

1. Our opinion is unmodified

We have audited the financial statements of Redcentric plc (“the Company”) for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Balance Sheet, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 2 for the consolidated financial statements and note 1 for the company financial statements.

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 2026 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: Group financial statements as a whole	£1.2m (2025: £1.2m) 0.91% (2025: 0.90%) of revenue from continuing operations	
Key audit matters		**vs 2025**
Recurring risks	Recoverability of the parent Company’s investment in Redcentric Solutions Limited	▲
New	Going concern	◀▶

2. Key audit matters: our assessment of risks of material misstatement (continued)

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Parent company: Recoverability of parent company's investments in Redcentric Solutions Limited (£106.8 million; 2025: £105.9m) *Refer to page 57 (Audit Committee Report), page 124 (accounting policy) and page 126-127 (financial disclosures).*	**Subjective estimate:** The carrying amount of the parent Company's investments in subsidiaries represents 98.7% (2025: 100%) of the Company's total assets. The investment in Redcentric Solutions Limited (RSL) is £106.8m. The recoverability of the investment in RSL is assessed by calculating the Equity Value of the subsidiary. This is subject to estimation due to the inherent uncertainty involved in calculating the enterprise value, which includes key assumptions such as revenue growth and the terminal value applied to the VIU models. The effect of these matters is that, as part of our risk assessment we determined that the recoverability of the Investment in RSL has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The Company financial statements note 2 disclose the sensitivities performed by the Company.	We performed the tests below rather than seeking to rely on any of the parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: — **Test of detail:** We compared the carrying amount of 100% of investments to the net assets of the relevant subsidiary included within the group consolidation to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of the carrying amount. — **Test of detail:** For RSL, where the carrying amount exceeded the net asset value, we compared the carrying amount of the investment with the equity value of the subsidiary based on a value in use model. — **Test of detail:** We assessed the fair value of debt and surplus asset adjustments in the model used to derive the equity value, verifying these back to supporting evidence. — **Benchmarking assumptions:** we challenged the forecast assumptions for cash flow projections, including assessing the rate of revenue growth against historical trends and assessing the terminal value against externally derived sources. — **Sensitivity analysis:** We reperformed the sensitivity analysis as disclosed in note 2 of the Company financial statements. — **Assessing transparency:** We assessed the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the recoverable amount, as well as the sensitivity disclosures on the key assumptions.

In the prior year we identified two event driven key audit matters, 'Reallocation of Goodwill on a relative value basis to identified CGUs following the carve out of the Data Centre operations' and 'Significant judgements – Segmental reporting (IFRS 8) and discontinued operations (IFRS 5) disclosures'.

The 'Reallocation of Goodwill on a relative value basis to identified CGUs following the carve out of the Data Centre operations' was an event driven item which is not applicable in the current year, and so it has not been separately identified in our report this year.

We continue to perform procedures over 'Significant judgements – Segmental reporting (IFRS 8) and discontinued operations (IFRS 5) disclosures'. However, as the risk associated with this judgment has reduced, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

KPMG

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Going concern *Refer to page 57(Audit Committee Report), and page 77-78 (financial disclosures).*	**Disclosure quality** At the planning stage of the audit, we identified going concern as a significant risk. The Group's revolving credit facility ("RCF") was due to mature in April 2027, within 12 months of the reporting date, and the Group would not have been able to repay the facility at maturity from available financial resources without refinancing. Accordingly, securing replacement financing was a key judgement underpinning management's going concern assessment and required significant auditor focus. On 28 August 2026, the Group successfully completed the refinancing of the facility for an initial term of three years. This significantly reduced the uncertainty associated with the Group's funding position. In conducting our final audit work, our focus changed to be on understanding the terms of the new facility, evaluating the impact of the refinancing on the directors' going concern assessment and assessing whether the related disclosures appropriately described the refinancing and its effect on that assessment.	We considered whether the directors' going concern assessment appropriately reflected the impact of the refinancing and whether liquidity or covenant compliance could be adversely affected during the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts, taking account of severe, but plausible, adverse effects considered individually and collectively. Our procedures also included: • **Funding assessment:** we read the refinancing documents relating to the new RCF to understand the terms, availability and covenant compliance of the facility, and evaluated the impact of the refinancing on the directors' going concern assessment. • **Historical comparisons:** we assessed the ability of the Group to accurately forecast by comparing actual performance to forecasts, including for adjusted EBITDA, levels of new order intake and non-recurring revenues compared to previous projections. • **Test of detail:** we critically assessed the cash flow forecasts by considering the appropriateness of key assumptions, with a focus on revenue growth and the resulting impact on liquidity and covenant compliance. • **Assessing transparency:** we assessed whether the matters included in the going concern disclosure in note 2.1 provided a full and accurate description of the directors' assessment, including the refinancing of the RCF and its effect on that assessment.

KPMG

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £1.2m (2025: £1.2m), determined with reference to a benchmark of Group revenue from continuing operations of £132.1m (2025: £135.1m), of which it represents 0.91% (2025: 0.90%).

Materiality for the parent Company financial statements as a whole was set at £1.0m (2025: £1.0m), determined with reference to a benchmark of parent Company total assets, of which it represents 0.92% (2025: 0.94%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2025: 65%) of materiality for the Consolidated financial statements. We applied this percentage in our determination of performance materiality based on the level of identified control deficiencies and audit misstatements during the prior period and turnover in senior finance individuals in the current year. Performance materiality for the parent Company financial statements was set at 75% (2025:75%). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk. Performance materiality equates to £0.78m (2025: £0.78m) for the Group and £0.65m (2025: £0.65m) for the parent Company.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.06m (2025: £0.06m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 4 (2025: 4) components, having considered our evaluation of the Group's operational and legal structure and our ability to perform audit procedures centrally.

Of those, we identified 2 (2025: 2) quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Accordingly, we performed audit procedures on 2 (2025: 2) components.

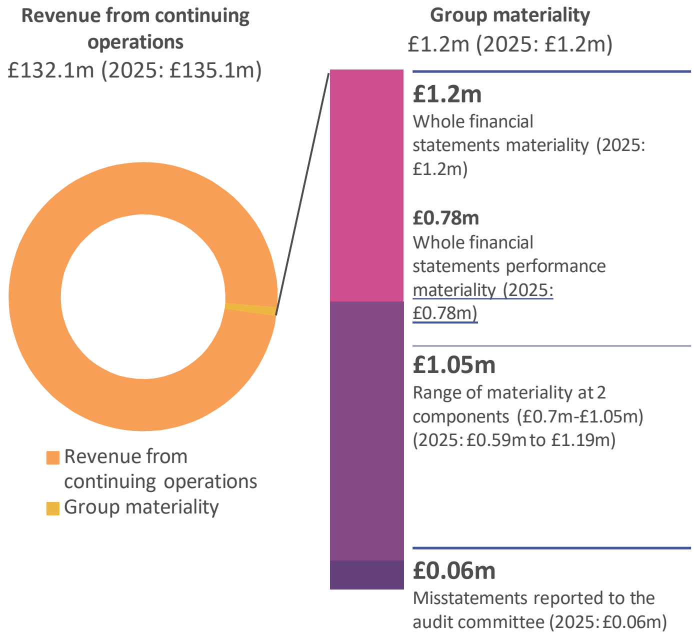
We set the component materialities, ranging from £0.7m to £1.05m (2025: £0.59m to £1.19m), having regard to size and risk profile.

Our audit procedures covered 100% (2025: 100%) of Group revenue from continuing operations.

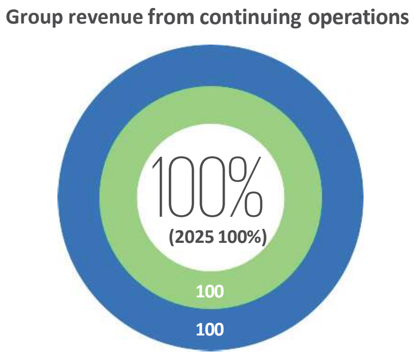
We performed audit procedures in relation to components that accounted for 98% (2025: 91%) of Group profit before tax and 100% (2025: 99%) of Group total assets.

For the remaining components, no component represented more than 5% (2025: 5%) of Group revenue from continuing operations, Group profit before tax or Group total assets. We performed analysis at a Group level to re-examine our assessment that there is not a risk of material misstatement relating to these components.

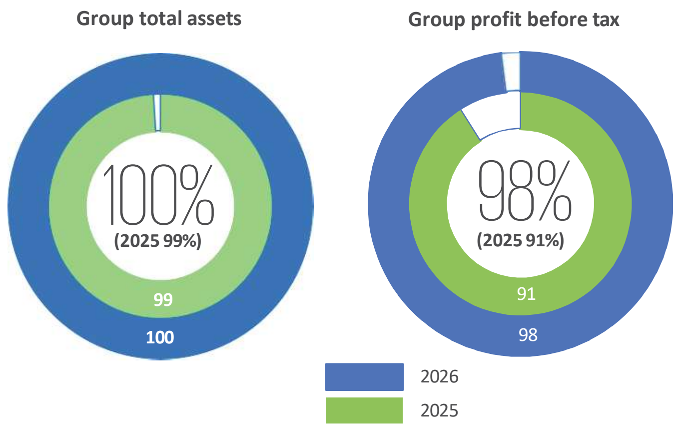
The Group auditor performed the audit of the parent Company.



Our audit procedures covered the following percentage of Group revenue from continuing operations:



We performed audit procedures in relation to components that accounted for the following percentages:



4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period , and we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included :

- Enquiring of directors and the Audit Committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit Committee, and Remuneration Committee minutes.
- Considering remuneration incentive schemes, performance targets and strategic business objectives for the directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited subjectivity, judgement and complexity in relation to revenue recognition thus significantly reducing the opportunity to manipulate revenue.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those journals with unexpected account pairings or posted by unexpected users.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Assessing if any bias is present in the judgement in relation to the classification of exceptional items.

We discussed with the audit committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and others management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly , the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, environmental protection legislation and contract legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

KPMG

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In addition to our audit of the financial statements, the directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the Companies Act 2006.

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006, as if those requirements applied to the Company.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 and the part of the Directors' Remuneration Report which we were engaged to audit 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.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 66, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

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 and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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.

Sabira Datoo

Sabira Datoo (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

25 September 2026

Consolidated Statement of Comprehensive Income for the year ended 31 March 2026

	Note	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Continuing operations			
Revenue	6	**131,985**	135,138
Cost of sales		**(51,459)**	(51,857)
Gross profit		**80,526**	83,281
Operating costs		**(72,460)**	(74,886)
Adjusted EBITDA[1]		**17,372**	18,758
Depreciation of property, plant and equipment	16	**(4,481)**	(4,001)
Amortisation of intangibles	15	**(2,140)**	(2,593)
Depreciation of right-of-use assets	17	**(1,516)**	(1,610)
Exceptional costs	9	**(253)**	(924)
Share-based payments and associated National Insurance	28	**(916)**	(1,235)
Operating profit		**8,066**	8,395
Finance income		**6**	-
Finance costs	10	**(3,228)**	(4,011)
Profit before taxation on continuing operations		**4,844**	4,384
Income tax charge	12	**(1,677)**	(1,691)
Profit for the period from continuing operations		**3,167**	2,693
Discontinued operations			
Profit after tax for the period from discontinued operations	5	**8,951**	795
Profit for the period attributable to owners of the parent		**12,118**	3,488
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**(183)**	(105)
Net loss on cash flow hedges		**(94)**	(245)
Deferred tax in relation to prior years		**(24)**	14
Total comprehensive profit for the period		**11,817**	3,152
Earnings per share			
Basic earnings per share	13	**7.61p**	2.20p
Diluted earnings per share	13	**7.38p**	2.13p
Earnings per share from continuing operations			
Basic earnings per share	13	**1.99p**	1.70p
Diluted earnings per share	13	**1.93p**	1.64p

[1] *For an explanation and reconciliation of the alternative performance measures used in this report, please refer to the Chief Financial Officers Review on pages 10-19.*

The Notes on pages 77 to 121 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position as at 31 March 2026

	Note	**31 March 2026** £'000	31 March 2025 £'000
Non-Current Assets			
Intangible assets	15	**34,671**	36,428
Property, plant and equipment	16	**9,328**	10,208
Right-of-use assets	17	**2,482**	4,689
Trade and other receivables	20	**2,216**	3,508
Deferred tax asset	18	**1,881**	2,109
		50,578	56,942
Current Assets			
Inventories	19	**2,391**	2,509
Trade and other receivables	20	**32,370**	28,809
Cash and cash equivalents	21	**4,715**	3,018
Assets held for sale	26	**106,628**	82,169
		146,104	116,505
Total Assets		**196,682**	173,447
Current Liabilities			
Trade and other payables	22	**31,362**	30,436
Bank loans and asset financing	23.1	**653**	822
Lease liabilities	24	**1,402**	1,526
Financial liabilities	23.5	**307**	153
Provisions	25	**-**	507
Corporation tax payable		**1,160**	329
Liabilities directly associated with the assets held for sale	26	**53,163**	40,320
		88,047	74,093
Non-Current Liabilities			
Trade and other payables	22	**2,324**	2,461
Bank loans and asset financing	23.2	**40,321**	39,933
Lease liabilities	24	**1,020**	3,181
Financial liabilities	23.5	**32**	92
Provisions	25	**162**	233
		43,859	45,900
Total Liabilities		**131,906**	119,993
Net Assets		**64,776**	53,454
Equity			
Called up share capital	27	**159**	159
Share premium account	27	**75,803**	75,649
Common control reserve		**(9,454)**	(9,454)
Own shares held in treasury	27	**(1)**	(298)
Cash flow hedge reserve		**(339)**	(245)
Translation reserve		**(1,320)**	(1,137)
Retained earnings		**(72)**	(11,220)
Total Equity		**64,776**	53,454

The Notes on pages 77 to 121 are an integral part of these Consolidated Financial Statements.

The Financial Statements of the Group Plc (Registration Number 08397584) on pages 73 to 76 and the Notes to these Financial Statements on pages 77 to 121 were approved by the Board on 25 September 2026 and are signed on its behalf by:

Tim Sykes
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March 2026

	Note	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Profit before taxation	4	**13,573**	5,988
Finance income		**(6)**	-
Finance costs	10	**5,593**	5,472
Operating profit		**19,160**	11,460
Adjustment for non-cash items			
Depreciation and amortisation	15,16,17	**8,137**	20,961
Loss on disposal of property, plant and equipment		**23**	-
Exceptional costs	9	**3,719**	1,703
Share-based payments	28	**976**	1,267
Movement on provisions*		**(504)**	-
Operating cash flow before exceptional items and movements in working capital		**31,511**	35,391
Cash costs of exceptional items		**(3,592)**	(1,320)
Cash costs of provisions		**(397)**	(33)
Operating cash flow before changes in working capital		**27,522**	34,038
Changes in working capital			
Decrease in inventories		**117**	1,678
Increase in trade and other receivables		**(5,874)**	(846)
Increase/(decrease) in trade and other payables		**4,059**	(4,959)
Cash generated from operations		**25,824**	29,911
Tax paid		**(649)**	(145)
Net cash generated from operating activities		**25,175**	29,766
Cash flows from investing activities			
Interest received		**6**	-
Purchase of property, plant and equipment		**(6,658)**	(9,664)
Purchase of intangible assets		**(450)**	(1,698)
Net cash used in investing activities		**(7,102)**	(11,362)
Cash flows from financing activities			
Dividends paid	14	**(1,907)**	(5,705)
Disposal of treasury shares on exercise of share options		**241**	387
Financing of property, plant and equipment		**-**	1,714
Financing of unsecured loans		**-**	966
Interest paid on bank loans, term loans and asset financing		**(3,074)**	(3,597)
Interest paid on leases		**(1,927)**	(1,251)
Repayment of leases	23.4	**(7,156)**	(8,762)
Repayment of asset financing liabilities	23.4	**(3,529)**	(1,031)
Repayment of term loans	23.4	**(3)**	(18)
Drawdown of bank loans	23.4	**10,500**	8,500
Repayment of bank loans	23.4	**(9,500)**	(9,500)
Issue of shares		**154**	-
Payment of loan arrangement fees		**(120)**	(200)
Net cash used in financing activities		**(16,321)**	(18,497)
Net increase/(decrease) in cash and cash equivalents		**1,752**	(93)
Cash and cash equivalents at beginning of period		**3,018**	3,130
Effect of exchange rates		**(55)**	(19)
Cash and cash equivalents at end of the period		**4,715**	3,018

**In the current year, the non-cash movement on provisions has been separately presented within the cash flow. In the prior year, this movement was included within working capital movements and has not been separately disclosed.*

The Notes on pages 77 to 121 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

	Share capital £'000	Share premium £'000	Common control reserve £'000	Own shares held in treasury £'000	Cash flow hedge reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2024	159	75,649	(9,454)	(779)	-	(1,032)	(10,060)	54,483
Profit for the period	-	-	-	-	-	-	3,488	3,488
Transactions with owners								
Share-based payments	-	-	-	-	-	-	1,137	1,137
Dividends paid	-	-	-	-	-	-	(5,705)	(5,705)
Share option exercises	-	-	-	481	-	-	(94)	387
Other comprehensive income								
Currency forward contracts	-	-	-	-	(245)	-	-	(245)
Currency translation differences	-	-	-	-	-	(105)	-	(105)
Deferred tax relating to prior periods	-	-	-	-	-	-	14	14
At 31 March 2025	**159**	**75,649**	**(9,454)**	**(298)**	**(245)**	**(1,137)**	**(11,220)**	**53,454**
Profit for the period	-	-	-	-	-	-	**12,118**	**12,118**
Transactions with owners								
Share-based payments (Note 28)	-	-	-	-	-	-	**876**	**876**
Issue of new shares	-	**154**	-	-	-	-	-	**154**
Dividends paid (Note 14)	-	-	-	-	-	-	**(1,907)**	**(1,907)**
Share option exercises	-	-	-	**297**	-	-	**(56)**	**241**
Deferred tax re share-based payments	-	-	-	-	-	-	**146**	**146**
Deferred tax re share-based payments prior year	-	-	-	-	-	-	**(5)**	**(5)**
Other comprehensive income								
Currency forward contracts	-	-	-	-	**(94)**	-	-	**(94)**
Currency translation differences	-	-	-	-	-	**(183)**	-	**(183)**
Deferred tax re forward contracts	-	-	-	-	-	-	**(24)**	**(24)**
At 31 March 2026	**159**	**75,803**	**(9,454)**	**(1)**	**(339)**	**(1,320)**	**(72)**	**64,776**

The Notes on pages 77 to 121 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026

1 Corporate information

The Group plc is a public limited company incorporated and domiciled in England and Wales, whose shares are publicly traded on the AIM division of the London Stock Exchange. The Group plc was incorporated on 11 February 2013 and admitted to AIM on 24 April 2013. The registered office is located at Central House, Beckwith Knowle, Harrogate, HG3 1UG.

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been applied consistently in the current and prior period.

These Financial Statements are presented in pound sterling, being the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest thousand (£'000), unless otherwise indicated.

The Financial Statements are prepared on the historical cost basis except that derivative financial instruments are measured at fair value.

2 Accounting policies

2.1 Basis of preparation

The Group Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS").

The Financial Statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons.

The Company meets its day-to-day working capital requirements from the Company's operational cash flows, a Revolving Credit Facility, Asset Financing Facility and leasing arrangements. As at the year end date, the Revolving Credit Facility is a £60.0m facility (net £40.0m utilised at 31 March 2026); the Revolving Credit Facility and Asset Financing Facility were extended a further year to 26 April 2027. The Asset Financing Facility is a £10.0m facility and a total of £1.0m of the Asset Financing Facility was utilised at 31 March 2026.

Subsequent to the year end, on 28 August 2026, the Group successfully refinanced its banking facilities and entered into a new syndicated facility agreement with National Westminster Bank Plc and Barclays Bank PLC. The new facilities comprise a £30.0m Revolving Credit Facility together with a £10.0m accordion facility available subject to lender approval. The facilities have an initial term of three years through to August 2029, with an option to extend for a further year subject to lender consent. Borrowings under the facility bear interest at a SONIA-based floating rate plus a leverage-linked margin ranging from 1.65% to 2.75% per annum.

The Directors have prepared detailed line-by-line financial forecasts, including cash flow forecasts, on a monthly basis for a period of at least 12 months from the date of approval of these Financial Statements (the "going concern assessment period") which indicate that, taking account of reasonably possible downsides on the operations and its financial resources, the Group and the Company will have sufficient funds to meet their liabilities as they fall due for that period, and will comply with debt covenants over that period.

The Group is required to comply with financial debt covenants for adjusted leverage (net debt to adjusted EBITDA), cash flow cover (adjusted cash flow to debt service, where adjusted cash flow is defined as adjusted EBITDA less tax paid, dividend payments, IFRS 16 lease repayments and cash capital expenditure) and provisions relating to guarantor coverage such that guarantors must exceed a prescribed threshold of the Group's gross assets, revenue and adjusted EBITDA. The guarantors are the Group plc, Redcentric Solutions Limited and Redcentric Data Centres Limited. Covenants are tested quarterly each year.

As at 31 March 2026, the DC business unit was classified as a disposal group held for sale in accordance with IFRS 5. Subsequent to the reporting date, the disposal of the DC business unit was completed on 30 April 2026. Following receipt of the consideration from the transaction, the Group repaid in full all outstanding borrowings under its Revolving Credit Facility ("RCF"). Accordingly, no amounts were drawn under the facility subsequent to completion of the disposal.

The Directors' going concern assessment incorporates the impact of the disposal, the resulting strengthening of the Group's liquidity position and the successful refinancing of the Group's banking facilities completed after the reporting date. The Group's forecasts and cash flow projections indicate utilisation of approximately £10.0m under the new facilities as at 31 August 2026. Following completion of the disposal, the guarantors to the Group's financing arrangements remain the Group plc and Redcentric Solutions Limited.

The Directors' forecasts in respect of the going concern assessment period have been built from the detailed budget for the year ending 31 March 2027 as presented to the Board in May 2026, and associated financial forecast for the year ending 31 March 2028, and the going concern assessment takes account of the debt covenant requirements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

2.1 Basis of preparation (continued)

The forecasts include a number of assumptions in relation to order intake, renewal, churn rates and EBITDA margin improvements. From 1st April 2026 a new strategic growth plan has been assumed to target a significant market opportunity on VMware licensing due to Broadcom's strategic shift pushing smaller customers to pinnacle partners of which the Group is one, alongside a target operating model change to enable cost base reductions with benefits to revenue, cost of sales and operating costs which have been stress tested in the downside scenario.

Whilst the Company's trading and cash flow forecasts have been prepared using current trading assumptions, the operating environment continues to present several challenges which could negatively impact the actual performance achieved. These risks include, but are not limited to, achieving forecast levels of new order intake, the impact on customer confidence as a result of general economic conditions and inflationary cost pressures including unexpected one-off cost impacts. In making their going concern assessment, in light of these risks, the Directors have also modelled a combined severe but plausible downside scenario when preparing the forecasts.

The downside scenario assumes significant economic downturn over FY27 and into FY28, primarily impacting the ability to grow recurring revenue year-on-year, improve gross margin and limit operating expenditure growth to below inflationary levels as the Directors Note the uncertainties surrounding the delivery of new strategy. In this scenario, recurring revenue assumes only 50% of the cloud evergreen deals will continue into FY28, cost of sales inflation at 5% that is not recovered through price increases to customers, salary costs increasing by 3.5% over base levels and operating expenditure costs increasing by 2% over base levels.

An additional factor that can impact on the revenue and gross margin assumptions in the going concern assessment period is the level of customer cancellations (of an individual service or product). Whilst known, near-term customer cancellations have been modelled, coupled with an underlying level of customer cancellations based on historic trends, there remains a risk that unexpected, medium to large customer cancellations could occur in the near-term. The Company is protected contractually to a large extent with notice periods and cancellation clauses; however, a residual risk remains. An additional level of customer cancellations has therefore been modelled each quarter in the downside scenario to reflect this risk.

Other assumptions incorporated within the downside scenario include the achievement of only 80% of the non-recurring revenue forecast in the base case. In addition, lower IFRS 16 lease payments have been assumed as a result of a reduction in cloud evergreen contracts, with the related leased capital expenditure no longer required.

In preparing the cash flow forecasts and analysis relating to debt covenant compliance through the going concern assessment period, the Directors have considered the nature of exceptional items and are satisfied that such items meet the Company's accounting policy and borrowings facility agreement definition of exceptional items.

A SONIA rate of 4.73% has been assumed, representing a 1.0 percentage point increase over the official published rate as at 26 July 2026. In light of external market expectations that interest rates have broadly stabilised, no additional sensitivity analysis in respect of interest rate movements has been incorporated within the severe but plausible downside scenario.

Both the base case and severe but plausible downside scenarios include the planned return of a significant proportion of the proceeds from the disposal of the DC business unit to shareholders, which completed on 5 August 2026.

Under the downside scenario modelled, and including the new customer contract overlay, the forecasts demonstrate that the Group is expected to maintain sufficient liquidity and will continue to comply with the relevant debt covenants without management taking mitigating actions. While not modelled, mitigating actions which are within the Group's control would also be available in the event of a severe downside. Such actions include, but are not limited to, the rephasing of discretionary capital expenditure, and further management of discretionary cost areas such as marketing, training and travel.

The Directors therefore remain confident that the Group and Company have adequate resources to continue to meet their liabilities as and when they fall due within the period of at least 12 months from the date of this Report.

2.2 Changes in accounting policy and disclosure

The following amendments became effective as at 1 January 2025:

- Lack of exchangeability (amendments to IAS 21)

The amendment has however not had any impact on the Group for the year ended 31 March 2026 as the Group operates in jurisdictions where foreign currencies are readily exchangeable and did not encounter any circumstances in which exchangeability between currencies was lacking during the reporting period.

Adopted IFRS not yet applied

IFRS 18 *Presentation and Disclosure in Financial Statements*, which is effective for annual reporting periods beginning on or after 1 January 2027, will replace IAS 1 *Presentation of Financial Statements*. The standard introduces new requirements relating to the presentation of the statement of profit or loss, including specified categories, totals and subtotals, enhanced guidance on the aggregation and disaggregation of information, and additional disclosures relating to management-defined performance measures. The standard also includes consequential amendments to other accounting standards, including IAS 7 *Statement of Cash Flows*. The Group is currently assessing the impact of adopting IFRS 18. Whilst the standard is not expected to affect the recognition or measurement of the Group's assets, liabilities, income or expenses, it is expected to result in changes to the presentation and disclosure of information within the Group's Financial Statements.

Other than IFRS 18 there are no new standards, amendments to existing standards or interpretations that are not yet effective that are expected to have a material impact on the Group. Such developments are routinely reviewed by the Group and its financial reporting systems are adapted as appropriate.

2.3 Basis of consolidation

The Group Financial Statements consolidate those of the Company and of its subsidiary undertakings drawn up to 31 March 2026.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

2.4 Segmental reporting

IFRS 8 *Operating segments* requires operating segments to be identified based on internal financial information reported to the chief operating decision-maker for decision-making purposes. The Group considers that this role is performed by the main Board. Consistent with the prior year, the Board has determined that the Group comprises two reportable segments: the provision of IT Managed Services and the provision of Data Centre Services.

2.5 Revenue recognition

IFRS 15 ‘Revenue from contracts with customers’ requires “performance obligations” to be identified at the inception of the contract for each of the distinct goods or services that have been promised to the customer. The following table summarises the performance obligations that the Group has identified for its major revenue lines and provides information on the time when they are satisfied and the related revenue recognition policy. The Group does not consider that there are any significant judgements made in concluding when a customer obtains control of a promised good or service.

2.5 Revenue recognition (continued)

Revenue line	Performance obligation	Revenue recognition policy
Recurring Revenue	Provision of IT Managed Services to the customer. All of the revenue in this category is contracted and includes a full range of managed support, maintenance, licence subscription, and service agreements. Performance obligations are identified for each distinct service for which the customer has contracted and are considered to be satisfied over the time period that these services are delivered.	Revenue for these types of services is recognised evenly over the period of the agreement as the services are provided.
Product Revenue	Provision of third-party hardware (e.g., phone handsets, routers) to the customer as a one-off, distinct sale. Performance obligations are satisfied at the point in time that control passes to the customer.	Revenues for product sales are recognised in full in the Statement of Comprehensive Income upon delivery to the customer. Amongst other factors the Group has pricing, credit and fulfilment risk and as such is considered to be principal in these transactions.
Services Revenue	Provision of professional services including consultancy services, and engineering services in respect of setups and installation of a customer managed service. Installation is typically intrinsically linked to the provision of the IT Managed Services (in recurring revenue above), so these services do not represent separate performance obligations and are therefore combined with the associated service performance obligation. The Group also provides certain services that are non-complex and distinct from the provision of the underlying managed service contract. The completion of these services is a separate performance obligation.	Services revenue is recognised from the date of installation of a managed service and recognised evenly over the period of the agreement. For distinct separable services revenue is recognised at the point of completion of the performance obligation (e.g. upon delivery to the customer).

There are no material obligations in respect of returns, refunds or warranties.

The Group recognises revenue based on the stand-alone selling price of each performance obligation. Determining the selling price is typically driven by list prices.

Payments received in advance of the revenue recognition point are recognised as deferred income (contract liabilities) within trade and other payables. Deferred income expected to be settled within 12 months is presented as current liabilities while those expected to be settled outside of the normal operating cycle i.e. after more than 12 months, are classified as non-current liabilities. Revenue expected to be recognised in future periods for performance obligations that are not complete (or partially complete) as at 31 March 2026 is £153m from continuing operations (£78k from discontinued operations). This expectation is informed by existing customer contracts, and the expected term of services based on management's expectation of anticipated renewal dates. Of this, £147m relates to recurring revenue for continuing operations (£78k from discontinued operations). In comparison, revenue expected to be recognised in future periods for performance obligations that were not complete (or partially complete) as at 31 March 2025 was £237m from continuing operations (£54m from discontinued operations). Of this, £230m from continuing operations (£54k from discontinued operations) related to recurring revenue. Standard payment terms of 30 days are offered to customers.

Amounts billed in arrears are recognised as accrued income (contract assets) within trade and other receivables.

Capitalisation of costs to obtain a contract

The Group pays commission to its sales teams for new contracts and renewals with the associated cost recognised over the life of the contract in accordance with IFRS 15. Commission payments paid in advance are recognised as contract acquisition assets within trade and other receivables. Amortisation of the associated contract acquisition asset is recognised within cost of sales within the Statement of Comprehensive Income.

2.5 Revenue Recognition (continued)

Incremental revenues

Incremental revenues are generated based on usage for calls and data. Some managed service contracts contain an element of usage-based charges, and customers may request additional services or changes in scope, both resulting in additional charges. Usage-based charges are typically billed in arrears, in the period subsequent to that in which the usage takes place, and revenue is therefore accrued in the month in which usage takes place. For changes in scope or additional services, a new distinct contract is entered into, with revenue recognised as above.

Principal versus agent considerations

The Group has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods/services to the customer. In making this assessment the Group considers the overall performance obligation in the contract and whether the individual services provided in satisfying the performance obligation are distinct.

The Group acts as a principal in a transaction if it controls a promised good or service before transferring that good or service to the customer. The Group is an agent in a transaction if its role is to arrange for another entity to provide the good or service.

Where the Group has determined that it is acting as a principal in a transaction with a customer, revenue is recorded on a gross basis. Where the Group is acting as an agent, revenue is recorded at a net amount reflecting the margin earned.

Colocation revenue

Colocation revenue involves the delivery of data centre services. Specifically, the Group provides physical space, power, cooling, security and related services to customers who install and, in some cases, operate their own IT or network equipment from the designated space. Management have determined that colocation revenue does not contain a lease component. Whilst there is a degree of judgement involved in determining this management do not believe this to be a significant judgement for the following reasons:

- The individual customer contracts all state that the colocation service does not constitute a leasing arrangement;
- The Group has substantive substitution rights and can demonstrate how this has been used; and
- The customer does not gain substantially all of the economic benefits of the asset as the customer is only using a small percentage of the capacity of the asset.

The colocation services are considered a single performance obligation satisfied over time. Fixed monthly fees are recognised on a straight-line basis over the contract term, while variable charges, such as power usage, are recognised as incurred.

2.6 Exceptional items

Exceptional items are items of income and expense which are material and, due to their nature and expected infrequency of the events giving rise to them, are presented separately on the face of the Statement of Comprehensive Income in order to provide a further understanding of the Group's financial performance. Exceptional items are excluded from the Group's alternative performance measures (APMs), as defined in the Chief Financial Officers Review on pages 10-19 of this Report, and are disclosed in detail in Note 9. Amounts included in exceptional items may also represent the realisation of additional income or expense related to items presented as exceptional in prior periods.

2.7 Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the award at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date at which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model for which the assumptions are approved by the Directors. In valuing equity-settled transactions, only vesting conditions linked to the market price of the shares of the Company are considered.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in the cumulative expense since the previous balance sheet date is recognised in the Statement of Comprehensive Income, with a corresponding entry in equity.

2.7 Share-based payments (continued)

Equity-settled transactions *(continued)*

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the existing charge is recognised immediately. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Statement of Comprehensive Income.

In respect of equity-settled transactions with employees, the Group plc grants rights to its equity instruments to employees of the Group. The Group's subsidiaries are the receiving entities for such arrangements as they receive the related services from employees; however, such awards are ultimately settled by the Group plc as the parent Company.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

2.8 Taxation

The taxation expense charged in the Consolidated Statement of Comprehensive Income represents the sum of the current tax expense and the deferred tax expense.

The current tax payable is based on the taxable profit for the year. Taxable profit differs from accounting profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is provided for on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the Financial Statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business.

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

Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except where the underlying transaction relates directly to equity.

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

2.9 Foreign currencies

The functional and presentation currency of the Group plc is Pound Sterling (£) and the Group conducts the majority of its business in Sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Comprehensive Income, except for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

2.10 Pensions

The Group operates a defined contribution scheme. Pension costs are charged directly to the Statement of Comprehensive Income in the period to which they relate on an accruals basis. The Group has no further payment obligations once contributions have been paid.

2.11 Subsidiaries

Subsidiaries are entities controlled by the Group. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control is established to the date control ceases.

Control is achieved where the acquiring Company has the power to govern the financial and operating policies of an investee entity therefore obtaining benefits from its activities. Intercompany transactions and outstanding balances are eliminated on consolidation.

For the year ended 31 March 2026 the following companies are exempt from audit under s479A of the Companies Act 2006 (the Act) as the Group plc will provide a guarantee under s479C of the Act and their results are included in its Consolidated Financial Statements.

- 7 Elements Limited (number SC382475)
- 4D Data Centres Limited (number 04592242)

2.12 Intangible assets

a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net asset of the subsidiary, in the case of a bargain purchase, the difference is recognised directly in the Statement of Comprehensive Income.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at the acquisition date any goodwill acquired is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use ("VIU"). The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The VIU calculation is based on a discounted cash flow model ("DCF"). The cash flows are derived from the financial projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 15 of this Report.

2.12 Intangible assets (continued)

b) Other intangible assets

Other intangible assets are carried at cost less accumulated amortisation and impairment losses.

An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Customer relationships acquired as part of a business combination are capitalised at fair value at the date of acquisition and amortised on a straight-line basis over the estimated useful life of the customer relationship. An annual impairment review is undertaken in line with that of goodwill Noted above.

Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

Customer contracts and related relationships	5 – 15 years
Trademarks and brands	5 years
Software and licences	5 years (or over the contract term if shorter)

Impairment and amortisation charges are included within operating expenditure in the Statement of Comprehensive Income.

c) Internally generated intangibles

Expenditure on software development is capitalised as an intangible asset only if it meets the recognition criteria set out in IAS 38 Intangible Assets, requiring it to be probable that the expenditure will generate future economic benefits and can be measured reliably. To meet these criteria, it is necessary to be able to demonstrate, among other things, the technical feasibility of completing the intangible asset so that it will be available for use or sale.

Development expenditure directed towards incremental improvements in existing products, remedial work and other maintenance activity does not qualify for recognition as an intangible asset.

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost includes the original price of the asset and the cost attributable to bringing the asset to its current working condition for its intended use.

Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset which is reviewed on an annual basis.

Office fixtures and fittings	5 years
Leasehold improvements	5 – 15 years (or over the lease term if shorter)
Vehicles and computer equipment	3 – 5 years (or over the contract term if shorter)

For property, plant and equipment funded through leases, where there is reasonable certainty that the Group obtains ownership by the end of the lease term, depreciation is provided on a straight-line basis over the useful life, otherwise it's provided over the shorter of the useful life and the lease term.

Assets under construction are recognised at cost. Depreciation commences when the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

In reviewing the value of property, plant and equipment, consideration of any impacts of climate-related risks to fair values or the useful economic lives of assets is deemed not material.

2.14 Impairment of property, plant and equipment, right-of-use assets and intangible assets excluding goodwill

Other intangible assets, property, plant and equipment and right-of-use assets are reviewed for impairment whenever events arise or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of intangible assets, property, plant and equipment and right-of-use assets is the greater of fair value less costs to sell and VIU. In assessing VIU, 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 by the cash generating unit to which the asset belongs. Fair value less costs to sell is, where known, based on actual sales price net of costs incurred in completing the disposal.

Non-financial assets that were impaired in the previous periods are annually reviewed to assess whether the impairment is still relevant.

Whilst the Group is committed to net zero and acknowledges there will be future cash outflows associated with achieving this, there is no expectation that it will materially impact the carrying value of its asset base, particularly given the relative short-term useful economic lives.

2.15 Inventories and cost of sales

Inventories are stated at the lower of cost and net realisable value. Cost corresponds to purchase cost determined by the first in first out (FIFO) method. Provision is made, where necessary, for slow-moving, obsolete and defective inventories.

2.16 Leases

When entering into a new contract, the Group assesses whether it is, or contains, a lease. A lease conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liability. Depreciation is provided on a straight-line basis over the life of the lease, or the useful economic life if that is shorter.

Cost of the right-of-use asset consists of the initial lease liability plus any lease payments made to the lessor before the commencement date (less any lease incentives received), plus the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

Obligations to restore the underlying asset to the condition required by the terms and conditions of the lease are recognised and measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and a corresponding asset included in the related right-of-use asset. Dilapidation provisions are discounted to present value at the year end and subsequent unwinding of the discounting is recorded in the Statement of Comprehensive Income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the interest rate implicit in the lease or, more typically, the Group’s incremental borrowing rate (when the implicit rate cannot be readily determined).

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or changes in the Group’s assessment of whether a purchase, extension or termination option is reasonably certain to be exercised.

The Group adopts recognition exemptions for short-term (less than 12 months) and low-value on a lease-by-lease basis. The Group classifies payments of lease liabilities (principal and interest portions) as part of financing activities. Payments of short-term, low value and variable lease components are classified within operating activities.

Asset financing

Where the Group finances assets using the Asset Financing Facility, the Group gives consideration as to whether a sale of the asset has taken place under IFRS 15, and therefore whether a sale and leaseback transaction exists. Where a sale of the underlying asset is not deemed to have taken place, then the related asset is included within property, plant and equipment, with the corresponding liability reflected as a financial liability within borrowings, measured in accordance with IFRS 9.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Group classifies its financial assets as loans and receivables measured at amortised cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents', and 'other receivables' which are expected to be settled in cash.

Trade receivables

Trade receivables are amounts due from customers for goods sold and services provided in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

In recognising any provision for impairment, the Group applies the IFRS 9 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all assets held at amortised cost. The Group recognises a loss allowance for all expected credit losses on initial recognition using an allowance matrix to measure the expected credit losses of trade receivables from individual and corporate customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Given the similar characteristics of the product and service types, geographic region and type of customer relationship, all customers in each ageing bracket have had the same rate applied.

The Group's trade and other receivables are non-interest bearing.

Cash and cash equivalents

Cash and cash equivalents on the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, provisions and derivative financial instruments.

2.17 Financial instruments (continued)

b) ***Financial liabilities***

Trade payables

Trade payables are stated at their nominal value, recognised initially at fair value and subsequently valued at amortised cost.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in the finance cost line in the Statement of Comprehensive Income.

Loans are carried at fair value on initial recognition, net of unamortised issue costs of debt. These costs are amortised over the loan term.

c) Derivative financial instruments and hedge accounting

The Group enters into forward foreign currency contracts to manage its exposure to foreign currency risk arising from forecast US dollar denominated purchases. During the year, the Group used USD forward currency contracts to hedge forecast purchases of VMware licences from suppliers invoicing in US dollars. The objective of these arrangements is to reduce the impact of movements in GBP/USD exchange rates on future cash flows and profit margins.

Forward currency contracts are initially recognised at fair value when the contracts are entered into and are subsequently remeasured to fair value at each reporting date. Derivatives are recognised as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

The Group applies cash flow hedge accounting where the requirements of IFRS 9 are met. At inception of the hedge relationship, the Group formally documents the hedging relationship, including the risk management objective and strategy, the hedging instrument, the hedged item and the method used to assess hedge effectiveness. The Group assesses, both at inception and on an ongoing basis, whether there is an economic relationship between the hedged item and the hedging instrument, whether credit risk does not dominate the value changes arising from that relationship and whether the hedge ratio is appropriate.

The Group currently holds two forward currency contracts designated as cash flow hedges of forecast USD purchases. The effective portion of changes in the fair value of the hedging instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion is recognised immediately in the Statement of Comprehensive Income.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Comprehensive Income in the same period or periods in which the hedged forecast transactions affect profit or loss, such that the hedged purchases are recognised at the hedged exchange rate. If a hedged forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in the cash flow hedge reserve is immediately reclassified to the Statement of Comprehensive Income.

2.18 Dividends

Dividends payable to equity shareholders are included in the Financial Statements within 'other creditors' when a final dividend is approved by shareholders in a general meeting. Interim dividends to equity shareholders approved by the Board during the financial year are not included in the Financial Statements until paid.

2.19 Allocation of costs

Cost of sales are those costs which are directly attributable to the relevant business unit in order to generate revenue, which includes costs of hardware and software sold to customers, freight and delivery, data centre related electricity costs, contract acquisition asset amortisation, reseller commissions and set-up costs.

Operating costs are all other expenses relating to the underlying business unit, which includes the costs incurred in operating the platforms onto which the Group's services are delivered, such as the connectivity network and the hosting environment, coupled with staff costs, legal and professional fees, office costs, amortisation of contract acquisition assets, marketing and advertising.

2.20 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A discontinued operation is a component of the Group that has either been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are excluded from continuing operations and presented as a single amount, comprising the post-tax profit or loss of the discontinued operation, in the Consolidated Statement of Comprehensive Income.

The DC business unit has continued to meet the criteria of IFRS 5 *Non-current assets held for sale and Discontinued Operations* (see Note 5 and Note 26 for further details).

The method and cash flows attributable to the discontinued operation are presented separately in Note 5. Cash flows from discontinued operations are classified into operating, investing and financing activities consistent with the classification used in the Consolidated Statement of Cash Flows.

Additional disclosures are provided in Note 5 and Note 26. All other Notes to the Financial Statements include amounts for continuing operations, unless indicated otherwise.

3 Critical accounting judgements, key sources of estimation uncertainty and other areas of estimation

In the application of the Group's accounting policies, which are described in Note 2, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, without clear direction from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

The Group has identified the following items as a critical accounting judgement which could have a significant impact on the amounts recognised in the Financial Statements for the year ended 31 March 2026.

Exceptional items

The Group presents separately, on the face of the Consolidated Statement of Comprehensive Income, material items of income and expenses, which, because of their nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of the Company's underlying financial performance. An element of management judgment is required in identifying these exceptional items. Additional information is included in Note 9 of this Report.

Estimates

There are no major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount of the assets and liabilities in the next financial year.

Other estimates

Goodwill impairment

The Group is required to assess goodwill for impairment at least annually, or more frequently where indicators of impairment exist. Determining whether goodwill is impaired requires management to exercise significant judgement in estimating the recoverable amount of the relevant cash-generating units ("CGUs"), which is based on value-in-use calculations supported by independent valuation analysis.

The impairment assessment incorporates significant estimates and assumptions relating to future cash flow projections, expected trading performance, long-term growth rates and discount rates applied to each CGU. These assumptions are derived from Board-approved budgets and strategic plans and reflect management's assessment of current market conditions and future business prospects. Changes in these assumptions could have a material impact on the recoverable amounts calculated and, consequently, on the level of any impairment recognised.

Management engaged an independent valuation specialist to support the annual impairment assessment. The assumptions and methodologies applied, including forecast financial performance, terminal growth rates and weighted average cost of capital, were critically reviewed and challenged by management and the Audit Committee. Based on the results of the impairment testing performed, the recoverable amounts of the Group's CGUs exceeded their carrying values, resulting in no impairment charge being recognised during the year. Management therefore concluded that the carrying value of goodwill was appropriate at the reporting date. Additional information is included in Note 15 of this Report.

4 Segment reporting

IFRS 8 requires operating segments to be identified based on internal financial information reported to the chief operating decision-maker (CODM) for decision-making purposes. The Group considers the role of the chief operating decision-maker (CODM) for decision-making purposes as being performed by the main Board.

During the year, the Group operated through two reportable segments: Managed Services ("MSP") and Data Centre Services ("DC"). Segment performance is evaluated primarily using adjusted EBITDA, which is the key measure reviewed by the CODM. A reconciliation of adjusted EBITDA to the relevant IFRS measure is provided on page 13.

Whilst revenue is monitored across the Group's recurring, product and services revenue streams, these do not meet the definition of separate operating segments under IFRS 8. The associated operating costs and assets are managed collectively and are reported to the CODM on an aggregated basis. Consequently, segment assets, liabilities and cash flows are not separately reported, as these are reviewed and managed at a Group level.

As further described in Note 5, the DC segment has been classified as a discontinued operation in both the current and prior year.

4.1 Segmental results

The segment results for the year ended 31 March 2026 are as follows:

	MSP – continuing operations £'000	**DC – discontinued operations £'000**	**Total segments £'000**	**Adjustments and eliminations £'000**	**Consolidated £'000**
Revenue					
Recurring revenue	116,569	34,001	150,570	-	150,570
Product revenue	5,660	-	5,660	-	5,660
Services revenue	8,209	531	8,740	-	8,740
External customers	130,438	34,532	164,970	-	164,970
Inter-segment	1,547	7,606	9,153	(9,153)	-
Total revenue	**131,985**	**42,138**	**174,123**	**(9,153)**	**164,970**
Cost of sales					
External customers	**(51,313)**	**(14,664)**	(65,977)	**-**	(65,977)
Inter-segment	**(146)**	**(1,547)**	(1,693)	1,693	-
Total cost of sales	**(51,459)**	**(16,211)**	**(67,670)**	**1,693**	**(65,977)**
Gross profit	**80,526**	**25,927**	**106,453**	**(7,460)***	**98,993**
Adjusted EBITDA	**17,372**	**14,620**	**31,992**	**-**	**31,992**
Depreciation of property, plant and equipment	(4,481)	-	(4,481)	-	(4,481)
Amortisation of intangibles	(2,140)	-	(2,140)	-	(2,140)
Depreciation of right-of-use assets	(1,516)	-	(1,516)	-	(1,516)
Exceptional costs	(253)	(3,466)	(3,719)	-	(3,719)
Share-based payments and associated National Insurance	(916)	(60)	(976)	-	(976)
Operating profit	**8,066**	**11,094**	**19,160**	**-**	**19,160**
Finance income	6	-	6	-	6
Finance costs	(1,644)	(3,949)	(5,593)	-	(5,593)
Profit before tax**	**6,428**	**7,145**	**13,573**	**-**	**13,573**

**This is eliminated out in operating costs therefore the effect is £nil at adjusted EBITDA.*

***The profit before tax disclosed above does not reconcile directly to the reported discontinued operations profit before tax in Note 5, as certain finance costs are excluded from the reported discontinued operations. For segmental reporting purposes finance costs in respect of the Group's RCF have been allocated based on an estimation of the original drawdown requirement, adjusted for the estimated segmental cash flows subsequent to initial drawdown. This has required a degree of judgement in respect of the drawdown allocation and the subsequent judgements over cash flows, however, represents managements best estimation of the segments use of the RCF during this period.*

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

4 Segment reporting (continued)

4.1 Segmental results (continued)

The segment results for the year ended 31 March 2025 are as follows:

	MSP – continuing operations £'000	DC – discontinued operations £'000	Total segments £'000	Adjustments and eliminations £'000	Consolidated £'000
Revenue					
Recurring revenue	119,070	35,928	154,998	-	154,998
Product revenue	4,888	-	4,888	-	4,888
Services revenue	9,593	412	10,005	-	10,005
External customers	133,551	36,340	169,891	-	169,891
Inter-segment	1,587	8,231	9,818	(9,818)	-
Total revenue	**135,138**	**44,571**	**179,709**	**(9,818)**	**169,891**
Cost of sales					
External customers	**(51,681)**	**(16,828)**	(68,509)	**-**	(68,509)
Inter-segment	**(176)**	**(1,587)**	(1,763)	1,763	-
Total cost of sales	**(51,857)**	**(18,415)**	**(70,272)**	**1,763**	**(68,509)**
Gross profit	**83,281**	**26,156**	**109,437**	**(8,055)***	**101,382**
Adjusted EBITDA	**18,758**	**16,633**	**35,391**	-	**35,391**
Depreciation of property, plant and equipment	(4,001)	(3,617)	(7,618)	-	(7,618)
Amortisation of intangibles	(2,593)	(832)	(3,425)	-	(3,425)
Depreciation of right-of-use assets	(1,610)	(8,308)	(9,918)	-	(9,918)
Exceptional costs	(924)	(779)	(1,703)	-	(1,703)
Share-based payments and associated National Insurance	(1,235)	(32)	(1,267)	-	(1,267)
Operating profit/(loss)	**8,395**	**3,065**	**11,460**	**-**	**11,460**
Finance costs	(2,352)	(3,120)	(5,472)	-	(5,472)
Profit/(loss) before tax	**6,043**	**(55)**	**5,988**	**-**	**5,988**

**This is eliminated out in operating costs therefore the effect is £nil at adjusted EBITDA.*

4.2 Major customer

There are no customers which represent more than 10% of the Group revenue (FY25: none).

Redcentric Solutions Limited is Redcentric Data Centres Limited's largest customer with more than 10% of the segment revenue for both the current and prior year. This intersegment relationship is conducted on an arm's length basis.

There is a 5% agency fee between the two entities which has been calculated on an arm's length basis and is expected to continue when the DC business leaves the Group.

4.3 Geographical information

All revenue was generated wholly from the UK.

Non-current assets held outside the UK are immaterial (FY25: immaterial).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

5 Discontinued operations

In the prior year, the Board committed to a plan to dispose of the DC business unit to focus on the Group's core MSP activities. As at the reporting date, the disposal process remained ongoing, and the DC business unit continued to satisfy the requirements for classification as a discontinued operation

Although the DC business had been classified as held for sale and the Group remained fully committed to its disposal, the sale was not completed within the 12-month period generally contemplated by IFRS 5. The delay was attributable to the complexity of the negotiations and to certain key commercial and structural matters that were not identified, or could not reasonably be resolved, at the outset of the process. These factors were outside the Group's control.

Management continued to actively progress the transaction throughout the period and remained committed to the disposal plan. Accordingly, the held-for-sale classification has been retained in accordance with IFRS 5. As a result, the assets, liabilities and results of the DC business unit continue to be presented as a discontinued operation in these Financial Statements.

The profit of the discontinued operation is as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Revenue	**42,138**	44,571
Cost of sales	**(16,211)**	(18,415)
Gross profit	**25,927**	26,156
Operating expenditure	**(14,833)**	(23,091)
Adjusted EBITDA	**14,620**	16,633
Depreciation of property, plant and equipment	**-**	(3,617)
Amortisation of intangibles	**-**	(832)
Depreciation of right-of-use assets	**-**	(8,308)
Exceptional costs	**(3,466)**	(779)
Share-based payments and associated National Insurance	**(60)**	(32)
Operating profit	**11,094**	3,065
Finance costs	**(2,365)**	(1,461)
Profit before tax from discontinued operations	**8,729**	1,604
Income tax charge	**222**	(809)
Profit for the period from discontinued operations	**8,951**	795
Earnings per share from discontinued operations		
Basic earnings per share	**5.26p**	0.50p
Diluted earnings per share	**5.45p**	0.49p

Finance costs for the discontinued operation do not include finance costs which relate to the DC business unit but will remain within the continuing business. These finance costs will, however, be shown in the DC segment finance costs in Note 4.

Cash flows for the DC business unit have been derived on a direct basis using available financial information supporting the preparation of the Group Financial Statements. In the prior year, certain operating cash flows were estimated using adjusted EBITDA less exceptional costs as management's best estimate, with no adjustment for working capital as comparative balance sheet information was not available to determine the associated movements. In the current year, following a full period of trading and the availability of opening balance sheet information, cash flows have been derived using a full cash flow reconciliation, including movements in working capital.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

5 Discontinued operations (continued)

Cash flows from Investing and Financing activities represent those directly attributable to the business unit, with no significant allocation activity due to the discrete nature of these cash flows. In deriving cash flows from financial activities no apportionment has been made for the Group's equity or bank debt financing arrangements.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Net cash flow from operating activities	**11,093**	16,029
Net cash flow from investing activities	**(3,224)**	(3,887)
Net cash flow from financing activities	**(10,513)**	(6,295)

Cash generated by the discontinued operations has been swept into the continuing Group as part of the Group's central treasury arrangements. Accordingly, the disposal proceeds are presented net of cash and no cash balance attributable to the discontinued operations was disposed of.

Refer to Note 26 for details of the assets and liabilities held for sale at 31 March 2026.

6 Revenue

Revenue for the year ended 31 March 2026 was generated wholly from the UK and is analysed as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Recurring revenue	**118,116**	120,657
Product sales	**5,660**	4,888
Services revenue	**8,209**	9,593
Total continuing operations	**131,985**	135,138
Discontinued operations	**42,138**	44,571
Intercompany revenue	**(9,153)**	(9,818)
Total revenue	**164,970**	169,891

Revenue from continuing operations includes the intercompany sales to DC, on the basis of the continuance of those transactions post disposal.

6.1 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers from continuing operations:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Receivables, included in trade and other receivables, net of provisions (Note 22)	**16,480**	16,529
Accrued income, included in trade and other receivables (Note 22)	**4,527**	4,510
Deferred income, included in trade and other payables (Note 22)	**(10,631)**	(9,499)

There were no material impairment losses recorded during the year or the prior year.

7 Operating profit

The following costs/(income) are considered to be significant items within operating profit:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 * Restated £'000
Amortisation of acquired intangible assets	**989**	1,535
Amortisation of intangible assets: owned	**1,031**	921
Amortisation of intangible assets: financed	**120**	137
Depreciation: owned assets	**3,863**	3,622
Depreciation: financed	**618**	379
Depreciation of right-of-use assets: leased	**1,516**	1,610
Share-based payments and associated National Insurance (Note 28)	**916**	1,235
Net foreign exchange (gain)/loss	**(30)**	53
Employee benefits expense, excluding share-based compensation**	**39,345**	38,139
Exceptional costs (Note 9)	**253**	924

**Comparative information has been restated to reflect the inclusion of certain employee benefit costs within staff costs, enhancing consistency.*

** * This includes commission contract asset amortisation which is shown within cost of sales.*

8 Auditor's remuneration

Total fees payable by the Group during the year to KPMG LLP in respect of the audit and other services provided were as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Audit of these Financial Statements	**50**	50
Audit of subsidiaries (including overseas subsidiaries)	**627**	509
Additional audit fees in relation to carve out	**-**	165
Total audit	**677**	724
Other non-audit services not covered above	**14**	14
Total non-audit services	**14**	14
Total fees	**691**	738

9 Exceptional items

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Included within operating costs:		
Acquisition related professional and legal fees	**-**	484
Restructuring costs	**253**	440
Total exceptional costs from continuing operations	**253**	924
Total exceptional costs from discontinued operations	**3,466**	779
Total exceptional costs	**3,719**	1,703

9 Exceptional items (continued)

Current year

Restructuring costs of £0.2m relates to consulting fees incurred during the scoping phase of a business transformation and systems automation project. Additional costs are expected to be incurred in FY27. The remaining £0.1m relates to the facilities rationalisation project undertaken during the year. Cash costs in relation to restructuring costs were £0.3m.

Integration costs of £0.9m relating to discontinued operations were incurred during the year following the termination of the Woking lease and the strategic consolidation of operations from two data halls into a single facility. These costs primarily comprise of consultancy fees, dilapidation provisions and temporary dual-running costs incurred during the transition period. A further £0.1m of integration costs relating to discontinued operations were incurred in respect of residual activities associated with prior-year projects undertaken to exit the Harrogate data centre. Of the total integration costs recognised, £0.7m represented cash expenditure during the year.

A total of £2.6m of costs relating to discontinued operations was incurred during the year, comprising residual costs associated with the DC carve-out, as described in the prior year, and costs incurred in connection with the agreed sale of the DC business. These costs primarily related to due diligence activities, separation and transaction support, regulatory and legal compliance requirements, and other preparatory work undertaken prior to completion of the sale process. An agreement for the sale of the DC business to Stellanor Datacentres Group Limited was reached on 22 October 2025, subject to customary regulatory and property-related conditions. The transaction subsequently completed on 30 April 2026, after the reporting date. No costs relating to post-completion activities have been recognised within these amounts. Total cash costs incurred during the year amounted to £2.2m.

Prior year

From time to time the Group explores potential M&A activity to further enhance shareholder value. During the year acquisition related professional and legal fees of £0.5m were incurred on acquisition related projects that did not come to fruition. Cash costs of acquisition related professional and legal fees were £0.5m.

Integration costs of £0.2m relating to discontinued operations relate to residual costs from the prior year projects to exit the Harrogate data centre and the decommissioning of two third party data centres inherited from historic acquisitions (see prior year narrative for further details). Cash costs were £0.1m.

Restructuring costs of £0.4m were incurred as a result of a one-off restructuring activity instigated by the Board to streamline operations and enhance long-term profitability of the Group. This project was undertaken as a direct consequence of the integration of prior year acquisitions and due to the nature and size of the initiative was deemed exceptional by management. Annualised savings from this restructure are estimated at approximately £1.0m per annum. Cash costs were £0.4m.

On 1 February 2025 the DC business was transferred from Redcentric Solutions Limited to Redcentric Data Centres Limited, a newly incorporated subsidiary to better reflect the segmental reporting of the DC business unit, and the contemplation of a potential disposal of the DC business unit. Both legal and professional fees of £0.4m and consultancy fees and staff costs of £0.2m were incurred relating to discontinued operations. Cash costs were £0.3m.

10 Finance income and costs

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Finance Income		
Other interest receivable	**6**	-
	6	-

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Finance costs continuing operations		
Interest payable on bank loans and term loans	**2,767**	3,277
Interest payable on asset financing liabilities	**97**	146
Interest payable on leases	**202**	287
Amortisation of loan arrangement fees	**160**	300
Other interest payable	**2**	1
Total finance costs from continuing operations	**3,228**	4,011
Discontinuing operations		
Interest payable on asset financing liabilities	**178**	136
Interest payable on leases	**1,725**	964
Other interest payable	**462**	361
Total finance costs	**5,593**	5,472

Other interest payable predominantly relates to interest on dilapidation provisions.

11 Employees

The average monthly number of people (including Executive Directors) employed by the Group from both continuing and discontinued operations during the year was as follows:

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Operations	**458**	483
Selling and distribution	**77**	88
Administration	**92**	83
	627	654

Employee costs of continuing and discontinued operations were:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Wages and salaries*	**36,543**	34,351
Social security costs	**4,642**	3,904
Share-based payments	**877**	1,267
Pension costs	**1,503**	1,490
Payments in lieu of notice and redundancy not included within exceptional items	**259**	262
Payments in lieu of notice and redundancy included within exceptional items	**-**	440
	43,824	41,714

** During the current year, the Group identified that £0.9m of employee benefit costs that should have been included in wages and salaries were not included in the prior year. As the impact on the comparative period was not material, comparative information has not been restated. The current year disclosure has been updated to include these costs and therefore is not directly comparable to the prior year presentation.*

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

11 Employees (continued)

The payments in lieu of notice and redundancy are included within exceptional items (Note 9) within the restructuring costs line.

11.1 Key management compensation

Key management personnel are those persons having authority and responsibility for planning, controlling and directing the activities of the entity either directly, or indirectly. The following table details the compensation of key management personnel, being senior management that sit on the Operating Board of the Group along with Executive and Non-Executive Directors.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Basic salary, allowances, fees and other employment expenses	**1,523**	1,967
Bonus and other benefits	**1,121**	153
Share-based payments charge	**-**	188
Pension costs	**88**	101
	2,732	2,409

11.2 Directors' remuneration

The remuneration of the Directors in respect of the year was as follows:

	Basic salary, allowances, and fees £'000	**Bonus £'000**	**Taxable benefits £'000**	**Pension £'000**	**Share-based payments £'000**	**FY26 Total £'000**	FY25 Total £'000
Executive							
Michelle Senecal de Fonseca (appointed 7 May 2025)	**361**	**-**	**1**	**16**	**-**	**378**	-
Tony Ratcliffe (appointed 18 August 2025)	**184**	**240**	**-**	**12**	**-**	**436**	-
	545	**240**	**1**	**28**	**-**	**814**	-
Former Executive							
Peter Brotherton (resigned 31 May 2025)	**64**	**-**	**-**	**3**	**-**	**67**	606
David Senior (resigned 30 April 2025)	**22**	**-**	**-**	**1**	**-**	**23**	295
Brian Woodford (appointed 3 February 2025, resigned 2 April 2025)*	**83**	**-**	**-**	**-**	**-**	**83**	240
	169	**-**	**-**	**4**	**-**	**173**	1,141
Executive total	**714**	**240**	**1**	**32**	**-**	**987**	1,141
Non-Executive							
Alan Aubrey	**50**	**-**	**-**	**-**	**-**	**50**	50
Oliver Scott	**45**	**-**	**-**	**-**	**-**	**45**	42
Michelle Senecal de Fonseca	**5**	**-**	**-**	**-**	**-**	**5**	50
Richard McGuire	**85**	**-**	**-**	**-**	**-**	**85**	43
John Radziwill	**45**	**-**	**-**	**-**	**-**	**45**	19
	230	**-**	**-**	**-**	**-**	**230**	204
Former Non-Executive							
Nick Bate (resigned 27 September) 2024)	**-**	**-**	**-**	**-**	**-**	**-**	42
Non-Executive total	**230**	**-**	**-**	**-**	**-**	**230**	246
Total	**944**	**240**	**1**	**32**	**-**	**1,217**	1,387

**Basic salary, allowances and fees include £80k in respect of payment in lieu of notice (PILON).*

After the year end reporting date, in June 2026, Tony Ratcliffe resigned as Chief Financial Officer and Tim Sykes was appointed as Chief Financial Officer.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

11 Employees (continued)

11.2 Directors' remuneration (continued)

Details of share options in the Company held by the Directors during the year are as follows:

		Exercise price (p)	Balance, 31 March 2025 (number)	Granted (number)	Exercised (number)	Cancelled / lapsed (number)	Balance, 31 March 2026 (number)
Peter Brotherton							
(resigned 31 May 2025)	(a)	**99.9**	18,023	-	-	(18,023)	**-**
	(c)	**0.1**	621,250	-	-	(621,250)	**-**
	(d)	**0.1**	605,620	-	-	-	**605,620**
	(e)	**0.1**	612,418	-	-	-	**612,418**
	(f)	**110.3**	-	16,551	-	-	**16,551**
			1,857,311	**16,551**	**-**	**(639,273)**	**1,234,589**
David Senior							
(resigned 30 April 2025)	(b)	**96.1**	18,736	-	-	(18,736)	**-**
	(c)	**0.1**	333,334	-	-	(333,334)	**-**
	(d)	**0.1**	347,030	-	-	(347,030)	**-**
	(e)	**0.1**	350,926	-	-	(350,926)	**-**
			1,050,026	**-**	**-**	**(1,050,026)**	**-**
Michelle Senecal de Fonseca	(g)	**0.1**	-	2,096,774	-	-	**2,096,774**
			-	2,096,774	**-**	**-**	**2,096,774**
Richard McGuire							
	(g)	**0.1**	-	514,113	-	-	**514,113**
			-	514,113	**-**	**-**	**514,113**

(a) These options were granted on 23 December 2021 under the HMRC-approved Save-As-You-Earn ("SAYE") option plan under which employees contribute a monthly amount which is saved over three years to buy shares. The options are exercisable from 1 February 2025. There are no performance conditions.

(b) These options were granted on 26 August 2022 under the HMRC-approved Save-As-You-Earn ("SAYE") option plan under which employees contribute a monthly amount which is saved over three years to buy shares. The options are exercisable from 1 October 2025. There are no performance conditions.

(c) These options were granted on 12 October 2022 under the Company's LTIP. The options will vest three years from grant subject to absolute Total Shareholder Return (TSR) Targets. For awards up to 100% of salary, 25% will vest for TSR of 5% p.a. increasing pro-rata to 100% vesting for TSR of 10% p.a. For awards between 100% and 200% of salary, 0% will vest for TSR of 10% p.a. increasing pro-rata to 100% vesting for TSR of 15% p.a.

(d) These options were granted on 19 September 2023 under the Company's LTIP. The options will vest three years from grant subject to absolute Total Shareholder Return (TSR) Targets. For awards up to 100% of salary, 25% will vest for TSR of 5% p.a. increasing pro-rata to 100% vesting for TSR of 10% p.a. For awards between 100% and 200% of salary, 0% will vest for TSR of 10% p.a. increasing pro-rata to 100% vesting for TSR of 15% p.a.

(e) The options were granted on 3 October 2024 under the Company's Long Term Incentive Plan ("LTIP"). The options will vest three years from grant subject to absolute Total Shareholder Return (TSR) Targets. For awards up to 100% of salary, 25% will vest for TSR of 5% p.a. increasing pro-rata to 100% vesting for TSR of 10% p.a. For awards between 100% and 200% of salary, 0% will vest for TSR of 10% p.a. increasing pro-rata to 100% vesting for TSR of 15% p.a.

(f) The options were granted on 4 November 2025 under the Company's HMRC approved Save-As-You-Earn option plan 2014 under which employees contribute a monthly amount which is saved over 3 years to buy shares. The options are exercisable from 30 September 2028.

(g) The options were granted on 18 December 2025 under the Company's Long Term Incentive Plan ("LTIP"). The options will vest three years from grant subject to absolute Total Shareholder Return (TSR) Targets. For awards up to 100% of salary, 25% will vest for TSR of 5% p.a. increasing pro-rata to 100% vesting for TSR of 10% p.a. For awards between 100% and 200% of salary, 0% will vest for TSR of 10% p.a. increasing pro-rata to 100% vesting for TSR of 15% p.a.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

12 Income tax

The following disclosures are based on the continuing operations of the Group.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Income tax		
UK current year tax charge	**1,324**	376
Overseas current year tax charge	**59**	66
Adjustment in respect of prior years	**(180)**	-
Total income tax	**1,203**	442
Deferred tax		
Current year	**455**	1,159
Adjustment in respect of prior years	**19**	90
Total deferred tax	**474**	1,249
Total tax charge in Consolidated Statement of Comprehensive Income	**1,677**	1,691
Other comprehensive income items		
Deferred tax	**(24)**	(14)
Equity income tax items		
Deferred tax current year	**146**	-
Deferred tax prior year	**(5)**	-
Factors affecting the tax charge for the year		
Profit before taxation	**4,844**	4,384
Taxation at the average UK corporation tax rate of 25.0% (FY25: 25.0%)	**1,211**	1,096
Tax effects of:		
-Expenses not allowable in determining taxable profit	**385**	309
-Adjustment in respect of prior years	**(160)**	90
-Share options	**208**	185
-Effect of overseas tax rates	**33**	11
Tax charge for the year	**1,677**	1,691

The deferred tax asset at 31 March 2026 has been calculated using the corporation tax rate of 25% (FY25: 25%).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

13 Earnings per share ("EPS")

The calculation of basic and diluted EPS for continuing operations is based on the following earnings and number of shares.

Earnings	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Statutory profit	**3,167**	2,693
Tax charge	**1,677**	1,691
Amortisation of acquired intangibles	**989**	1,535
Share-based payments and associated National Insurance	**916**	1,235
Exceptional costs	**253**	924
Adjusted earnings before tax	**7,002**	8,078
Notional tax charge	**(1,750)**	(2,020)
Adjusted earnings	**5,252**	6,058

Weighted average number of ordinary shares	**Number '000**	Number '000
In issue	**159,213**	159,021
Held in treasury	**(72)**	(540)
For basic EPS calculations	**159,141**	158,481
Effect of potentially dilutive share options	**4,950**	5,351
For diluted EPS calculations	**164,091**	163,832

EPS for continuing operations	**Pence**	Pence
Basic	**1.99**	1.70
Adjusted	**3.30**	3.82
Diluted	**1.93**	1.64
Adjusted diluted	**3.20**	3.70

The calculation of basic and diluted EPS for the Group (combined continuing and discontinued operations) is based on the following earnings (number of shares Noted above).

Earnings	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Statutory profit	**12,118**	3,488
Tax charge	**1,455**	2,500
Amortisation of acquired intangibles	**1,906**	2,367
Share-based payments and associated National Insurance	**976**	1,267
Exceptional costs	**3,719**	1,703
Adjusted earnings before tax	**20,174**	11,325
Notional tax charge	**(5,044)**	(2,831)
Adjusted earnings	**15,131**	8,494

EPS for combined continuing and discontinued operations	**Pence**	Pence
Basic	**7.61**	2.20
Adjusted	**9.51**	5.36
Diluted	**7.38**	2.13
Adjusted diluted	**9.22**	5.18

In line with the Group's policy, the notional tax charge above is calculated at a standard rate of 25% (FY25: 25%).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

14 Dividends

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Interim dividend for the year ended 31 March 2024 (paid 18 April 2024)	-	1,899
Final dividend for the year ended 31 March 2024 (paid 24 January 2025)	-	3,806
Interim dividend for the year ended 31 March 2025 (paid 22 April 2025)	**1,907**	-
	1,907	5,705

The Group paid an interim dividend for the year ended 31 March 2024 of 1.2p per ordinary share, with a total payment value of £1.9m.

The Group paid a final dividend in respect of the year to 31 March 2024 of 2.4p per ordinary share, with a total payment value of £3.8m.

The Group paid an interim dividend for the year ended 31 March 2025 of 1.2p per ordinary share, with a total payment value of £1.9m. This was paid on 22 April 2025.

15 Intangible assets

	Goodwill £'000	Customer contracts and related relationships £'000	Trademarks and brands £'000	Software and licences £'000	Total £'000
Cost					
At 1 April 2024	60,640	80,130	649	7,650	149,069
Additions	-	-	-	1,698	1,698
Transfers from right-of-use assets	-	-	-	123	123
Reclassification to assets held for sale	(33,399)	(9,604)	-	-	(43,003)
At 31 March 2025	**27,241**	**70,526**	**649**	**9,471**	**107,887**
Additions	**-**	**-**	**-**	**383**	**383**
Disposals	**-**	**-**	**-**	**(1,901)**	**(1,901)**
At 31 March 2026	**27,241**	**70,526**	**649**	**7,953**	**106,369**
Accumulated amortisation and impairment					
At 1 April 2024	-	64,105	649	5,432	70,186
Charged in year	-	2,367	-	1,058	3,425
Transfers from right-of-use assets	-	-	-	105	105
Reclassification to assets held for sale	-	(2,257)	-	-	(2,257)
At 31 March 2025	**-**	**64,215**	**649**	**6,595**	**71,459**
Charged in year	**-**	**989**	**-**	**1,151**	**2,140**
Disposals	**-**	**-**	**-**	**(1,901)**	**(1,901)**
At 31 March 2026	**-**	**65,204**	**649**	**5,845**	**71,698**
At 31 March 2026	**27,241**	**5,322**	**-**	**2,108**	**34,671**
At 31 March 2025	27,241	6,311	-	2,876	36,428

Amortisation of customer contracts has decreased by £1.3m to £1.0m in FY26 as the customer relationship assets held for sale have not been amortised in accordance with IFRS 5.

Customer contracts have a weighted average remaining amortisation period of 7 years and 2 months (FY25: 8 years and 2 months). There are no indicators of impairment at 31 March 2026.

15 Intangible assets (continued)

Goodwill impairment testing

Under IAS 36 goodwill is tested annually for impairment, or more often when indicators of impairment exist. To confirm whether an impairment of the goodwill is necessary, management compares the carrying value to the recoverable amount. Other intangible assets are tested for impairment whenever events or a change in circumstances indicate carrying values may no longer be recoverable.

Goodwill is allocated to the Group's cash-generating units ("CGUs") in accordance with IAS 36. Following the identification of separate MSP and DC CGUs on 1 February 2025, the Group allocated the existing goodwill balance between the two CGUs using a relative value methodology. This allocation, which was determined based on the relative recoverable amounts of the CGUs at the date of reorganisation, continues to form the basis for goodwill allocation at 31 March 2026.

The carrying amount of goodwill allocated to the two CGUs following this relative value split on 1 February 2025 (which still stands true on 31 March 2026) was as follows:

	1 February 2025 £'000
MSP	**27,241**
DC	**33,399**
	60,640

The carrying amount of goodwill attributable to the DC has been classified as an asset held for sale in accordance with IFRS 5 and is therefore not subject to the requirements of IAS 36. Further details are provided in Note 26.

In line with IAS 36, impairment testing of the MSP goodwill was conducted at 31 March 2026. This was performed by calculating the VIU of the MSP business unit using a Board approved three-year forecast cash flow projection to the period of 31 March 2029.

The key assumptions used in the impairment testing of the Group were as follows:

- New order intake increased steadily compared to the prior year, supported by sales team stability and improved opportunities in public sector spend;
- Price increases averaged 1.0% of total revenue;
- Overall gross margin percentage of c.60%, broadly in line with historic trends for the MSP business;
- Net new business, measured as in-year revenue generated from new order intake less customer cancellations, increases steadily. Growth is supported by a stable sales team and improved opportunities, together with additional cloud customer demand resulting from changes in the competitive landscape following Broadcom's licensing strategy developments.
- Pre-tax discount rate of 14.67% at 31 March 2026 (FY25: 12.87%); and
- Terminal growth rate percentage of 2.0% is consistent with the market the entity operates in for real growth.

The assumptions are based on historical performance, management's expectation of future market conditions and external sources of information where appropriate.

In performing the impairment assessment, the Group considered the potential impacts of climate-related risks and the costs associated with achieving net zero commitments. Management concluded that these factors would not have a material impact on the cash flow forecasts or the impairment assessment over the period considered.

At 31 March 2026, the recoverable amount of the MSP CGU exceeded its carrying value by a substantial margin. Management performed sensitivity analyses over the key assumptions, including revenue/EBITDA growth rates and discount rates. No reasonably possible change in any of these assumptions would result in the carrying amount exceeding the recoverable amount and, accordingly, no sensitivity disclosures are required under IAS 36.

16 Property, plant and equipment

	Leasehold improvements £'000	Office fixtures and fittings £'000	Vehicles and computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2024	16,294	9,085	24,384	-	49,763
Additions	3,893	453	5,124	194	9,664
Disposals	(300)	(65)	(108)	-	(473)
Transfer from right-of-use assets	156	-	650	-	806
Reclassification to assets held for sale	(17,877)	(7,558)	(96)	(194)	(25,725)
Exchange differences	-	(4)	-	-	(4)
At 31 March 2025	**2,166**	**1,911**	**29,954**	**-**	**34,031**
Additions	**-**	**135**	**3,391**	**-**	**3,526**
Disposals	**(1,301)**	**(478)**	**(6,146)**	**-**	**(7,925)**
Other PPE adjustments	**188**	**59**	**(449)**	**-**	**(202)**
Exchange differences	**-**	**(11)**	**-**	**-**	**(11)**
At 31 March 2026	**1,053**	**1,616**	**26,750**	**-**	**29,419**
Accumulated depreciation					
At 1 April 2024	6,615	4,418	17,308	-	28,341
Charged in year	2,352	1,694	3,572	-	7,618
On disposals	(155)	(50)	4	-	(201)
Reclassification	-	-	(57)	-	(57)
Transfer from right-of-use assets	485	-	125	-	610
Reclassification to assets held for sale	(7,976)	(4,442)	(65)	-	(12,483)
Exchange differences	-	(5)	-	-	(5)
At 31 March 2025	**1,321**	**1,615**	**20,887**	**-**	**23,823**
Charged in year	**349**	**337**	**3,795**	**-**	**4,481**
On disposals	**(1,301)**	**(378)**	**(6,101)**	**-**	**(7,780)**
Other PPE adjustments	**186**	**(608)**	**(2)**		**(424)**
Exchange differences	**-**	**(9)**	**-**	**-**	**(9)**
At 31 March 2026	**555**	**957**	**18,579**	**-**	**20,091**
Net book value					
At 31 March 2026	**498**	**659**	**8,171**	**-**	**9,328**
At 31 March 2025	845	296	9,067	-	10,208

Included within property, plant and equipment additions is £nil (FY25: £2.1m) of assets financed under the Group's Asset Financing Facility. The Directors have exercised judgement in determining that there has been no sale of these assets under IFRS 15 and therefore the assets are financed rather than representing a sale and leaseback arrangement.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

17 Right-of-use assets

Most of the Group's right-of-use assets are associated with the leased property portfolio.

	Land and buildings £'000	Vehicles & computer equipment £'000	Total £'000
Cost			
At 1 April 2024	67,143	14,250	81,393
Additions	505	288	793
Reassessments	(335)	-	(335)
Transfer to property, plant and equipment	(156)	(650)	(806)
Transfer to intangible assets	-	(123)	(123)
Disposals	(14,359)	(1,232)	(15,591)
Reclassification to assets held for sale	(50,058)	-	(50,058)
At 31 March 2025	**2,740**	**12,533**	**15,273**
Additions	**14**	**135**	**149**
Reassessments	**(23)**	**24**	**1**
Disposals	**(1,437)**	**(107)**	**(1,544)**
At 31 March 2026	**1,294**	**12,585**	**13,879**
Accumulated depreciation			
At 1 April 2024	32,527	11,388	43,915
Charged in year	8,966	952	9,918
Transfer to property, plant and equipment	(485)	(125)	(610)
Transfer to intangible assets	-	(105)	(105)
Disposals	(12,411)	(3,146)	(15,557)
Reclassification to assets held for sale	(26,977)	-	(26,977)
At 31 March 2025	**1,620**	**8,964**	**10,584**
Charged in year	**378**	**1,138**	**1,516**
Reassessments	**(701)**	**698**	**(3)**
Disposals	**(599)**	**(101)**	**(700)**
At 31 March 2026	**698**	**10,699**	**11,397**
Net book value			
At 31 March 2026	**596**	**1,886**	**2,482**
At 31 March 2025	1,120	3,569	4,689

Of the £0.1m right-of-use assets acquired in the year, £nil was funded using leases that would have previously been classified as finance leases under IAS 17 (FY25: £0.1m).

Included in the net book value of land and buildings at 31 March 2026 is £0.2m of right-of-use assets for dilapidations (FY25: £0.2m).

18 Deferred tax

Certain deferred tax assets and liabilities have been offset on the face of the Consolidated Statement of Financial Position. The following is the analysis of the deferred tax balances (before offset) for financial reporting purposes on both the continuing and discontinued operations of the Group:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Deferred tax liabilities	**(6,347)**	(6,074)
Deferred tax assets	**6,834**	6,533
	487	459
Deferred tax relating to continuing operations	**1,881**	2,109
Deferred tax relating to asset held for sale (Note 26)	**(1,394)**	(1,650)
	487	459

Following the carve out of the DC business unit on 1 February 2025, the Group business still operated as one legal group, and hence the above total deferred tax asset has been computed at a consolidated level. In calculating the deferred tax asset for the discontinued DC business unit management have taken the amount as determined by the underlying statutory tax computation for RDC plus any deferred tax that continued to sit in MSP at year end that related to the DC business. This means that the continuing MSP business unit carries the residual difference between the consolidated deferred tax asset and derived deferred tax liability for the DC business unit. This allocation is applied solely for the purpose of disclosure in accordance with IFRS 5 and IFRS 8 and does not affect the measurement of deferred tax at the consolidated Group level. Management considers this approach to provide the most meaningful presentation of continuing and discontinued operations results, while ensuring consistency with the Group's overall tax position.

18.1 Deferred tax liabilities

	Acquisitions £'000	**Property, plant and equipment £'000**	**Total £'000**
Cost			
At 31 March 2024	2,140	3,943	6,083
Recognised in Statement of Comprehensive Income	(392)	152	(240)
Adjustments in relation to prior year recognised in Statement of Comprehensive Income	-	231	231
At 31 March 2025	**1,748**	**4,326**	**6,074**
Recognised in Statement of Comprehensive Income	(145)	702	557
Adjustments in relation to prior year recognised in Statement of Comprehensive Income	-	(284)	(284)
At 31 March 2026	**1,603**	**4,744**	**6,347**
Continuing operations	**564**	**271**	**835**
Discontinued operations	**1,039**	**4,473**	**5,512**
At 31 March 2026	**1,603**	**4,744**	**6,347**

18 Deferred tax (continued)

Deferred tax liabilities include intangible assets from business acquisitions.

18.2 Deferred tax assets

	India £'000	Share-based payments £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Cost					
At 31 March 2024	50	856	4,870	2,810	8,586
Recognised in Statement of Comprehensive Income	1	(18)	(1,548)	(643)	(2,208)
Recognised in equity	-	14	-	-	14
Adjustments in relation to prior year recognised in Statement of Comprehensive Income	-	-	184	(43)	141
At 31 March 2025	**51**	**852**	**3,506**	**2,124**	**6,533**
Recognised in Statement of Comprehensive Income	**-**	**(24)**	**(536)**	**1,101**	**541**
Recognised in equity	**-**	**(146)**	**-**	**-**	**(146)**
Adjustments in relation to prior year recognised in Statement of Comprehensive Income	**-**	**27**	**(134)**	**8**	**(99)**
Adjustment in relation to prior year recognised in equity	**-**	**5**	**-**	**-**	**5**
At 31 March 2026	**51**	**714**	**2,836**	**3,233**	**6,834**
Continuing	51	703	1,571	391	2,716
Discontinuing	-	11	1,265	2,842	4,118
	51	**714**	**2,836**	**3,233**	**6,834**

Deferred tax assets have been recognised based on the ability to future offset against deferred tax liabilities or against future taxable profits. The assessment of future taxable profits is based on forecasts and assumptions consistent with those used for the Group's going concern basis of preparation, as set out in Note 2.1.

19 Inventories

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Goods for resale	**2,391**	2,509

Goods for resale include components required to deliver managed services to customers. The cost of inventories charged to cost of sales in the year totalled £4.5m (FY25: £4.0m).

20 Trade and other receivables

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Trade receivables	**16,922**	16,651
Less: provision for impairment	**(442)**	(122)
Trade receivables – net (Note 23.1)	**16,480**	16,529
Other receivables	**818**	246
Total trade and other receivables at amortised cost (Note 23.1)	**17,298**	16,775
Prepayments	**9,611**	7,822
Contract acquisition asset	**3,150**	3,210
Accrued income	**4,527**	4,510
Total trade and other receivables	**34,586**	32,317
Current	**32,370**	28,809
Non-current	**2,216**	3,508
	34,586	32,317

During the year, the contract acquisition asset (commission payments paid in advance) was amortised by £2.1m (FY25: £2.1m).

Trade debtor days were 39 at 31 March 2026 compared to 37 at 31 March 2025. Trade debtor days are calculated as gross trade debtors divided by revenue (incl. VAT) multiplied by 365.

Non-current assets of £2.2m are comprised of a prepayment balance totalling £1.0m and a contract acquisition asset balance totalling £1.2m. Both are expected to be recovered over a period of greater than one year from the balance sheet date.

21 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash - restricted	**572**	508
Cash - unrestricted	**4,143**	2,510
	4,715	3,018

As at 31 March 2026, the Group held £0.6m (FY25: £0.5m) in cash balances that are classified as restricted and are not readily available for repatriation from India due to RBI regulations. These balances relate to the Group's wholly owned subsidiary, Redcentric Support Services Private Limited. Whilst management anticipates eventual repatriation, the timing remains uncertain and hence the balances have been classified as restricted for financial reporting purposes. Although included in cash and cash equivalents on the face of the Consolidated Statement of Financial Position, these funds are excluded from internally defined liquidity for treasury and financial reporting purposes.

22 Trade and other payables

	Year ended 31 March 2026 £'000	Year ended 31 March 2025* £'000
Trade payables	**11,222**	12,229
Other payables	**871**	546
Accruals	**8,038**	7,542
Deferred income	**10,631**	9,499
Taxation and social security	**2,924**	3,081
Total trade and other payables	**33,686**	32,897
Current	**31,362**	30,436
Non-current	**2,324**	2,461
	33,686	32,897

Trade payable days were 33 at 31 March 2026 compared to 35 as at 31 March 2025. Trade payable days are calculated as trade payables divided by total purchases (cost of sales and operating expenditure) multiplied by 365.

Of the total deferred income balance of £9.5m at 31 March 2025, £6.4m has been recognised as revenue in the year ended 31 March 2026.

23 Financial assets and liabilities

The Group holds the following financial instruments:

23.1 Financial assets

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Debt instruments at amortised cost		
Net trade receivables (Note 20)	**16,480**	16,529
Other receivables (Note 20)	**818**	246
Cash and cash equivalents (Note 21)	**4,715**	3,018
Total financial assets	**22,013**	19,793

23.2 Financial liabilities at amortised cost: interest bearing loans and borrowings

	Nominal interest rate %	Year of maturity	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current				
Lease liabilities	6.63% - 9.25%	2027-2030	**1,402**	1,526
Term loans	-	-	**-**	3
Asset financing liabilities	6.44% - 7.53%	2027 - 2028	**653**	819
Total current financial liabilities held at amortised cost			**2,055**	2,348
Non-current				
Lease liabilities	6.63% - 9.25%	2029-2030	**1,020**	3,181
Bank loans	SONIA + 2.05%	2028	**39,956**	38,947
Asset financing liabilities	6.44% - 7.53%	2028	**365**	986
Total non-current financial liabilities held at amortised			**41,341**	43,114

23 Financial assets and liabilities

23.2 Financial liabilities at amortised cost: interest bearing loans and borrowings (continued)

At 31 March 2026, the Group was party to £70.0m of bank facilities with an original maturity date of 26 April 2027. The facilities comprise a Revolving Credit Facility (“RCF”) of £60.0m (net £40.0m utilised at 31 March 2026) and a £10.0m Asset Financing Facility (“AFF”) (£1.0m utilised at 31 March 2026).

The AFF is provided by Lombard North Central plc who are party to the overall banking facilities. Certain intangible assets (see Note 15) and property, plant and equipment (Note 16) are financed under this arrangement. Term loans constitute financing arrangements for services. Whilst not linked to the bank facilities, they contributes toward permitted indebtedness within this agreement, which cannot exceed £2.5m at any given time.

The RCF is provided by a three-bank group of NatWest, Barclays and Silicon Valley Bank (now part of HSBC UK Group), with Lombard North Central plc providing the Asset Financing Facility. The borrowing cost of the facility is determined by the level of the Group’s leverage and has a borrowing cost of 205 basis points over SONIA at the Group’s current leverage levels. The Group is required to comply with financial covenants for adjusted leverage (net debt to adjusted EBITDA), cashflow cover (adjusted cashflow to debt service, where adjusted cashflow is defined as adjusted EBITDA less tax paid, dividend payments, IFRS 16 lease repayments and cash capital expenditure) and provisions relating to guarantor coverage such that guarantors must exceed a prescribed threshold of the Group’s gross assets, revenue and adjusted EBITDA (on both a continuing and discontinued basis). Covenants are tested quarterly each year. No security has been provided.

The RCF is drawn in short to medium-term tranches of debt that are repayable within 12 months of draw-down. These tranches of debt can be rolled over provided certain conditions are met, including compliance with all loan terms. The Group considers that it is unlikely it would not be in compliance and therefore be unable to exercise its right to roll over the debt in April 2027 should it be needed. In addition to the financial covenants, the facility requires the Group to file audited financial accounts within 210 days of the year end date alongside an audited compliance certificate.

The Group’s cash is held in accounts with Barclays Bank PLC which have a Standard and Poor’s rating of A.

AFF liabilities are comprised of secured agreements in FY26 (secured and unsecured in FY25). Secured AFF liabilities of £1.0m (FY25: £4.0m) and secured term loans are secured against assets included within property, plant and equipment with a carrying value of £1.2m (FY25: £4.2m).

23 Financial assets and liabilities (continued)

23.3 Net debt

During the year, the Group's net debt (combined continuing and discontinued) increased from £65.5m to £71.7m as at 31 March 2026, with the movements shown in the table below:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Operating profit	**19,160**	11,460
Depreciation and amortisation	**8,137**	20,961
Exceptional costs	**3,719**	1,703
Share-based payments	**976**	1,267
Adjusted EBITDA[1]	**31,992**	35,391
Loss on disposal of fixed assets	**23**	-
Non-cash movement on provisions	**(504)**	-
Working capital movements	**(1,698)**	(4,127)
Movement on provisions	**(397)**	(33)
Adjusted cash generated from operations	**29,416**	31,231
Cash conversion	***91.9%***	*88.2%*
Capital expenditure – cash purchases	**(7,108)**	(11,362)
Capital expenditure – finance lease purchases	**(508)**	(276)
Asset financing proceeds	**-**	2,680
Net capital expenditure	**(7,616)**	(8,958)
Corporation tax paid	**(649)**	(145)
Interest received	**6**	-
Interest paid	**(3,043)**	(3,560)
Loan arrangement fees/fee amortisation	**(160)**	(300)
Lease interest	**(1,927)**	(1,251)
Effect of exchange rates	**(54)**	(18)
Other movements in net debt	**(5,827)**	(5,274)
Normalised net debt movement[1]	**15,973**	16,999
Cash cost of exceptional items	**(3,592)**	(1,320)
Remeasurements relating to lease liabilities	**(7,465)**	(611)
Remeasurements relating to Asset Financing Facility liabilities	**376**	334
IFRS 16 lease additions	**(10,984)**	(494)
IFRS 16 lease disposals	**956**	-
Drawdown on Asset Financing Facility	**-**	(2,680)
Dividends paid in cash	**(1,907)**	(5,705)
Disposal of treasury shares on exercise of share options	**241**	387
Share issues	**154**	-
	(22,221)	(10,089)
(Increase)/decrease in net debt	**(6,248)**	6,910
Net debt at the beginning of the period	**65,455**	72,365
Net debt at the end of the period	**71,703**	65,455

[1]Normalised net debt movement represents the movement in net debt generated from underlying trading activities after working capital, capital expenditure, tax and financing costs, before exceptional and other non-normalised items. Exceptional items are outlined in Note 9.

23 Financial assets and liabilities (continued)

23.4 Reconciliation of net debt

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Revolving Credit Facility		
Drawdown on facility	**10,500**	8,500
Repayment of facility	**(9,500)**	(9,500)
Finance costs in relation to RCF (non-cash)	**2,767**	3,277
Interest paid	**(2,798)**	(3,315)
Loan arrangement fees paid	**(120)**	(200)
Release of deferred arrangement fees (non-cash)	**160**	300
Movement in Revolving Credit Facility	**1,009**	(938)
Opening balance	**38,947**	39,885
Closing balance	**39,956**	38,947
Lease liabilities		
New leases entered into (non-cash)	**11,492**	770
Lease reassessments (non-cash)	**7,465**	611
Lease disposals (non-cash)	**(956)**	-
Principal element of lease payments	**(7,156)**	(8,762)
Interest element of lease payments (non-cash)	**1,927**	1,251
Interest paid	**(1,927)**	(1,251)
Movement in lease liabilities	**10,845**	(7,381)
Opening balance	**4,707**	31,980
Transferred to liabilities held for sale	**(13,130)**	(19,892)
Closing balance	**2,422**	4,707
Term loans		
Repayment of loans	**(3)**	(18)
Movement in term loans	**(3)**	(18)
Opening balance	**3**	21
Closing balance	**-**	3
Asset financing liabilities		
Drawdown on facility	**-**	2,680
Repayment of loans	**(3,529)**	(1,031)
Finance costs (non-cash)	**275**	282
Interest paid	**(276)**	(282)
Other movements (non-cash)	**(376)**	(334)
Movement in asset financing liabilities	**(3,906)**	1,315
Opening balance	**1,805**	3,609
Transferred to liabilities held for sale	**3,119**	(3,119)
Closing balance	**1,018**	1,805
Cash	**4,715**	3,018
Net debt from continuing operations	**38,681**	42,444
Net debt transferred to liabilities held for sale		
Asset financing liabilities	**-**	3,119
Lease liabilities	**33,022**	19,892
Total Group net debt	**71,703**	65,455

All lines included above are cash unless otherwise stated.

23 Financial assets and liabilities (continued)

23.5 Other financial liabilities

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Derivatives designated as hedging instruments		
Current financial liabilities	**307**	153
Non-current financial liabilities	**32**	92
Total financial liabilities carried at fair value	**339**	245

Derivatives designated as hedging instruments reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD).

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Other financial liabilities at amortised cost, other than interest bearing loans and borrowings		
Trade and other payables*	**19,446**	29,816
Total other financial liabilities	**19,446**	29,816

**During the current year, the presentation of financial liabilities has been updated to exclude deferred income and accrued expenses which don't meet the definition of financial liabilities. The comparative information has not been restated as the impact of this reclassification was assessed as not material to the prior year financial statements.*

23.6 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The sole risk managed using derivative instruments is foreign currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 23.8.

The Group is holding the following foreign exchange forward contracts:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current foreign exchange forward contract	**307**	**153**
Non-current foreign exchange forward contract	**32**	**92**
	339	**245**

23.7 Fair values

Management assessed that fair values of cash and cash equivalents, trade receivables, accrued income, trade payables and other current liabilities approximate their carrying values largely due to the short-term nature of these instruments. Carrying value is considered to approximate fair value for all of the Group's financial instruments carried at amortised cost other than bank loans which had a carrying value of £40.0m and a fair value of £43.5m at 31 March 2026.

The fair value of loans was calculated using Level 2 valuation techniques reflecting the borrowing rate at the end of the reporting period and any unamortised arrangement fees relating to those borrowings.

At 31 March 2026 the Group held the following financial instruments measured at fair value through other comprehensive income (FY25: £0.3m).

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**
Foreign exchange forward contract	**-**	**339**	-

23 Financial assets and liabilities (continued)

23.7 Fair values (continued)

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers in or out of Level 3 fair value measurements in FY26 or FY25.

23.8 Financial risk management

The objectives of the Group's treasury activities are to manage financial risk, secure cost-effective funding where necessary and minimise adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on cash flows of the Group.

The Group's principal financial instruments for fundraising are bank borrowings, overdraft facilities and loans. The Group has various other financial instruments such as cash, trade receivables and trade payables that arise directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out centrally under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering each specific risk area.

a) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group mainly operates within the UK with foreign exchange risk arising from certain transactions with counterparties denominated in foreign currencies within operating activities. In December 2024 the Group entered into two material USD denominated contracts. Prior to this, foreign exchange risk was considered low.

The Group manages its foreign currency risk arising from large contracts denominated in foreign currency by hedging forecasted purchases using foreign currency forward contracts. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure.

b) Cash flow interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group receives interest on cash and cash equivalents and pays interest on its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. During the year the Group's borrowings at variable rates were denominated in Pounds Sterling with interest linked to Sterling interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift and manages its cash flow interest rate risk accordingly.

Based on the simulations performed, the impact on post-tax profit and equity of a +/– 1% shift in the interest rate would not be material. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by management.

c) Price risk

The Group is not exposed to significant commodity or security price risk. The Group has entered into contracts with energy brokers and has agreed own-use commodity prices for a significant proportion of its expected electricity volumes, which significantly reduces its exposure to price volatility.

23 Financial assets and liabilities (continued)

23.8 Financial risk management (continued)

d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers. Individual risk limits are set based on internal and external ratings and reviewed by the Board where appropriate. The utilisation of credit limits is regularly monitored with appropriate action taken by management in the event of a breach of credit limit.

The credit quality of trade receivables is reviewed at each reporting date using a provision matrix to measure expected credit loss (ECL). The provision is calculated by management on a specific basis based on their best estimate of recoverability considering the age and specific circumstances relating to the debtor. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable noted below. The Group does not hold any collateral as security.

The following table provides information about the exposure to credit risk and ECL's for trade receivables from individual customers as at 31 March 2026 for the Group. For the purpose of calculating the provision, any credit balances within the aging categories have been excluded when applying the loss rate.

31 March 2026	**Current**	**1 to 30 days overdue**	**31 to 60 days overdue**	**61 to 90 days overdue**	**91 to 180 days overdue**	**> 180 days overdue**	**Total**
Expected credit loss rate (%)	0.05	0.17	0.69	1.16	21.47	26.35	
Trade receivables and accrued income	16,971	1,735	874	172	531	1,166	21,449
Expected credit loss (£'000)	**9**	**3**	**6**	**2**	**114**	**308**	**442**
Net carrying amount at default rate (£'000)	16,962	1,732	868	170	417	858	21,007

31 March 2025	**Current**	**1 to 30 days overdue**	**31 to 60 days overdue**	**61 to 90 days overdue**	**91 to 180 days overdue**	**> 180 days overdue**	**Total**
Expected credit loss rate (%)	0.15	0.17	0.23	0.52	3.45	21.13	
Trade receivables and accrued income	19,751	2,356	1,292	383	579	582	24,943
Expected credit loss (£'000)	**30**	**4**	**3**	**2**	**20**	**123**	**182**
Net carrying amount at default rate (£'000)	19,721	2,352	1,289	381	559	459	24,761

Set out below is the movement in the allowance for expected credit losses of trade receivables and accrued income:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
As at 1 April	**182**	308
Net remeasurement of loss allowance	**369**	187
Utilisation of provision	**(109)**	(313)
	442	182
Provision for continuing operations	**442**	122
Provision for discontinued operations	**-**	60
	442	182

23 Financial assets and liabilities (continued)

23.9 Capital risk

The Group's objectives when managing capital are to safeguard the Group's future growth and its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the Group has previously both issued new shares and borrowed using bank facilities. The Group monitors capital on the basis of the ratio of net bank debt to adjusted EBITDA. Net debt is calculated as total bank borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents, and adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, exceptional costs and share-based payments and associated National Insurance. The Group's strategy is to maintain the ongoing ratio below 2.5x, although the bank facilities can accommodate a higher ratio. The ratio was comfortably below this level throughout the year, and at 31 March 2026 was 0.42x (31 March 2025: 1.1x).

The bank facilities referred to in Note 23.2 contain various covenants relating to EBITDA, interest cover, net debt and cash flow, which the Group monitors on a monthly basis. The Group adopts a risk-averse position with respect to borrowings and maintains headroom in its bank facilities to ensure that any unexpected situations do not create financial stress. Refer to Note 2.1.

23.10 Liquidity risk

Management monitors rolling forecasts of the Group's undrawn borrowing facility and cash and cash equivalents based on expected cash flow. The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these.

The table below analyses the Group's financial liabilities for continuing operations, into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. These amounts disclosed in the table are the contracted undiscounted cash flows. Balances within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	**Due 1 – 2 years £'000**	**Due 2 – 3 years £'000**	**Due 3 – 4 years £'000**	**Due 4 – 5 years £'000**	**After more than 5 years £'000**	**Total £'000**
At 31 March 2026							
Bank loans	3,228	40,233	-	-	-	-	**43,461**
Leases	1,499	639	429	15	-	-	**2,582**
Asset financing liabilities	696	379	-	-	-	-	**1,075**
Trade payables	11,222	-	-	-	-	-	**11,222**
Other payables	928	-	-	-	-	-	**928**
	17,573	**41,251**	**429**	**15**	**-**	**-**	**59,268**
At 31 March 2025							
Bank loans	3,167	39,207	-	-	-	-	42,374
Leases	1,779	1,340	1,050	601	196	310	5,276
Asset financing liabilities	913	662	373				1,948
Term loans	3	-	-	-	-	-	3
Trade payables	9,768	2,390	38	33	-	-	12,229
Other payables	553	-	-	-	-	-	553
	16,183	43,599	1,461	634	196	310	62,383

The interest accrual for the future forecasted borrowings in each category is dependent on the expected level of funding required each month, with an applied interest rate of SONIA (4.73%) above the margin, forecast to be 2.05% (which is a fixed percentage depending on the Group's adjusted leverage in line with the facility agreement).

24 Lease liabilities

The following disclosures for FY26 relate to continuing operations only. Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Present value as at 31 March 2026 £'000	**Finance charges £'000**	**Future lease payments as at 31 March 2026 £'000**	Present value as at 31 March 2025 £'000	Finance charges £'000	Future lease payments as at 31 March 2025 £'000
Less than 1 year	**1,402**	**97**	**1,499**	1,526	253	1,779
Due 1 – 2 years	**588**	**51**	**639**	1,177	163	1,340
Due 2 – 3 years	**417**	**12**	**429**	961	89	1,050
Due 3 –4 years	**15**	**-**	**15**	566	35	601
Due 4 – 5 years	**-**	**-**	**-**	179	17	196
After more than 5 years	**-**	**-**	**-**	298	12	310
	2,422	**160**	**2,582**	4,707	569	5,276

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Short-term lease payments	**18**	9
Low value lease payments	**14**	19
Variable lease payments	**(180)**	-

25 Provisions

	Dilapidation provision £'000
At 1 April 2024	12,374
Additional provisions created during the period	162
Interest on provisions	363
Reassessment of provisions during the period	(1,222)
Utilised during the period	(33)
Transferred to assets held for sale	(10,904)
At 31 March 2025	740
Interest on provisions	464
Released during the period	(163)
Utilised during the period	(397)
Reassessment during the period	(482)
At 31 March 2026	**162**
FY26 Analysed as:	
Current	**-**
Non-current	**162**
	162
FY25 Analysed as:	
Current	507
Non-current	233
	740

25 Provisions (continued)

The dilapidations provision represents the estimated costs of restoring certain leasehold properties to the condition required under the terms of the respective lease agreements at the end of the lease term. The provision is measured using management's best estimate of the future expenditure required to settle the obligation and is discounted to present value where material.

Following the trade and asset transfer of the DC business from Redcentric Solutions Limited to Redcentric Data Centres Limited on 1 February 2025, management engaged an independent third-party specialist to reassess the dilapidations provision as at 31 January 2025. This reassessment resulted in a reduction of £1.2m in the prior year.

In the current year, management determined that a further independent valuation was not required given the recent external assessment performed in FY25. The provision has instead been reassessed using updated assumptions, including current inflation and discount rates, together with any changes in the underlying lease portfolio.

Dilapidation provisions relating to both the continuing and discontinued businesses have expected settlement dates ranging from 2027 to 2040 and are therefore discounted to present value. The discount rates applied range from 4.38% to 5.28% (FY25: 4.05% to 5.00%) and are derived from UK Government bond yields based on the expected timing of the related cash outflows. Changes in estimates of future restoration costs are recognised as adjustments to the carrying value of the related right-of-use assets and are subsequently recognised through depreciation over the remaining lease terms. The provisions are expected to be utilised as the related leasehold properties reach the end of their respective lease terms.

The dilapidations provision relating to the continuing business amounted to £0.2m at 31 March 2026 and is not considered material to the Group Financial Statements. Accordingly, management does not consider the provision to represent a critical accounting estimate in the current year.

26 Assets held for sale

The major classes of assets and liabilities of the DC business unit, which continued to meet the criteria for being held for sale as at 31 March 2026 (see Note 5 for further details), are as follows:

	Year ended 31 March 2026 £'000	**Year ended 31 March 2025 £'000**
Intangible assets	**40,813**	40,746
Property, plant and equipment	**16,275**	13,242
Right-of-use assets	**40,672**	23,081
Trade and other receivables	**6,558**	3,227
Prepayments	**1,572**	754
Contract acquisition asset	**432**	425
Accrued income	**306**	694
Assets held for sale	**106,628**	82,169

	Year ended 31 March 2026 £'000	**Year ended 31 March 2025 £'000**
Trade and other payables	**4,316**	1,005
Accruals	**2,831**	3,017
Deferred income	**554**	733
Asset financing liabilities	**-**	3,119
Leases	**33,022**	19,892
Deferred tax liability	**1,394**	1,650
Provisions	**11,046**	10,904
Liabilities held for sale	**53,163**	40,320

Included within intangible assets held for sale is goodwill of £33.4m (FY25: £33.4m). The above assets and liabilities are held at their carrying value which is lower than their fair value less costs of disposal. No impairment was identified on classification as held for sale, and no subsequent impairment has been recognised as at 31 March 2026.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

27 Share capital

	Ordinary shares of 0.1p each		Share premium
	Number	£'000	£'000
At 1 April 2024	158,884,919	159	75,649
New shares issued	260,994	-	-
At 31 March 2025	**159,145,913**	**159**	**75,649**
New shares issued	**170,806**	**-**	**154**
At 31 March 2026	**159,316,719**	**159**	**75,803**

During the year, the Company allotted 170,806 ordinary shares of £0.001 each following the exercise of options under the Company's SAYE and LTIP schemes. The aggregate nominal value of the shares allotted was £171 and consideration of £154,265 was received.

The total shares held in treasury at 31 March 2026 were 496 at an average cost of £1.23 per share, therefore, with a total value of £611 (FY25: 242,175 shares at an average cost of £1.23, with a total value of £298,258).

The number of shares authorised is the same as the number of shares issued. Ordinary shareholders have the right to attend, vote and speak at meetings, receive dividends, and receive a return on assets in the case of a winding up.

The common control reserve represents the difference between the net assets acquired and the fair value of consideration transferred on the acquisition of the Group Holdings Limited via demerger from Redstone plc in 2013.

28 Share-based payments

At 31 March 2026, the Group had the following share-based payment arrangements in place:

Long Term Incentive Plan (LTIP)

The Group operates a Long-Term Incentive Plan (LTIP) under which the Executive Directors and key management personnel are awarded nil cost options that will vest subject to the achievement of performance conditions relating to the growth in earnings per share.

Save-As-You-Earn (SAYE)

The Group operates a HMRC approved SAYE option plan under which it offers its UK based colleagues the opportunity to participate in a share purchase plan. To participate in the plan, the colleagues are required to save an amount of their gross monthly salary, up to a maximum of £500 per month, for a period of 36 months. Under the terms of the plan, at the end of the three-year period the colleagues are entitled to purchase shares using funds saved at a price 20% below the market price at grant date. Only colleagues who remain in service and save the required amount of their gross monthly salary for 36 consecutive months will become entitled to purchase the shares. Colleagues who cease their employment, do not save the required amount of their gross monthly salary in any month before the 36-month period expires, or elect not to exercise their options to purchase shares will be refunded their saved amounts.

The Group recognised the following expense for its share-based payments:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Equity-settled share-based charge on LTIP scheme	**779**	1,011
Cash-settled share-based charge on LTIP scheme	**35**	-
Equity-settled share-based charge on SAYE plan	**98**	126
	912	1,137
National Insurance arising on share options	**64**	130
	976	1,267

28 Share-based payments (continued)

The fair value of the equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	LTIP (number)	SAYE (number)	Total (number)	WAEP (pence)
Balance at 1 April 2024	5,137,179	1,275,175	6,412,354	19.9p
Issued in the period	1,924,181	413,062	2,337,243	18.3p
Forfeited in the period	(52,000)	(22,139)	(74,139)	29.4p
Cancelled in the period	(25,000)	(155,225)	(180,225)	86.0p
Exercised in the year	(266,052)	(398,186)	(664,238)	61.0p
Lapsed in the year	(1,279,759)	(36,064)	(1,315,823)	3.3p
Balance at 31 March 2025	**5,438,549**	**1,076,623**	**6,515,172**	**16.7p**
Issued in the period	**4,132,383**	**531,241**	**4,663,624**	**12.6p**
Forfeited in the period	**-**	**(1,802)**	**(1,802)**	**-**
Cancelled in the period	**-**	**(95,222)**	**(95,222)**	**47.8p**
Exercised in the year	**(7,534)**	**(353,202)**	**(360,736)**	**95.1p**
Lapsed in the year	**(2,452,924)**	**(66,151)**	**(2,519,075)**	**2.8p**
Balance at 31 March 2026	**7,110,474**	**1,091,487**	**8,201,961**	**14.2p**

The weighted average remaining contractual life for the share options outstanding at 31 March 2026 is 10 years and 4 months (31 March 2025: 7 years and 11 months). The range of exercise prices for options outstanding at the end of the year was 0.1p to 110.3p. Share options outstanding at the end of the year with approximate remaining average life are as follows:

Exercise price (pence)	Number, year ended 31 March 2026	Life at 31 March 2026	Number, year ended 31 March 2025	Life at 31 March 2025
0.1p	**7,110,474**	**9 years 0 months**	5,438,549	9 years 1 month
108.3p	**-**	**-**	6,646	-
99.9p	**-**	**-**	115,083	0 years 4 months
96.1p	**1,945**	**-**	292,226	0 years 11 months
101.3p	**247,002**	**1 year 0 months**	293,129	2 years 0 months
103.1p	**334,470**	**2 years 0 months**	369,539	3 years 0 months
110.3p	**508,070**	**3 years 0 months**	-	-
	8,201,961	**10 years 4 months**	6,515,172	7 years 11 months

The following table illustrates the status of the options outstanding at the end of the year:

	31 March 2026 Number of options	31 March 2026 WAEP	31 March 2025 Number of options	31 March 2025 WAEP
Performance conditions satisfied	**26,853**	**0.1p**	**15,000**	**0.1p**
Subject to performance conditions	**7,083,621**	**0.1p**	**5,423,549**	**0.1p**
Save-As-You-Earn	**1,091,487**	**1.0p**	**1,076,623**	**1.0p**
Outstanding at the end of the year	**8,201,961**	**14.2p**	**6,515,172**	**16.7p**

29 Capital commitments

At 31 March 2026, the Group entered into contracts to purchase property, plant and equipment totalling £0.6m (FY25: £1.0m) and contracts totalling £10.2m (FY25: £17.1m) to purchase goods and services for future customer contracts.

30 Pensions

The Group operates a defined contribution pension scheme for eligible employees. The charge for the year ended 31 March 2026 was £1.5m (FY25: £1.5m). At the year end, there was a pension creditor of £0.3m (FY25: £0.3m).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026 (continued)

31 Subsidiaries

The undertakings whose results and financial position are consolidated within the Group Financial Statements at 31 March 2025 are as follows:

	Principal activity	Country of incorporation	% of ordinary share capital owned
Held directly by the Group plc			
Redcentric Solutions Limited	IT Managed Services	England and Wales	100%
Redcentric Data Centres Limited	Colocation services	England and Wales	100%
Held indirectly by the Group plc			
Redcentric Support Services Private Limited	Support Services	India	100%
7 Elements Limited	Dormant	Scotland	100%
Hotchilli Internet Limited	Dormant	England and Wales	100%
4D Data Centres Limited	Non-Trading	England and Wales	100%

All companies incorporated in England and Wales have a registered office of Central House, Beckwith Knowle, Harrogate HG3 1UG, Redcentric Support Services Private Limited which has a registered office of 8th Floor, My Home Twitza, Plot No. 30/A Sy No. 83/1, TSIIC Knowledge City, Raidurg, Hyderabad Rangareddy Telangana 500081 INDIA, and 7 Elements Limited which has a registered office of 4-5 Lochside Way, Edinburgh Park, Edinburgh, Scotland, EH12 9DT.

32 Related parties

Directors' emoluments are disclosed in the Annual Report on Remuneration on page 60 and compensation of key management personnel is disclosed in Note 11.

Oliver Scott (non-independent Non-Executive Director) is a beneficial owner of Kestrel Opportunities, who held 16,715,306 ordinary shares in the Company as at 31 March 2026.

John Radziwill (non-independent Non-Executive Director) is a representative of ND Capital Investments Limited, who held 25,531,554 ordinary shares in the Company as at 31 March 2026.

There were no other transactions with related parties in the year to 31 March 2026.

33 Subsequent events

Disposal of the DC business

The Group continued to advance negotiations regarding the sale of RDC after 31 March 2026, with the transaction completing on 30 April 2026. As the disposal took place after the reporting date, it has not been recognised in the Financial Statements for the year ended 31 March 2026.

The total gross proceeds received were £124.9m and costs directly attributable to the sale were approximately £5.0m. The Group expects a significant profit on disposal to be reported in the Group results for the year ending 31 March 2027.

Bank facilities

On 28 August 2026, the Group entered into a new syndicated banking facility agreement with National Westminster Bank Plc and Barclays Bank PLC, refinancing its existing revolving credit facility. The new facilities comprise a £30.0m revolving credit facility together with an additional £10.0m Accordion facility which may be made available subject to the terms of the agreement. The facilities are provided for an initial three-year term, with an option for the Group to extend for up to one additional year, subject to the Company not being in breach of the agreement at that time.

Borrowings under the facility bear interest at a variable rate linked to SONIA plus a margin ranging from 1.65% to 2.75% per annum, depending on the Group's leverage ratio. A commitment fee is also payable on undrawn amounts. The facility includes customary security, guarantee, covenant and other terms consistent with a syndicated revolving credit facility of this nature.

Management has assessed the refinancing as a non-adjusting post balance sheet event. The successful renewal of the facilities provides continued funding capacity and liquidity support for the Group's operations and growth strategy.

33 Subsequent events (continued)

Tender Offer and share capital restructure

Following the year end, the Group completed a capital reorganisation and return of capital to shareholders. On 7 July 2026 the Company completed the cancellation of its share premium account, creating approximately £75.8m of distributable reserves.

Subsequently, on 21 July 2026, the Company completed a £90.0m return of capital to shareholders through a tender offer. A total of 56,250,000 ordinary shares were repurchased and cancelled at a price of £1.60 per share, reducing the number of ordinary shares in issue from 159,321,733 to 103,071,733.

Following the tender offer and the issue of seven ordinary shares to facilitate the transaction, the Company completed a 20-for-1 share consolidation followed immediately by a 1-for-20 share subdivision, resulting in 103,071,740 ordinary shares of £0.001 each in issue. Fractional entitlements arising on the share consolidation were subsequently repurchased by the Company and are held in treasury. This was completed on 5 August 2026.

These transactions have been treated as non-adjusting events for the purposes of IAS 10 as they occurred after the reporting date.

Share buy-back programme

On 11 August 2026, the Company announced that it had approved a share buy-back programme of up to £1.5m in the period to 30 September 2026, in accordance with the authority given by shareholders at the General Meeting held on 7 July 2026. At 25 September 2026, the total number of shares purchased was 1,140,937 with an aggregate purchase price of approximately £1.2m.

These transactions have been treated as non-adjusting events for the purposes of IAS 10 as they occurred after the reporting date.

Redcentric plc

Company Balance Sheet as at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-Current Assets			
Investments	2	**108,161**	107,286
Total assets		**108,161**	107,286
Current liabilities			
Creditors	3	**18,272**	14,592
Financial liabilities	3	**307**	153
		18,579	14,745
Non-current liabilities			
Financial liabilities	4	**32**	92
		32	92
Total liabilities		**18,611**	14,837
Net Assets		**89,550**	92,449
Capital and reserves			
Called up share capital	5	**159**	159
Share premium account	5	**75,803**	75,649
Share option reserve		**11,953**	11,077
Own shares held in treasury		**(1)**	(298)
Retained earnings:			
At the beginning of the year		**5,862**	2,383
(Loss)/profit for the year		**(2,263)**	9,278
Other changes in retained earnings		**(1,963)**	(5,799)
		1,636	5,862
Total shareholders' funds		**89,550**	92,449

The Notes on pages 124 to 129 are an integral part of these Financial Statements.

The Financial Statements of the Redcentric plc (Registration Number 08397584) on pages 122 to 123, and the Notes to these Financial Statements on pages 124 to 129 were approved by the Board on 25 September 2026 and are signed on its behalf by:

Tim Sykes
Chief Financial Officer

Company Statement of Changes in Equity for the year ended 31 March 2026

	Called up Share Capital £'000	Share Premium £'000	Share option reserve £'000	Own shares held in treasury £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 April 2024	159	75,649	9,940	(779)	2,383	87,352
Profit for the year	-	-	-	-	9,278	9,278
Transactions with owners						
Dividend paid to shareholders	-	-	-	-	(5,705)	(5,705)
Share option exercises	-	-	-	481	(94)	387
Share-based payments	-	-	1,137	-	-	1,137
At 31 March 2025	**159**	**75,649**	**11,077**	**(298)**	**5,862**	**92,449**
Loss for the year	**-**	**-**	**-**	**-**	**(2,263)**	**(2,263)**
Transactions with owners						
Dividend paid to shareholders	**-**	**-**	**-**	**-**	**(1,907)**	**(1,907)**
Issue of new shares	**-**	**154**	**-**	**-**	**-**	**154**
Share option exercises	**-**	**-**	**-**	**297**	**(56)**	**241**
Share-based payments	**-**	**-**	**876**	**-**	**-**	**876**
At 31 March 2026	**159**	**75,803**	**11,953**	**(1)**	**1,636**	**89,550**

The Notes on pages 124 to 129 are an integral part of these Financial Statements.

Notes to the Company Financial Statements for the year ended 31 March 2026

1 Accounting policies

These separate Financial Statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council (FRC). Accordingly, these Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. These policies have all been applied consistently throughout the year unless otherwise stated.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related Notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investments;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the Consolidated Financial Statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 'Share-based Payments' in respect of group settled share-based payments
- Certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instrument Disclosures'.

The accounting policies set, unless otherwise stated, have been applied consistently to all periods presented in these Financial Statements.

1.1 Investments

Investments in subsidiaries are carried at cost less impairment which is based on the fair value at acquisition. Investments are reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

1.2 Taxation

The accounting policy applied by the Company in respect of income taxes is the same as that applied by the Group. Accordingly, no separate Company policy disclosure has been included. Further details are set out in the Group accounting policy for income taxes on page 82.

1.3 Dividends

Dividends payable to equity shareholders are included in the Financial Statements within 'other creditors' when a final dividend is approved by shareholders in a general meeting. Interim dividends to equity shareholders approved by the Board during the financial year are not included in the Financial Statements until paid.

Dividends receivable from the Company's investments are recorded in the Company Income Statement once the dividend has been declared and approved by the Board.

1.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Creditors

Creditors, which relate to amounts owed to subsidiary companies, are held at amortised cost.

Notes to the Company Financial Statements for the year ended 31 March 2026 (continued)

1.4 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

The Company enters into derivative financial instruments to manage its exposure to foreign currency risk. These instruments are designated as hedges at the Group level but are not accounted for as hedges in the Company only Financial Statements. The reason for this is that the hedging instrument and the underlying hedged item reside in different legal entities within the Group. Under IFRS 9 *Financial Instruments*, hedge accounting requires that both the hedged item and hedging instrument affect the same entity's Financial Statements in order for the relationship to qualify for hedge accounting in that entity's books. As the Company does not hold both elements of the hedge relationship, the criteria for hedging is not met on a standalone basis. As a result, changes in the fair value of the derivative instrument are recognised in the Statement of Comprehensive Income.

1.5 Treasury shares

Redcentric plc shares held by the Company are deducted from equity as "treasury shares" and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to share premium. No gain or loss is recognised in the Company Income Statement on the purchase, sale, issue or cancellation of equity shares.

1.6 Share-based payments

The accounting policy applied by the Company in respect of share-based payments is the same as that applied by the Group. Accordingly, no separate Company policy disclosure has been included. Further details are set out in the Group accounting policy for share-based payments on page 81-82.

1.7 Subsidiaries

For the year ended 31 March 2026 the following companies are exempt from audit under s479A of the Companies Act 2006 (the Act) as the Group plc will provide a guarantee under s479C of the Act and their results are included in its Consolidated Financial Statements.

- 7 Elements Limited (number SC382475)
- 4D Data Centres Limited (number 04592242)

1.8 Intra-group financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be in the scope of IFRS 9 and accounts for them as such. Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

1.9 Key judgements and sources of estimation uncertainty

Judgements

There were no critical accounting judgements that would have a material effect on the amounts recognised in the Company's Financial Statements at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Estimation uncertainty

Estimation uncertainty exists when assessing investment recoverability of the investment in the Redcentric Solutions Limited. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its VIU. The VIU calculation for investment impairment uses the Equity Valuation method by taking the MSP Enterprise Value (being the VIU) plus fair value of surplus assets less fair value of debt. The cash flows to derive the Enterprise Value are derived from the financial projections for the next three years and do not include restructuring activities that are not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Following the carve out of the DC business to Redcentric Data Centres Limited in the prior year there was reduced headroom on the investment in Redcentric Solutions Limited. Impairment will therefore continue to be a key source of estimation uncertainty for the current year. Additional information is included in Note 2.

Notes to the Company Financial Statements for the year ended 31 March 2026 (continued)

1.10 Parent company profit and loss account

As permitted by Section 408 of the Companies Act 2006, the Parent Company has not presented its own profit and loss account.

2 Investments held as fixed assets

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 *Restated £'000
Investments in subsidiaries	**96,062**	96,062
Capital contribution related to share-based payments for subsidiaries	**12,099**	11,224
Impairment in Redcentric Solutions Limited	**-**	(6,053)
Capitalisation of impairment in Redcentric Data Centres Limited	**-**	6,053
	108,161	107,286

**The prior year comparatives have been restated to correct an error in the FY25 investment impairment assessment, which resulted in an understatement of £4.7m in the investment value reallocated from RSL to RDC following the data centre carve-out. The adjustment affects only the allocation of investment carrying values between subsidiaries and has no impact on total investments, profit, net assets or equity.*

At the year end date the Company holds investments in both Redcentric Solutions Limited and Redcentric Data Centres Limited. All of the Company's investments are unlisted. Investments in subsidiary undertakings are carried at cost less accumulated impairment losses. Details of subsidiary undertakings are included in Note 31 of the Group Financial Statements.

The Company's investments are broken down as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 *Restated £'000
Redcentric Solutions Limited	**102,060**	101,226
Redcentric Data Centres Limited	**6,101**	6,060
	108,161	107,286

**The prior year comparatives have been restated to correct an error in the FY25 investment impairment assessment, which resulted in an understatement of £4.7m in the investment value reallocated from RSL to RDC following the data centre carve-out. The adjustment affects only the allocation of investment carrying values between subsidiaries and has no impact on total investments, profit, net assets or equity.*

During the year investments increased by £0.9m in respect of the capital contribution to Redcentric Solutions Limited and Redcentric Data centres relating to the share-based payment transaction. The Company settled the share-based payment transaction on behalf of its subsidiaries. There is no recharge arrangement in place for share-based payments settled by the Company on behalf of its subsidiaries. For further details see Note 28 to the Group accounts.

Impairment

The Company's investment in Redcentric Solutions Limited has been assessed for potential indicators of impairment in accordance with IAS 36 at 31 March 2026 having recognised an impairment charge in the prior year. The recoverable amount of the investment in Redcentric Solutions Limited was determined using an equity valuation approach derived from the VIU calculated as part of the Group's goodwill impairment assessment. The VIU was based on Board-approved three-year forecast cash flows to 31 March 2029. The resulting enterprise value was adjusted for the fair value of surplus assets and less the fair value of debt to determine the recoverable amount of the Company's investment.

2 Investments held as fixed assets (continued)

The key assumptions used in the impairment testing were as follows:

- New order intake increased steadily compared to the prior year, supported by sales team stability and improved opportunities in public sector spend;
- Price increases averaged 1.0% of total revenue;
- Overall gross margin percentage of c.60%, broadly in line with historic trends for the MSP business;
- Net new business, measured as in-year revenue generated from new order intake less customer cancellations, increases steadily. Growth is supported by a stable sales team and improved opportunities, together with additional cloud customer demand resulting from changes in the competitive landscape following Broadcom's licensing strategy developments.
- Pre-tax discount rate of 14.67% at 31 March 2026 (FY25: 12.87%); and
- Terminal growth rate percentage of 2.0% is consistent with the market the entity operates in for real growth.

The assumptions are based on historical performance, management's expectation of future market conditions and external sources of information where appropriate.

In performing the impairment assessment, the Company considered the potential impacts of climate-related risks and the costs associated with achieving net zero commitments. Management concluded that these factors would not have a material impact on the cash flow forecasts or the impairment assessment over the period considered.

At 31 March 2026, the recoverable amount of the Company's investment in Redcentric Solutions Limited exceeded its carrying value by approximately £5.5m, representing headroom of 5.4%.

Management performed sensitivity analyses over the key assumptions used in the impairment assessment, including forecast revenue growth and the discount rate. The analysis indicated that the estimated recoverable amount would equal the carrying value if:

- the post-tax discount rate increased from 11.0% to 11.8% (an increase of approximately 0.8 percentage points); or
- forecast revenue over the three-year explicit forecast period was reduced by approximately 3.4% per annum; or
- terminal period revenue was reduced by approximately 1.0%.

Management also considered a reasonably possible combination of adverse changes in assumptions. Under this scenario, the carrying value would equal the recoverable amount if forecast revenue over the explicit forecast period reduced by approximately 1.0%, terminal period revenue reduced by approximately 0.25%, and the post-tax discount rate increased by approximately 0.4 percentage points.

Based on the sensitivity analyses performed, management concluded that no impairment of the investment was required at 31 March 2026.

The investment in Redcentric Data Centres Limited was also assessed for indicators of impairment at 31 March 2026. No indicators of impairment were identified and therefore no impairment charge was recognised.

Notes to the Company Financial Statements for the year ended 31 March 2026 (continued)

3 Creditors – amounts falling due within one year

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Amounts owed to subsidiaries	**18,272**	14,592
Financial liabilities	**307**	153
	18,579	14,745

Amounts due to Group undertakings are unsecured, interest-free and have no fixed payment terms.

4 Creditors – amounts falling due after one year

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Financial liabilities	**32**	92

5 Share capital

	Ordinary shares of 0.1p each		**Share premium**
	Number	£'000	£'000
At 1 April 2024	158,884,919	159	75,649
New shares issued	260,994	-	-
At 31 March 2025	159,145,913	159	75,649
New shares issued	170,806	-	154
At 31 March 2026	159,316,719	159	75,803

During the year, 241,679 treasury shares were utilised for various share option exercises, leaving 496 shares held in treasury at 31 March 2026 (31 March 2025: 242,175).

6 Related parties

The Company has taken advantage of the exemption from disclosing transactions with entities wholly owned by the Group.

Directors' emoluments are disclosed in the Annual Report on Remuneration within the Consolidated Financial Statements on page 60.

Oliver Scott (non-independent Non-Executive Director) is a beneficial owner of Kestrel Opportunities, who held 16,715,306 ordinary shares in the Company as at 31 March 2026.

John Radziwill (non-independent Non-Executive Director) is a representative of ND Capital Investments Limited, who held 25,531,554 ordinary shares in the Company as at 31 March 2026.

There were no other transactions with related parties or related party year end balances to disclose other than intercompany balances as disclosed in Note 3 in the year to 31 March 2026.

7 Guarantees

The Company has committed to be a financial guarantor under the Group's banking facilities and is also party to the Group's cross banking guarantees. These arrangements represent financial guarantee contracts which have been accounted for in line with IFRS 9, as explained in the Company's accounting policies. The fair value of these financial guarantee contracts has been assessed to be immaterial.

8 Subsequent events

Disposal of the DC business

The Group continued to advance negotiations regarding the sale of RDC after 31 March 2026, with the transaction completing on 30 April 2026. As the disposal took place after the reporting date, it has not been recognised in the Financial Statements for the year ended 31 March 2026.

The total gross proceeds received by the Group were £124.9m and costs directly attributable to the sale were approximately £5.0m

In respect of this sale the Company received £85.8m of cash. The Company expects a significant profit on disposal to be reported in the results for the year ending 31 March 2027.

Bank facilities

On 28 August 2026, the Company entered into a new syndicated banking facility agreement with National Westminster Bank Plc and Barclays Bank PLC, refinancing its existing revolving credit facility. The new facilities comprise a £30.0m revolving credit facility together with an additional £10.0m Accordion facility which may be made available subject to the terms of the agreement. The facilities are provided for an initial three-year term, with an option for the Group to extend for up to one additional year, subject to the Company not being in breach of the agreement at that time.

Borrowings under the facility bear interest at a variable rate linked to SONIA plus a margin ranging from 1.65% to 2.75% per annum, depending on the Group's leverage ratio. A commitment fee is also payable on undrawn amounts. The facility includes customary security, guarantee, covenant and other terms consistent with a syndicated revolving credit facility of this nature.

Management has assessed the refinancing as a non-adjusting post balance sheet event. The successful renewal of the facilities provides continued funding capacity and liquidity support for the Group's operations and growth strategy.

Tender Offer and share capital restructure

Following the year end, the Company completed the cancellation of its share premium account on 7 July 2026, creating approximately £75.8m of distributable reserves. In addition, a capital reduction was completed in a subsidiary undertaking, resulting in approximately £52.5m of additional distributable reserves within that subsidiary, following which a dividend of £35.0m was paid to the Company.

Subsequent to the capital reduction, the Company completed a £90.0m return of capital to shareholders through a tender offer on 21 July 2026. A total of 56,250,000 ordinary shares were repurchased and cancelled at a price of £1.60 per share.

Following the tender offer and the issue of seven ordinary shares to facilitate the transaction, the Company completed a 20-for-1 share consolidation followed immediately by a 1-for-20 share subdivision, resulting in 103,071,740 ordinary shares of £0.001 each in issue. Fractional entitlements arising on the share consolidation were subsequently repurchased by the Company and are held in treasury. This completed on 5 August 2026.

These transactions have been treated as non-adjusting events for the purposes of IAS 10 as they occurred after the reporting date.

Share buy-back programme

On 11 August 2026, the Company announced that it had approved a share buy-back programme of up to £1.5m in the period to 30 September 2026, in accordance with the authority given by shareholders at the General Meeting held on 7 July 2026. At 25 September 2026, the total number of shares purchased was 1,140,937 with an aggregate purchase price of approximately £1.2m.

These transactions have been treated as non-adjusting events for the purposes of IAS 10 as they occurred after the reporting date.

Directors and Advisers

Directors

Executive

Michelle Senecal de Fonseca – Chief Executive Officer

Tim Sykes – Chief Financial Officer

Non-Executive

Richard McGuire - Chairman

Alan Aubrey

Oliver Scott

John Radziwill

Company Secretary

Liz Wild

Company number

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ISO 9001	ISO 14001	ISO/IEC 20000-1	ISO 22301	ISO/IEC 27001	ISO/IEC 27017	ISO 27018
Quality Management Systems	Environmental Management	IT Service Management	Business Continuity Management	Information Security Management	Cloud Security Management	Personal data in the cloud
CERTIFIED	CERTIFIED	CERTIFIED	CERTIFIED	CERTIFIED	CERTIFIED	CERTIFIED
FS 603185	EMS 673062	ITMS 668453	BCMS 603194	IS 603187	CLOUD 839291	PII 839292