IRIS

Elements Finco Limited

Annual Report and Financial Statements

For the year ended 30 April 2026

Company Registration: 15564708

England & Wales

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Elements Finco Limited

Annual Report and Financial Statements
For the year ended 30 April 2026

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Elements Finco Limited

COMPANY INFORMATION

For the year ended 30 April 2026

Directors

Stephanie Kelly
Robert Strudwick

Registered Office

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Company Number

15564708

Independent Auditors

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STRATEGIC REPORT

Introduction

The Directors present their strategic report of Elements Finco Limited ("the Company"), and the consolidated group of companies (together "the IRIS Group") for the year ended 30 April 2026, with the comparative period from the incorporation date of 15 March 2024 to 30 April 2025.

The Company was incorporated in England and Wales as a company limited by shares on 15 March 2024 and is part of the IRIS Group of companies (together "the IRIS Group") headed by Elements Topco Limited.

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

Ownership

On 30 April 2024, the IRIS Group was acquired by a consortium of investors led by Hg Capital ("Hg"), who reinvested in the business and Leonard Green & Partners, L.P. ("LGP"), with Intermediate Capital Group ("ICG") remaining a minority shareholder.

Following completion, the Group operates under the same ownership structure as the prior year end. There were no further changes in control or ownership during the year. Details of the Group's borrowing facilities can be found on pages 8 and 18.

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

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

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

Business Overview

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

IRIS provides intelligent software and flexible services for organisations across accounting, HR, payroll and education. In complex operating environments, even small errors can create risk, disruption and missed opportunities. IRIS helps reduce that pressure, so teams can stay focused on the work that matters most.

For nearly 50 years, IRIS has combined continuous innovation with first-hand industry experience. Today, we bring together data, AI and deep domain expertise to help organisations work smarter, improve visibility and make better decisions. Our software automates routine tasks responsibly, surfaces trusted insights and helps customers move forward without compromising accuracy or accountability.

Trusted by over 800,000 organisations across 135 countries, IRIS works with customers for the long term. We help them protect the work that must never go wrong, adapt as their needs change and build the resilience they need to grow.

Our core offering includes:

Accountancy Management
Accountancy firms globally trust IRIS to help them simplify the essential work, create capacity, modernise and scale. Built around the realities of practice life, our software and flexible services help firms reduce manual effort, strengthen control, improve visibility and create more time for higher-value advisory work. With IRIS, firms can serve clients better and grow with confidence.
Education Management
IRIS Education cuts the admin and sharpens the visibility schools need, giving staff time back for pupils, families and communities. Built by people who know education because they've worked in it, our software fits the way schools actually run, helping teams cut through risk, decide with confidence and deliver better outcomes for the people they serve.
Human Capital Management
IRIS helps HR and payroll teams support employees from hire to retire, pay people compliantly, accurately and on time, and build stronger businesses. Our software and flexible services connect HR, payroll, recruitment, talent and workforce information, helping teams reduce risk, improve employee experience and turn workforce data into clearer insight for better business decisions.

Leadership

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

Following the change in ownership structure at the start of FY25, a new Chairman, Gus Malezis, was appointed. In July 2025, Jason Dies was appointed Chief Executive Officer and in January 2026, Jens Knudsen joined the Group as Chief Financial Officer. These appointments completed the refresh of the Group's executive leadership following the change in ownership.

These leadership changes reflect the Board's focus on maintaining an appropriate executive structure to support the Group's scale, complexity and future development.

Revenue Generation

Our revenue is primarily generated through provision of software and services to end customers. Software services are principally provided through recurring maintenance or subscription, both through Software as a Service ("SaaS") applications and on-premise solutions. Contract lengths range from monthly rolling for certain solutions, through to multi-year arrangements.

Alongside subscription services, we provide implementation, managed payroll, and consultancy services, including specialist HR advice for customers globally. In addition, transactional engagement services for our Education customers are offered through provision of SMS and payment platforms to allow schools and parents to better communicate and transact with each other.

Revenue is also earned on balances within our client accounts that are used as part of our managed payroll services, presented as *Interest income on client funds* in the statement of profit or loss.

Adding Value

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

Why Customers Choose IRIS

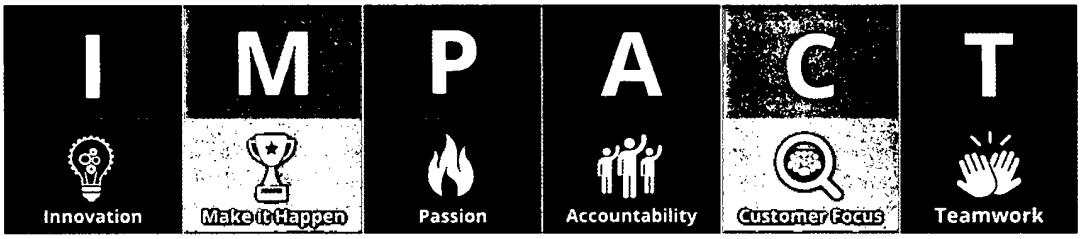
Our specialist knowledge, deep understanding of our customers' needs and trusted position in the market allows us to drive the adoption of new functionality and modules to existing customers. Our broad product offering is also attractive to new customers. With our increased investment in AI technologies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

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

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

Group Values

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



Innovation	Make It Happen	Passion	Accountability	Customer Focus	Teamwork
We are creative and fearless in our work and curious and hungry to discover smarter solutions. We always focus on improvement and embrace change.	We focus on the task at hand and produce high-quality results within ambitious timescales. We set stretch goals for ourselves and our teams and deliver at pace.	We take pride in our business. We are energetic, enthusiastic and highly self-motivated. We bring passion to our roles and encourage and inspire those around us.	We take ownership of our work and lead from the front. We seek out solutions, are trustworthy and act with integrity and honesty. We deliver on our promises.	The customer's needs are our priority. We exceed their expectations and delight them with outstanding service and great outcomes.	We work effectively both independently and with colleagues. We collaborate widely and build supportive, open environments where people give their best. We appreciate, respect and care for others.

Business Activity

Key highlights during FY26



5m employees use our global and domestic payroll and HR solutions



We're the largest third-party online filer with the UK Government



We're used by 54 of the top 100 US and 91 of the top 100 UK accountancy firms



One in eight UK employees are paid through our payroll solutions



500,000 pupils' activity is processed by us



300m messages are delivered annually between schools and parents

Products

Our award-winning products are used by more than 100,000 organisations, ranging from micro-businesses to FTSE 100 companies – the majority having a tenure of five or more years. IRIS payroll, accounting and finance software is used in over 135 countries worldwide. Five million employees are using our payroll and HR software, with 1 in 8 people in the UK being paid through our payroll solutions. We are the largest third-party online filers of taxes with the UK Government. 300 million messages are delivered annually between schools and parents, with 500,000 pupils' activity being processed by us. More than 21,000 UK and 4,000 US accountancy practices use IRIS software, including 91 of the top 100 UK accountancy firms and 54 of the top 100 US certified public accounting (CPA) firms.

We are committed to delivering high quality products to our customers and continue to invest heavily in development. This includes further investment in our ground-breaking cloud platform, IRIS Elements, as well as our NextGen Payroll and Education software, allowing our customers to access first class cloud-based products. IRIS Elements is an adaptive cloud-based platform that allows customers to access data in one place, consisting of several essential modules including IRIS Elements Tax, IRIS Elements Accounts Production and IRIS Elements Practice Management. During the year, we introduced AI Anomaly Detection within Elements, which identifies unusual transactions, discrepancies or outliers for accountants to review, reflecting our continued investment in embedding AI across the platform. IRIS Elements allows our customers to add products as and when they need, allowing them to grow at their own pace. Dext provides AI-native, online bookkeeping software for small businesses, automating data capture and financial administration for accountants and their clients.

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

Culture

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

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

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

We're extremely passionate about gender equality and are proud that women make up 49% (2025: 48%) of our workforce, a target we've been tracking and working towards for a number of years. This is significantly higher than the industry average for technology companies. With almost 50% of the workforce being female, IRIS leads the way in championing workplace inclusivity. More information on IRIS' gender and other diversity initiatives can be found on pages 10 to 13.

We also acknowledge our responsibility to the local communities in which we work and with which we do business. We actively encourage employees to recognise those responsibilities and behave in a responsible manner towards the society in which we function. We regard the setting of good example as an important practice in this area. Read more about our work in the community on page 9.

Stability and growth

Following the Sale Transaction that completed on 30 April 2024, the IRIS Group has access to an undrawn Revolving Credit Facility ("RCF") of £100.0 million and had £105.0 million of cash resources excluding client funds (30 April 2025: £104.3 million. The Group has significant headroom on both its leverage and covenant levels as prescribed by our lending arrangement. Covenants under the facilities are formally tested on a quarterly basis.

Strategy

IRIS strives to generate revenue and profit growth, both organically and inorganically, and achieve high cash conversion whilst improving customer and employee experience to deliver our overall strategy. Our three key priorities during FY27 have been delivered through engaging and empowering our #1RIS talent. As we enter the next phase of our journey, our priorities have evolved to ensure alignment with our vision to be 'Focus on What Wins', 'Be the Partner that Delivers' and 'Move with Purposeful Speed'.

Key priorities FY26	
Focus on What Wins	Back the products and markets where we can genuinely lead. Invest our energy, our people, and our resources in what moves the needle and have the discipline to stop what doesn't.
Be the Partner that Delivers	Earn the trust of our customers by delivering real, tangible value every day. Be the partner they can rely on for the work that matters most.
Move with Purposeful Speed	Act with precision, remove the complexity that slows us down and be purposeful in how we sell, how we deliver, and how we work.

Our key priorities for FY27 will be driven by:

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

Process: global and industry-leading customer journey

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

Key Performance Indicators (KPIs)

Performance of the Group is assessed through the following Financial KPIs which are monitored and reported monthly by Management.

Financial Management results (as defined below and in note 35) for the Group, which also include details for previous years where the Group existed under the previous ownership structure, are summarised as:

	2026	2025	2024	2023
Management Revenue (£m)	485.3	446.7	375.1	321.7
Recurring Revenue (%)	96.0	94.9	93.4	93.3
Management EBITDA (£m)	201.7	199.7	166.2	138.1

Note: Management Revenue and Management EBITDA are non-GAAP alternative performance measures that are presented to provide readers with additional financial information that is regularly reviewed by management. Such measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Management Revenue and Recurring Revenue

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

Management Revenue is made up as follows:

	2026	2025	2024	2023
Support & Subscription (£m)	370.2	321.0	262.2	230.9
Transactional (£m)	24.7	24.5	14.7	10.4
Managed services (£m)	71.1	78.7	73.6	58.8
Recurring revenue (£m)	466.0	424.2	350.5	300.1
Professional services (£m)	13.3	15.4	17.0	14.9
License & other (£m)	6.0	7.1	7.6	6.7
Total revenue (£m)	485.3	446.7	375.1	321.7
Year on year growth (%)	8.6	19.1	16.6	24.7
Proforma revenue (£m)	485.3	491.8	382.3	351.7
Year on year (decline)/growth (%)	(1.3)	28.7	8.7	*n/a*

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

No acquisitions completed during the year ended 30 April 2026. In prior years, where acquisitions were made, had these completed on the first day of the financial period, revenue would have been £491.8 million for the year ended 30 April 2025 and £382.3 million for the year ended 30 April 2024.

Management EBITDA

Management EBITDA, as defined in note 35, represents the basis on which management reviews the performance of the Group, taking account of non-trading and management exceptional items. During the year, the Group achieved an increase in Management EBITDA, representing growth of 1.0%, and a margin of 41.6%.

No acquisitions completed during the year ended 30 April 2026. In prior years, where acquisitions were made, had these had completed on the first day of the financial period, Management EBITDA for the year ended 30 April 2025 would have been £210.3 million.

Statutory measures

The statutory equivalents of the above measures are presented below:

	2026	2025	2024	2023
Revenue (£m)	485.7	422.8	373.5	319.1
Operating profit (excluding impairment, depreciation and amortisation) (£m)	186.0	125.6	101.8	96.3
Operating Cash Flow (£m)	89.4	164.2	168.9	99.7

The increase in statutory revenue of 14.9% during the year is driven by sales of products to both new and existing customers, as well as revenue attributable to acquisitions and price increases to support continued investment in product functionality and legislation updates.

Operating profit (excluding depreciation and amortisation) increased to £186.0 million (year ended 30 April 2025: £125.6 million) primarily driven by an increase in revenue, partially offset by increased costs.

During the year to 30 April 2026, we achieved an Operating Cash Flow of £89.4 million (year ended 30 April 2025: £164.2 million). The decrease in the year reflects a reduction in cash balances held on behalf of US payroll clients as a result of timing, together with increased interest payments and other working capital outflows.

Financial Position

At the year end, the IRIS Group had cash balances excluding client funds of £105.0 million (year ended 30 April 2025: £104.3 million).

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

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

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

The financial arrangements include a leverage covenant which requires the leverage (the ratio of Consolidated Senior Secured Net Leverage to Consolidated Pro Forma EBITDA) does not exceed 15.06x. Consolidated Senior Secured Net Leverage is the total balance of the senior facilities less unrestricted cash. Consolidated Pro Forma EBITDA is the Management EBITDA of the Group combined with pre-acquisition EBITDA of acquisition in the relevant reporting period and adjusted for various metrics as defined in the facilities agreement. At 30 April 2026, the leverage was substantially below the covenant level at 7.59x (30 April 2025: 7.02x).

The PIK Notes Facility shown above is the original principal amount and does not include total accrued interest of £134.7 million (2025: £61.1 million) which rolls quarterly and is compounded into the balance outstanding. The total balance at 30 April 2026 stood at £584.7 million (30 April 2025: £511.1 million).

Environmental, Social and Governance (ESG)

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

Environment and Carbon Footprint

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

We have sought to reduce our greenhouse gas (GHG) emissions for several years, including by taking opportunities yielded by office closures, moves and refits to reduce operational emissions and install energy efficient lighting systems and optimise HVAC systems where possible. We have measured and reported on our UK Scope 1 and 2 – and some Scope 3 – carbon emissions for several years, and we conduct regular energy audits across our offices as part of our compliance with the ESOS and SECR energy assessment schemes. More information on our UK emissions can be found in the Directors' Report on page 25.

To further improve the scope and accuracy of our carbon footprint measurement, we have contracted a carbon footprint consultancy since 2023 to support the measure our carbon emissions more comprehensively. This exercise allowed us to better understand our footprint and identify effective actions to drive down our GHG emissions. We have been working identify and quantify the benchmarks against which we measure ourselves and set science-based reduction targets in line with the temperature rise goals of the Paris Agreement and have committed to getting them validated by the Science Based Targets Initiative by January 2027. We are now working to set near term reduction targets towards our goal of reaching net-zero by 2050.

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

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

During the year, 1,000 Giving Back Days (2025: 741 Giving Back Days) were used for charities and community projects, including schools, NHS, foodbanks, blood donations, hospices and acting as a trustee. IRIS and our employees also raised a total of £73,000 (2025: £46,600) for charitable causes.

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

reviewed annually. The Modern Slavery Act 2015 is included within our statutory and regulatory compliance risk register to ensure the risk continues to be flagged, assessed and appropriately addressed.

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

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

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

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

Gender Diversity

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

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

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

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

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

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

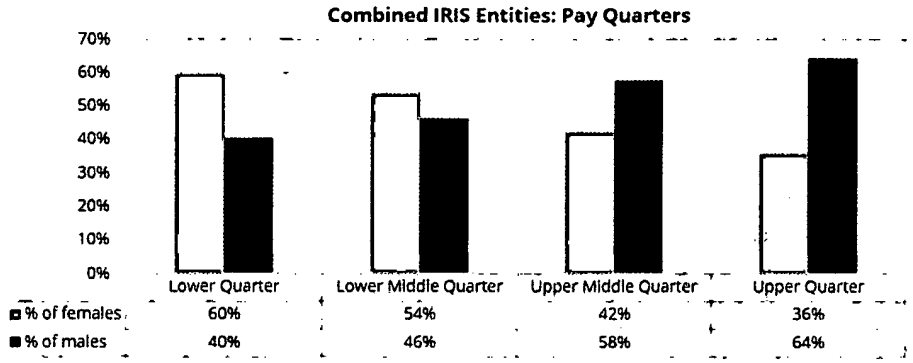
Gender Pay Gap

Our latest Gender Pay figures for the year ended 30 April 2026 covers the tax year ended 5 April 2026. The measures included in here are for the combined UK entities IRIS Group Limited and IRIS Software Limited only.

Our Gender Pay Gap Reports can be found here: www.iris.co.uk/about/governance/#gender-pay-report.

We continue to focus on our target of having an equal number of men and women in our business and are proud to have increased the number of women in our UK workforce since our last report – with women representing 49% (2025: 48%) of our workforce - this exceeds the technology sector average of circa 30%.

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



Figures reveal that for the year ended 5 April 2026, our mean pay gap remained at 17.9% (2024: 17.9%), while the median pay gap increased from 18.8% to 23.3%. The median bonus gap remained at 13.2% (2025: 13.2%), while the mean remained at 42.5% (2025: 42.5%).

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

Social Mobility

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

Tracking our Gender Pay Gap

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

Equity in Pay Increases

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

Female Talent Pipeline

We recognise that people who have taken long-term career breaks to raise a family can struggle to find meaningful, fairly paid work that they can balance around their caring commitments, and that women are disproportionally affected by this. To combat this, our Returnship Policy offers candidates with limited or no recent corporate experience the chance to join IRIS in a part time role for 6 months, paid

at the Real Living Wage or higher, to grow their confidence and assist their transition back into work. Successful applicants are assigned a dedicated coach to support and mentor them during the programme. We're proud to have taken on 14 (2025: 14) returnships in the UK since the policy was launched. We also recognise the need to build a female talent pipeline for our senior positions, to ensure women are represented at all levels within IRIS. We have committed to having equally qualified female applicants represented in shortlists for management positions and roles earning above £50k. We are also identifying at least one female successor for every key role at IRIS and supporting them to reach their potential with a targeted development plan.

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

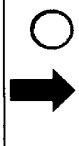
Principal Risks and Uncertainties

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

Key	Risk impact	Risk Movement	FY26 vs FY25
●	High	↓	Risk decreasing
●	Medium	→	No movement
●	Low	↑	Risk increasing

Risk		Mitigation
Disruption of IT Systems and Networks, including Cyber Risk The IRIS Group's business operations rely on the efficient and uninterrupted operation of its information technology systems and networks. Loss of access, loss of customer data, and GDPR fines present a risk if not properly managed.	● →	IRIS continues to invest in cyber security measures, including improvements to identity protection, security monitoring and ransomware defence. We have increased the scope of our ISO 27001 and ISO9001 certifications to cover all acquired products along with completing SOC 1 reports for UK Managed Payroll business. Extensive investments have been made in preventative security capabilities within our software development processes. These include developer training, improvements in architectural governance and standardisation, as well as technical capabilities to ensure all strategic products use tools to detect threats from our software supply chain and threats from defects in code. our corporate Cyber Security governance has been subject to an internal audit review in the last two years.

Risk		Mitigation
Wider Economic Environment The Directors acknowledge that the economic environment can affect the overall performance of the IRIS Group's businesses in terms of both revenues and cost, including inflationary pressures, fluctuating interest rates, political environment and global events such as international conflicts. IRIS' global footprint has increased over the years through acquisition and organic growth.		We keep up to date with external factors which may affect our business directly and indirectly through our supplier and customer base and wider relationships with our investors, lenders and banking partners. We seek to limit any risks presented by external factors through close relationships with our suppliers, customers, external advisors, bankers and lenders, as well as appropriate use of hedging strategies, where relevant. We do not have any direct financial exposure in Russia, Ukraine, Iran, Israel or Palestine.
Evolving Technology Market The software market in which the IRIS Group operates is characterised by evolving technology, market practices and industry standards. There is a risk that IRIS may fall behind if it does not continue to invest in its products and solutions and therefore becomes uncompetitive. The pace of change in the technology has increased with the rise of generative AI, particularly large language models such as ChatGPT. IRIS must embrace these modern technologies to remain competitive but must ensure that it is adopted in a way that quality of customer service and compliance with laws and regulation is maintained.		We have a strong commitment to Research and Development (R&D), which allows for identification of, and adaptation to technological, compliance and market changes, thereby ensuring demands of customers are met and products are delivered on the latest technology platforms. We have also continued to invest heavily in our ambitious IRIS Elements multiyear programme, adding more products to our cloud platform, which will deliver product functionality across our core Accountancy product suite going forward. In addition, we continue to develop our NextGen payroll, education, practice management and document management cloud products. IRIS has continued to roll out AI functionality in its products where possible, delivering value to customers by automating tasks. In addition, IRIS has long leveraged machine learning as a fundamental pillar of the internal data strategy, built by an experienced data science team. IRIS also has an AI Council, of which has embedded digital ethics as part of their remit. This group focuses on up and downstream impacts, business and technical feasibility alongside regulatory and compliance considerations. Further supporting education and awareness, IRIS has a well-defined AI policy, paired to a mandatory training program for large language models to ensure that all employees are up to date on the latest risks/mitigations and opportunities.

Risk		Mitigation
Regulatory Change **Customers:** Customers come to IRIS as they want to ensure that their compliance needs are taken care of, and these essential operations are right first time. If IRIS was unable to ensure that our products remained up to date for regulatory change, customers would be less confident in the products and may choose to go elsewhere. **External:** We are exposed to changes in regulations across all of the jurisdictions we operate in. If IRIS was unable to keep up to date with regulatory changes, we risk penalties and reputational damage for non-compliance		As a provider of regulatory software, it is imperative products are kept up to date, and product updates and releases are right first time. We have a privileged relationship with HMRC in the UK, working closely with them to ensure that our products meet all requirements. We ensure we are able to react promptly to changes in government legislation so that business critical software products are kept fully up to date and can continue to support our customers and their businesses. In addition to our own internal regulation and compliance teams, we work closely with our advisors to ensure we mitigate any risk associated with non-compliance of local regulations, sanctions and financial crime.
Breach of Copyright The IRIS Group relies on intellectual property laws including laws on copyright, trade secrets and trademarks to protect its products. Despite such laws and regulations being in place, unauthorised copying of software may still occur.		To mitigate this risk; we endeavour to monitor and police the unauthorised use of our products, use secure storage of our source code and engage the services of specialists to enforce and protect the IRIS Group's intellectual property rights both in the UK and the Americas.
Competitive Market Environment The IRIS Group operates in a competitive environment where the quality of products is paramount. All technology companies are vulnerable to disruptive market entrants.		Product quality is paramount. As the largest third-party tax filer with the government, we have a market leading position and reputation for quality. We also have the largest and the most integrated suite of Accountancy products in the market. The combination of our market standing and value our solutions deliver, results in customers renewing their subscription from year to year. We employ quality assurance teams and involve customers in reviewing new product releases to reduce risk and to improve both the quality and the timeliness of releases. We also attach enormous importance to providing the highest levels of customer service to differentiate ourselves in the market.
Retention and recruitment of key employees Legislative software is complex and requires in-depth knowledge of legislation and software development expertise, to build, deploy and maintain the solutions. Recruitment of skilled software engineers and retention of key employees, including our leaders, is therefore important to ensure the business is able to continue to deliver great software to customers.		We strive to limit reliance on third party expertise by employing directly and promoting from within. We place significant focus on our employees, ensuring we attract the highest calibre individuals and maintain high employee satisfaction through continued development, linking to the strategy of #1RIS. This includes identification of Top Talent employees across the business and personalised development plans aligned to IRIS' career framework. We also cross train staff across multiple products to remove any single points of failure. We are proud to be growing our workforce globally, including our centres of excellence in India and Romania. For our senior leaders, we focus on ensuring we have appropriate succession plans in

		place and providing a range of development and training opportunities for employees at all levels.
Climate Change There is a risk that climate change impacts IRIS' business operations, through increasing the likelihood of adverse whether events, and political, economic and social instability.		IRIS has BCP (Business Continuity Plans) in place for all office locations and IRIS' key infrastructure, to enable us to respond quickly and effectively to adverse weather events. Through our commitment to Science Based Target initiatives ('SBTi') Near Term targets, IRIS supports global progress towards Net Zero and the impact of risks by reducing our own contributions to climate change.
Acquisition Integration There is a risk that businesses acquired by IRIS do not integrate effectively within the business, and investment objectives are not met.		As a highly acquisitive business, acquisition integration is planned and monitored closely to ensure the investment objectives for each acquired business are met and value creation plans are delivered.

Future Outlook

Looking ahead, the Directors believe that there continue to be substantial opportunities for further growth, both organically and through acquisition.

IRIS is proud to be an AI-first, AI-everywhere company, with artificial intelligence embedded at the core of its product strategy and innovation agenda. Through continued investment in AI innovation, talent and product development, IRIS aims to drive innovation across its platforms, deliver greater value to its customers and create new opportunities for growth across its markets.

There will be continued focus on growth within the Americas and further acquisitions to strengthen core product portfolios, as well as taking advantage of significant cross-sell opportunities and operational synergies within our core markets.

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

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

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

On behalf of the Board:



Robert Strudwick
Director
20 August 2026

DIRECTORS' REPORT

The Directors present the Annual Report and the audited consolidated financial statements of Elements Finco Limited ("the Company"), and the consolidated group of companies (together "the Group" or "the IRIS Group") for the year ended 30 April 2026.

Principal Activities

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

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

The future outlook of the IRIS Group is outlined in the Strategic Report on pages 2 to 16.

Financial Risk Management Objectives and Policies

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

Cash Flow and Liquidity Risk

The Group manages its day-to-day cash flow requirements through its highly cash generative business model, in addition to free cash reserves excluding client funds of £105.0 million as at year end (2025: £104.3 million). The Group has an available revolving credit facility of up to £100.0 million (2025: £100.0 million). At year end the balance drawn on this facility was £nil (30 April 2025: £nil).

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

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

Interest Rate Risk

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

Credit Risk

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

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

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

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

The Group has no significant concentration of credit risk, with exposure spread over many counterparties and customers. For continuing operations in the year ended 30 April 2026, no income derived from a single customer exceeded 1% of the Group's revenue.

Going Concern

The Group has strong liquidity with £105.0 million of cash excluding client funds as at the reporting date (2025: £104.3 million). Following the transaction on 30 April 2024, the IRIS Group has no debt repayable until 2031 and continues to have significant headroom in its only financial covenant test. The Group also has an available revolving credit facility of up to £100.0 million (2025: £100.0 million), which was undrawn at year end (2025: undrawn).

This, together with the highly recurring and cash generative nature of the business model, mean the Group is stable from an EBITDA and cash perspective. Board approved forecasts are used as the basis for the going concern assessment, to which severe but plausible downside scenarios are then applied for the period to 30 April 2028. Management has considered these scenarios and does not foresee any of them resulting in the covenant test being triggered.

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

Dividends

During the year, the Company did not (2025: did not) pay a dividend. Preference shares held by the Group are treated as debt. The Directors do not recommend the payment of a final dividend for the year.

Donations

Charitable donations made by IRIS during the year are disclosed on page 9.

The Group made no political donations during the year (period ended 30 April 2025: £nil).

Events after the Reporting Date

On 24 July 2026, the Group entered into a conditional agreement to sell its entire shareholding in Innervision Management Limited, a wholly-owned UK subsidiary. The transaction completed shortly after year end. Further details are available in note 26 to the financial statements.

Directors

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

Michael Cox (resigned 15 January 2026)
David Lockie (resigned 31 May 2025)
Stephanie Kelly (appointed 14 August 2025)
Robert Strudwick (appointed 15 January 2026)

The Directors of the Company, and the Group, who served throughout the year, and up to the date of signing, unless stated, are presented on the following page:

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

Executive Directors	
Jason Dies **Chief Executive Officer** **Appointed 14 July 2025**	Jason Dies is CEO of IRIS Software Group, bringing over 30 years of global leadership experience across large complex technology and services businesses. He joined IRIS in July 2025 to lead the company's next phase of international growth, delivering innovation and long-term value for our customers worldwide. Before joining IRIS, Jason served as Interim CEO of Pitney Bowes, a $3.3B global technology, logistics and financial services company, where he delivered significant financial improvements, rebuilt stakeholder confidence, and simplified the organisation to unlock greater value. Prior to that, Jason was President and EVP of Sending Technology Solutions, leading a $1.3B business unit and launching new digital growth initiatives that added over $200M in annual revenue. Jason began his career at IBM, where he spent nearly 20 years in senior roles across services, hardware, marketing, and global operations, managing a billion-dollar portfolio and leading teams around the world. Passionate about building resilient, customer-centric organisations, Jason is committed to driving the next chapter of growth at IRIS, one that is focused on delivering exceptional value to the customers we serve.
Jens Knudsen ***Chief Financial Officer*** ***Appointed 1 January 2026***	As Chief Financial Officer at IRIS, Jens Ulrik Knudsen leads the company's financial strategy and operations, ensuring we invest in the solutions and capabilities that drive long-term value for customers and support IRIS' continued growth. Jens brings 20 years of international experience scaling finance functions for high-growth SaaS businesses. Most recently, he served as Interim Group CFO at Aceve, a private-equity-backed SaaS platform, where he partnered with the CEO to modernise finance operations and strengthen organisational readiness. Jens' experience guiding businesses through periods of expansion and change positions IRIS to maintain strong financial discipline while accelerating growth across its global portfolio.
Robert Strudwick ***Chief Technology Officer*** ***Appointed 15 January 2026***	Bob Strudwick is Chief Technology Officer at IRIS Software Group and is responsible for evolving IRIS' cloud software offering and further developing its product engineering capabilities to support its increasingly international expansion. Bob brings more than 30 years' senior level experience supporting global companies with strategic technology advancement and execution. He previously served as Chief Technology Officer at Sonovate, where he propelled its expansion and digital transformation into an international organisation offering a diverse range of SaaS products. Prior to Sonovate, he drove significant sales revenue and business growth for the online clothing retailer ASOS as CTO, leading its technology strategy, architecture and software engineering teams.

Executive Directors	
Stephanie Kelly ***Chief People Officer*** ***Appointed 14 August 2026***	Stephanie Kelly is Chief People Officer and is responsible for the full employee experience, including talent acquisition and strategy, learning and development, compensation and benefits, diversity and inclusion, and office environment. As an international human resources executive, Steph brings a wealth of experience in implementing best HR practices, as well as acquisition due diligence and integration. These include working for leading technology and IT firms, including Symphony and Torex. She is also a trained executive coach, with a passion for identifying, developing and supporting high potentials and great leaders.
Michael Cox ***Chief Financial Officer*** ***Appointed 10 July 2024; resigned 15 January 2026***	Michael was the Chief Financial Officer at IRIS until January 2026, having originally joined the business in 2016 heading the financial planning and commercial team.
David Lockie ***Chief Operating Officer*** ***Appointed 10 July 2024; resigned 31 May 2025***	David Lockie served as the Chief Operating Officer during the year, being responsible for a wide range of functions, including Revenue, Customer Success, Systems Transformation and M&A Integration. He joined IRIS in 2018 as Chief Customer Officer.
Non-Executive Directors	
Gus (Anastasios) Malezis **Non-Executive Chairman** **Appointed 30 April 2024**	Gus Malezis serves as Chair at IRIS Software Group and also held the role of Interim Chief Executive Officer between December 2024 and July 2025, bringing more than 30 years of executive leadership and product innovation with discipline and focus on profitable growth. Gus most recently led Imprivata as President and Chief Executive Officer, restoring the business to profitability and record growth, with strategic customer relationships, and implemented a vision of Digital Identity. Prior to Imprivata, Gus was the President of Tripwire, a leading global provider of endpoint detection and response, security and compliance solutions. His track record of performance extends also to leading technology and security companies such as mCircle, McAfee, 3Com and Merisel. Gus combines extensive knowledge of global markets including North America, Europe, and Asia with strong technical knowledge and a passion for enabling customer success in the rapidly changing IT marketplace. He has extensive background and expertise across various enterprise-focused sectors including CyberSecurity, SaaS, mobile platforms, software, hardware and network systems.

Non-Executive Directors	
James Carr **Appointed 2 May 2025**	Jim Carr is an Advisory Board Member and the Audit committee Chair for IRIS. He brings over 25 years of industry experience leading successful teams within both public and private companies. Jim's responsibilities at IRIS include providing independent oversight and strategic guidance, serving as Audit Committee Chair, and supporting and participating in company-wide initiatives to help drive efficiency and scale for growth. Prior to joining IRIS, Jim held leadership roles within several prominent technology companies. Most recently, Jim served as CFO for GradientAI. While at GradientAI, he oversaw accounting, finance and tax. Jim has also held senior leadership positions at Imprivata, PlumChoice, Akamai, CA Technologies, and Oracle. Jim holds a Master of Science degree in Finance from Bentley University and a Bachelor's degree in Business Administration from Saint Michael's College in Vermont.
Christopher Jurasek ***Appointed 30 April 2024***	Chris Jurasek, Non-Executive Director at IRIS Software Group, is an American investor and business executive. Over the past decade, Chris has served as Operating Executive with Clearlake Capital, holding multiple President, CEO and board member roles, including at technology firm EagleView, where he was appointed Executive Chairman last May following three years as CEO. Prior to that, Chris was President and CEO for Calero Software, creating a leader in the Telecom Expense Management industry, having previously transformed the way consumers buy private aviation as President of JetSmarter. Earlier in his career, Chris held executive leadership roles at TE Connectivity, ADC Telecommunications, and Rexnord Corporation. Chris earned an MBA at Northwestern University at the Kellogg School of Management and holds a BSBA from Bowling Green State University.
Richard Pan ***Appointed 11 September 2025***	Richard joined Hg in 2019 and focuses on large-cap investments in the software and services space. Prior to joining Hg, he was part of the investment banking team at Credit Suisse. Richard holds a BSc in Economics from University College London (UCL).
Joseph Jefferies ***Appointed 10 July 2024***	Joe is a Partner at Hg focused on large-cap investments in the Saturn fund. Joe joined Hg in 2020 after more than seven years in private equity at Montagu and Three Hills Capital Partners, and before this started his career at J.P. Morgan in investment banking. Joe holds a BA in Economics & Management from the University of Oxford.
Usama Cortas ***Appointed 10 July 2024***	Usama is a Non-Executive Director of IRIS. He is a Partner at LGP, leading investments in the Software and Business Services space. Usama joined LGP in 2003 and started his career at Morgan Stanley in Investment Banking. He holds a BA in Economics-Political Science from Columbia University.

Non-Executive Directors	
Tommy Yin ***Appointed 10 July 2024***	Tommy is a Principal at LGP, focused on making investments in the software and services space. Tommy joined LGP in 2015 and started his career at Bain Capital. He holds a BS in Economics from University of Pennsylvania.
Daniel Simon ***Appointed 10 July 2024***	Dan joined ICG in 2018 and is part of ICG's UK investment team. Prior to joining ICG, he worked in turnaround investing and at PwC within their financial and operational restructuring team. Dan is a Chartered Accountant and holds a BA in History & Economics from the University of Oxford.
David Packford ***Appointed 30 April 2024, resigned 31 October 2025***	David is a Chartered Accountant and was a Non-Executive Director at IRIS since October 2012 until October 2025.
Nicholas Humphries ***Appointed 10 July 2024, resigned 30 September 2025***	Nic led the original buyout of the business by Hg in 2004. Nic is the Senior Partner and Executive Chairman of Hg and Head of the Saturn fund. He has ultimate responsibility for Hg's strategy, management and governance.

Directors' Indemnities

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

Risk Management

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

For details of IRIS' principal risks and uncertainties, and how it manages its risk environment, please see pages 14 to 16.

Employees

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

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

Employee Consultation

We place considerable value on the involvement of our employees, and we continue to keep them informed on matters affecting them as employees, as well as on the various factors affecting the performance of the wider business. This is achieved through formal and informal channels, including monthly 'all hands' meetings, the IRIS Group's intranet site and the CEO's weekly blog. We continue to gain employee feedback through monthly Peakon surveys, allowing us to understand how employees are feeling. Since we launched these monthly surveys in December 2020, we've had an aggregated participation rate of 86% as of June 2026.

Learning and Development

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

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

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

Disabled Employees

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

Environmental, Social and Governance (ESG)

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

For further details on ESG and how we interact with communities and the environment, please see page 9.

Streamlined Energy and Carbon Reporting (SECR)

Greenhouse Gas Emissions (GHG) and Energy Consumption

During the year, we continued to implement a range of measures aimed at improving energy efficiency, reducing greenhouse gas emissions, and supporting the organisation's broader sustainability objectives.

A key action undertaken during the year was the transition to a new energy supplier, MyCorona, where we are solely responsible for energy. This change was made to support the organisation's commitment to securing a more sustainable and cost-effective energy supply, while also providing greater visibility and control over energy consumption across the estate.

We also continued to optimise our property portfolio to better reflect evolving operational requirements and hybrid working practices. This included the reduction of office space across parts of the estate, resulting in lower energy demand associated with heating, cooling, lighting and building services. The

rationalisation of office accommodation has contributed to a reduction in overall energy consumption and improved space utilisation. Reduced workplace occupancy has led to decreased demand for lighting, equipment usage, heating and air conditioning, helping to lower overall energy consumption.

To support the transition to lower-emission transport, we introduced a new electric and low-emission vehicle salary sacrifice scheme in partnership with Octopus Electric Vehicles in addition to our partnership with Tusker. Launched in 2025, the Octopus scheme enables employees to access more sustainable vehicles through salary sacrifice arrangements, making electric vehicle adoption more accessible and affordable. This initiative is expected to contribute to a reduction in employee commuting and business travel emissions over time while supporting the organisation's wider decarbonisation goals.

Collectively, these measures demonstrate IRIS Group's ongoing commitment to improving operational efficiency, reducing energy consumption, and encouraging more sustainable behaviours across the business. The company will continue to identify opportunities to reduce its environmental impact through effective energy management, property optimisation, and the promotion of low-carbon transport solutions.

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

		Year ended 30 April 2026			Year ended 30 April 2025		
Type of emission	Source	kWh	tCO_2e	% of total	kWh	tCO_2e	% of total
Scope 1	Natural Gas	34,174	7	3.18%	37,256	7	2.82%
Scope 2	Electricity	466,726	83	43.39%	545,991	113	41.31%
Scope 3	Grey Fleet	574,673	140	53.43%	738,527	178	55.87%
Total gross emissions		**1,075,573**	**230**	**100%**	**1,321,774**	**298**	**100%**
Intensity metric:							
Number of employees within organisational boundary (see below)			1,838			2,000	
Tonnes of CO_2e per employee			0.13			0.15	

Quantification and Reporting Methodology

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

Organisational Boundary

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

Health and Safety

We have well-developed health and safety policies and procedures, safeguarding employees, contractors and visitors in compliance with applicable registration and practice. Mental health continues to be a key focus for IRIS and our main priority is the wellbeing and safety of our colleagues. We are proud to have 20 mental health first aiders supporting our people.

Customers

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

Suppliers

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

Investors

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

Corporate Governance

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

During the year the Board of the Group maintained a schedule of matters specifically reserved for its decision. Such matters included, but were not limited to:

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

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

The Group's Board of Directors' intends to convene at least six formal meetings per year and may meet more frequently as required.

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

The Group has an Audit and Risk Committee, which consists of members of the Group's Board, including a Non-Executive Chairman, James Carr (see biography on page 20). The Audit and Risk Committee meets regularly with the External Auditors to review audit planning, audit and non-audit fees and the results of the Group's audit and financial statements prior to finalisation. The Audit and Risk Committee is also responsible for the appointment of the Auditors, and also meets with the Group's Internal Auditors to review and approve the internal audit plan and the results of internal audits performed throughout the financial period under review. The Audit and Risk Committee also receive regular updates on risk from management.

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

Statement of Directors' Responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business; and
- The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

Each of the directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

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

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

Compliance with Walker Guidelines

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

Auditors' limited liability agreement

The directors have agreed with the group's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the group's financial statements for the year to 30 April 2026 should be limited to the greater of £5 million or 5 times the auditors' fees, and that in any event the auditors' liability for damages should be limited to that part of any loss suffered by the group as is just and equitable having regard to the extent to which the auditors, the group and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 24 March 2026.

Approved by the Board and signed on its behalf by:



Robert Strudwick
Director
20 August 2026

Independent auditors' report to the members of Elements Finco Limited

Report on the audit of the Financial Statements

Opinion

In our opinion:

- Elements Finco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 April 2026 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Consolidated and Parent Company Statement of Financial Position as at 30 April 2026;
- the Consolidated Statement of Profit or Loss and Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated and Parent Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Independent auditors' report to the members of Elements Finco Limited

Report on the audit of the Financial Statements

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Elements Finco Limited

Report on the audit of the Financial Statements

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Independent auditors' report to the members of Elements Finco Limited

Report on the audit of the Financial Statements

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of journal entries to manipulate the financial results in the year, specifically journal entries to manipulate EBITDA and applying management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Made enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewed minutes of meetings of those charged with governance
- Incorporated elements of unpredictability into the audit procedures performed around the nature, timing or extent of our audit testing
- Identified journal entries throughout the year that met our fraud risk criteria and tested these
- Assessed the significant accounting estimates and judgements for indication of management bias

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Elements Finco Limited
Report on the audit of the Financial Statements

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company or returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.
- We have no exceptions to report arising from this responsibility



Gareth Murfitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
20 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Note	Year ended 30 April 2026 £'000	Period ended 30 April 2025 £'000
Revenue	4	485,695	422,753
Interest income on client funds	16	4,898	6,213
Cost of sales		(44,209)	(39,936)
Gross profit		**446,384**	**389,030**
Administrative expenses		(411,099)	(396,469)
Impairment of Goodwill	10	(1,305,919)	-
Operating profit / (loss)	6	**(1,270,634)**	**(7,439)**
Finance income	7	12,283	13,175
Finance costs	8	(180,766)	(150,554)
Loss before tax		**(1,439,117)**	**(144,818)**
Income tax credit	9	39,261	38,314
Loss for the period		**(1,399,856)**	**(106,504)**
Attributable to:			
Equity holders of the parent		(1,400,690)	(107,364)
Non-controlling interests	34	834	860
		(1,399,856)	**(106,504)**
Other comprehensive income/(expense)			
Items that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		3,391	(2,806)
		3,391	**(2,806)**
Total other comprehensive income/(expenses)		**3,391**	**(2,806)**
Total comprehensive expense for the period		**(1,396,465)**	**(109,310)**
Attributable to:			
Equity holders of the parent		(1,396,788)	(109,843)
Non-controlling interests	34	323	533
		(1,396,465)	**(109,310)**

Management Revenue	35	**485,293**	**446,687**
Management EBITDA	35	**201,666**	**199,698**

These are non GAAP measures as defined in note 35.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2026

	Note	2026 £'000	2025 £'000
Assets			
Non-current assets			
Intangible assets	10	2,808,562	4,234,064
Property, plant and equipment	11	2,780	3,568
Contract assets	4.1	18,641	18,426
Right-of-use assets	12	8,807	9,224
Investments	14	323	-
Financial assets held at FVTPL	20.3	3,716	-
		2,842,829	**4,265,283**
Current assets			
Inventories		188	326
Trade and other receivables	15	69,919	59,843
Current tax asset		4,771	4,843
Contract assets	4.1	10,005	9,300
Cash and cash equivalents	16	226,635	302,276
Assets classified as held for sale	13	3,985	-
		315,503	**376,588**
Total assets		**3,158,332**	**4,641,870**
Current liabilities			
Client obligations	16	121,604	198,021
Trade and other payables	17	31,503	32,550
Amounts owed to parent undertakings	18	38,906	33,708
Current tax liability		4,566	5,861
Lease liabilities	20.4	3,250	3,173
Contract liabilities	4.1	103,629	114,468
Accruals	24	37,419	33,419
Liabilities classified as held for sale	13	3,621	-
		344,498	**421,199**
Non-current liabilities			
Financial Instruments	20	2,849	14,830
Borrowings	22	1,770,730	1,728,778
Lease liabilities	20.4	7,216	8,084
Deferred tax	19	250,640	293,508
Provisions	21	2,287	2,471
		2,033,722	**2,047,671**
Total liabilities		**2,378,220**	**2,468,870**
Net Assets		**780,112**	**2,173,000**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2026 £'000	2025 £'000
Equity			
Called up share capital	25	227,373	227,373
Share premium	25	2,046,355	2,046,355
Foreign exchange translation reserve		1,422	(2,479)
Accumulated losses		(1,499,569)	(102,457)
Equity attributable to equity holders of the parent		775,581	2,168,792
Non-controlling interests	34	4,531	4,208
Total equity		**780,112**	**2,173,000**

The consolidated financial statements on pages 42 to 94 of Elements Finco Limited (registered number 15564708) were approved by the Board of Directors and authorised for issue on 20 August 2026. They were signed on its behalf by:



Robert Strudwick
Director

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2026

	Note	2026 £'000	2025 £'000
Assets			
Non-current assets			
Investments	14	1,662,485	3,194,904
Current assets			
Amounts owed from group undertakings	18	562,016	596,587
		562,016	596,587
Total assets		**2,224,501**	**3,791,491**
Current liabilities			
Amounts owed to parent undertakings	18	61,462	16,082
Non-current liabilities			
Financial Instruments	20.3	2,611	13,885
Borrowings	22	1,625,611	1,581,458
Trade and other payables		262	31
		1,628,484	1,595,374
Total liabilities		**1,689,946**	**1,611,456**
Net assets		**534,555**	**2,180,035**
Equity			
Called up share capital	25	227,373	227,373
Share premium	25	2,046,355	2,046,355
Accumulated losses	29	(1,739,173)	(93,693)
Total equity		**534,555**	**2,180,035**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company's profit and loss account.

The consolidated financial statements on pages 41 to 94 of Elements Finco Limited (registered number 15564708) were approved by the Board of Directors and authorised for issue on 20 August 2026. They were signed on its behalf by:



Robert Strudwick
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 April 2026

	Called up Share capital	Share Premium	Foreign exchange translation reserve	Accumulated losses	Total Equity attributable to equity holders of the Company	Non-Controlling Interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 15 March 2024	-	-	-	-	-	-	-
(Loss)/profit for the period	-	-	-	(107,364)	(107,364)	860	(106,504)
Other comprehensive expense	-	-	(2,479)	-	(2,479)	(327)	(2,806)
Total comprehensive income/(expenses) for the period	-	-	**(2,479)**	**(107,364)**	**(109,843)**	**533**	**(109,310)**
Transactions with owners in their capacity as owners:							
Arising on acquisition	-	-	-	-	-	3,675	3,675
Share based payments (Note 27)	-	-	-	4,907	4,907	-	4,907
Issue of Share Capital	227,373	2,046,355	-	-	2,273,728	-	2,273,728
	227,373	**2,046,355**	**-**	**4,907**	**2,278,635**	**3,675**	**2,282,310**
At 30 April 2025	**227,373**	**2,046,355**	**(2,479)**	**(102,457)**	**2,168,792**	**4,208**	**2,173,000**
At 1 May 2025	227,373	2,046,355	(2,479)	(102,457)	2,168,792	4,208	2,173,000
(Loss)/profit for the period	-	-	-	(1,400,690)	(1,400,690)	834	(1,399,856)
Other comprehensive expense	-	-	3,901	-	3,901	(511)	3,390
Total comprehensive income/(expenses) for the year	-	-	**3,901**	**(1,400,690)**	**(1,396,789)**	**323**	**(1,396,465)**
Transactions with owners in their capacity as owners:							
Share based payments (Note 27)	-	-	-	3,578	3,578	-	3,578
At 30 April 2026	**227,373**	**2,046,355**	**1,422**	**(1,499,569)**	**775,581**	**4,531**	**780,112**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 April 2026

	Called up share capital	Share Premium	Accumulated losses	Share-based payments reserve	Total equity
	£'000	£'000	£'000	£'000	£'000
At 15 March 2024	-	-	-	-	-
Loss for the period	-	-	(93,693)	-	(93,693)
Total comprehensive expense for the period	-	-	**(93,693)**	-	**(93,693)**
Transactions with owners in their capacity as owners:					
Issue of Share Capital	**227,373**	**2,046,355**	-	-	2,273,728
At 30 April 2025	**227,373**	**2,046,355**	**(93,693)**	-	**2,180,035**
At 1 May 2025	**227,373**	**2,046,355**	**(93,693)**	-	**2,180,035**
Loss for the period	-	-	(1,645,480)	-	(1,645,480)
Total comprehensive expense for the period	-	-	**(1,645,480)**	-	**(1,645,480)**
Transactions with owners in their capacity as owners:					
Issue of Share Capital	-	-	-	-	-
At 30 April 2026	**227,373**	**2,046,355**	**(1,739,173)**	-	**534,555**

The largest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member is of Elements Topco Limited and copies of these financial statements are available to the public at the Company's registered office set out in note 37. The smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member is of Elements Finco Limited and copies of these financial statements are available to the public at the Company's registered office set out below.

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 April 2026

	Note	Year ended 30 April 2026 £'000	Period ended 30 April 2025 £'000
Operating activities			
Loss before tax		(1,439,117)	(144,818)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation and loss on disposal of property, plant and equipment		2,935	1,304
Depreciation and profit/loss on right-of-use assets disposed on lease termination		3,495	3,302
Amortisation of acquired intangibles	10	139,051	127,158
Impairment of goodwill	10	1,305,919	-
Measurement period adjustment on acquired intangible assets		4,736	-
Amortisation of other intangible assets	10	7,135	962
Amortisation of borrowing costs	22	3,508	2,900
Share based payments	27	3,578	4,906
Finance income	7	(12,283)	(13,175)
Finance costs		180,766	150,554
Non cash movements on financial instruments	20	(11,981)	150,555
Foreign currency losses		(4,122)	550
Working capital adjustments:			
Decrease in inventories		138	103
Increase in amounts owed to parent undertakings		5,198	33,708
Increase / (decrease) in trade and other receivables		(11,326)	5,382
Decrease in accruals and contract liabilities		(6,839)	(2,912)
Increase / (decrease) in client obligations		(76,417)	7,512
(Increase) / decrease in trade and other payables		1,049	(4,274)
Increase in provisions		(184)	(4,158)
Cash flows from operating activities			
Cash generated from underlying operations		**95,239**	**169,002**
Income tax paid		(5,876)	(4,831)
Net cash flows generated from operating activities		**89,363**	**164,171**
Investing activities			
Acquisition of subsidiaries, net of cash acquired		-	(3,713,451)
Purchase of other financial assets	20	(3,716)	-
Purchase of property, plant and equipment	11	(861)	(937)
Proceeds from disposal of property, plant and equipment	11	-	1,179
Development expenditure	10	(27,163)	(22,725)
Purchase of equity investments	14	(323)	-
Interest received	7	12,283	13,175
Net cash flows used in investing activities		**(19,780)**	**(3,722,759)**

		2026 £'000	2025 £'000
Financing activities			
Interest paid		(140,114)	(123,469)
Borrowings acquired from acquisitions		-	1,427,810
Proceeds from new borrowings		-	1,737,255
Repayment of borrowings	22	-	(1,427,810)
Purchase of right of use assets	12	(3,095)	(1,214)
Proceeds from issue of share capital	25	-	2,273,728
Repayment of capital on lease liabilities		(791)	(903)
Net cash flows used in financing activities		**(144,000)**	**3,885,397**
Net increase in cash and cash equivalents		**(74,417)**	**326,809**
Cash and cash equivalents at beginning of period		302,276	-
Effects of exchange rate changes on cash and cash equivalents		(1,224)	(24,533)
Cash and cash equivalents at end of period	16	**226,635**	**302,276**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 April 2026

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, interpretations issued by the IFRS Interpretations Committee (IFRS IC) and The Companies Act 2006 as applicable to companies using IFRS. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. These are the second financial statements for the Company and represent the year from 1 May 2025 to 30 April 2026, with the comparative period from the incorporation date of 15 March 2024 to the period end of 30 April 2025.

The consolidated financial statements for the year ended 30 April 2026 were approved and authorised for issue by the Board of Directors on 20 August 2026.

The largest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member of Elements Topco Limited and copies of these financial statements are available to the public at the Company's registered office set out below. The smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member of is Elements Finco Limited and copies of these financial statements are available to the public at the Company's registered office set out in note 37.

The Company is a private limited company, limited by shares, incorporated and domiciled in the United Kingdom (England & Wales). The address of its registered office and its principal place of business is 4th Floor, Heathrow Approach, 470 London Road, Slough, SL3 8QY.

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

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

As permitted by section 408 of the Companies Act 2006 the company has elected not to present its own profit and loss account for the year. The Company reported a loss for the year ended 30 April 2026 of £1,645,580 (2025: £93,693,000).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 ""Reduced Disclosure Framework"":

- the requirements of IFRS7 Financial Instruments: Disclosures;
- the requirements of IFRS3 Business Combinations: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;

2.1 Basis of preparation (continued)

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved when the Company:

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

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

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

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

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

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

2.3 Adoption of accounting standards

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

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

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

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

- **IFRS 9 Recognition and derecognition of financial assets and liabilities (electronic cash payments):** The IASB has made amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7 to address diversity in accounting practice on the timing of de-recognition of financial liabilities settled through electronic payment systems. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Under the amendments financial liabilities are generally derecognised on settlement but provide an optional exception for earlier de-recognition if certain criteria are met;

  IFRS 9 Contracts referencing nature-dependent Electricity: The IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to help companies improve on their disclosure of the financial effects of nature-dependent electricity contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026 and provide specific reliefs for the application of own use and hedge accounting;

- **IFRS 18 Presentation and Disclosure in Financial Statements:** replaces IAS 1 Presentation of Financial Statements, sets out a new presentation requirement for the statement of profit or loss, and provides new definitions and disclosure related to non-IFRS performance measures. This standard is mandatory for annual reporting periods beginning on or after 1 January 2027; and

- **IFRS 19 Subsidiaries without Public Accountability:** allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19 and is effective from 1 January 2027. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:
  - it does not have public accountability.
  - its parent produces consolidated financial statements under IFRS Accounting Standards.

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

2.4 Going concern

In assessing whether Elements Finco Limited is a going concern, management has considered the position of the wider IRIS Group.

The Group has strong liquidity with £105.0 million of cash excluding client funds as at the reporting date (2025: £104.3 million). IRIS Group has no debt repayable until 2031 and has an available revolving credit facility of up to £100.0 million (2025: £100.0 million) which was undrawn at the reporting date (2025: undrawn).

Board approved forecasts to 30 April 2028 form the basis of the going concern assessment. Severe but plausible downside scenarios have been applied to these forecasts, including reductions of up to 50% on forecast EBITDA. Management has considered these scenarios and does not foresee any of them causing the covenant test to fail.

The IRIS Group had net cash flows generated from operating activities of £89.4 million for the year ended 30 April 2026 (2025: £164.2 million) and operating profit (before amortisation and depreciation) of £186.0 million (2025: £125.6 million).

The ultimate parent of the IRIS Group, Elements Topco Limited, has confirmed that it and other intermediate parent companies will not seek repayment of amounts advanced to Elements Finco Limited in the 12 months following the date that the financial statements were signed, unless adequate alternative financing has been secured.

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

The Directors are satisfied that the Company and the IRIS Group have sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the consolidated financial statements have been prepared on the going concern basis and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

2.5 Business combinations and goodwill

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

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

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

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

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

The Group conducts annual impairment tests on the carrying value of goodwill, the recoverable amount is determined from a combination of value-in-use calculations and observable relevant market transactions. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units, 'CGUs'). Within the IRIS Group there are three cash generating units: the Core IRIS businesses, the North America Business and the standalone acquired business of Dext.

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

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

2.6 Deferred consideration

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

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

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

2.7 Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current or non-current classification. An asset is current when it is:

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

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

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

The Group classifies all other liabilities as non-current.

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

2.8 Fair value measurement

The Group measures some financial instruments, such as derivatives, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 20.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

2.9 IFRS 9 Expected Credit Loss

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

2.10 IFRS 15 Revenue from Contracts with Customers

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

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

- Subscription income which is billed annually up front is deferred at the date of invoicing and released to the profit and loss account over time across the duration of the contract. The balance of subscription income not released to the profit and loss account is carried in the Statement of Financial Position within contract liabilities. Subscription and cloud based Software as a Service (SaaS) income which is billed monthly is recognised over time in the month the service is provided.
- Support and maintenance income is deferred at the date of invoicing and released to the profit and loss account over time across the duration of the maintenance contract. The balance of maintenance income not released to the profit and loss account is carried in the Statement of Financial Position within contract liabilities.
- Transactional and Payment revenue is recognised at a point in time on fulfilment of the service.
- Professional services income is recognised at a point in time in the month the services are performed. Training and implementation revenue is recognised at a point in time when delivered, or by reference to the stage of completion of the transaction at the end of the reporting period. This assessment is made by comparing the proportion of contract costs incurred to date to the total expected costs to completion.
- Managed services income, principally comprising managed payroll services, is recognised at a point in time in the month the services are performed.
- Perpetual and on premise term licence fee income is recognised at a point in time on delivery of the licence and the issue of authorisation codes to activate the software. Where legislative updates are required to on-premise software in order to remain functional, the Group recognises revenue from that software over the period of the license.

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

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

2.11 Cost of sales and administration expenses

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

2.12 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

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

Judgements and estimates

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

Taxation information, including charges and deferred tax assets and liabilities, are presented in notes 9 and 19.

2.13 Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

Group companies

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

2.14 Dividend distribution

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

2.15 Intangible assets

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

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

Research & development

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

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

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

2.16 Property, plant and equipment

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

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

2.17 The Group as lessee

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

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

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

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

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

The Group did not make any such adjustments during the years presented.

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

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

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

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

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

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

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

2.18 Investments

Equity investments are non-derivative financial assets and comprise investments in subsidiaries and other unlisted equity investments held by the Group.

On initial recognition, equity investments are measured at cost, including directly attributable transaction costs. Subsequently, they are carried at cost less any accumulated impairment losses. Investments are reviewed for impairment annually, or more frequently where indicators of impairment exist, with any impairment losses recognised in the Statement of profit or loss.

2.19 Impairment of assets

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

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

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

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

The carrying amount of financial assets is reduced directly for impairment losses, except for trade receivables, which are impaired through an allowance account. Trade receivables deemed uncollectible are written off against the allowance account, while any subsequent recoveries are credited back to the allowance account. Movements in the allowance account are recognised in the Income Statement.

2.20 Inventories

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

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

2.21 Assets classified as held for sale

The assets and liabilities of a disposal group classified as held for sale are presented separately in the consolidated statement of financial position. Assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are not depreciated or amortised while classified as held for sale.

2.22 Contract Assets

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

The Company recognises contract assets primarily in the following circumstances:

- Software development services performed under fixed-price contracts where revenue is recognised over time but billing milestones have not yet been achieved
- Delivered software licenses where payment is contingent upon future performance obligations being satisfied

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

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

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

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

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

2.23 Financial instruments

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

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

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

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

Trade receivables from contracts with customers

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

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

and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered.

Cash and cash equivalents

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

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

The Group also provides certain customers with a managed payroll service whereby the Group receives funds from customers and holds these funds for a period, before using them to pay the payroll amounts and associated payroll taxes due to those customers' employees and HMRC. The Group controls these client funds and therefore recognises these balances within *Cash and cash equivalents* on the Consolidated Statement of Financial Position. These amounts are separately presented as *Restricted cash – client funds* in Note 16. A corresponding liability representing the Group's obligation is recognised and presented as *Client obligations*. The Group earns interest on the invested funds with this interest being reported in Interest income on client funds.

Trade payables

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

Borrowings

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

Derivative financial instruments

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

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

Convertible loan notes

The Group holds convertible loan notes issued by third parties. Convertible debt is classified as financial instruments held at fair value through the Statement of profit or loss. Convertible loan notes are recognised at fair value at the date of acquisition, with transaction costs expensed as incurred. Subsequent to initial recognition, the investments are remeasured to fair value at each reporting date, with associates gains and losses arising recognised in the Statement of profit or loss.

Fair value is determined using quoted market prices where available or, where such prices are not available, through the application of appropriate valuation techniques that consider the debt and conversion features of the instrument, the issuer's creditworthiness, market interest rates and other relevant factors.

2.24 Borrowing costs

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

2.25 Provisions

General

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

Provisions for dilapidations

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

2.26 Post-employment benefits

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

2.27 Management Exceptional Items (non GAAP measure)

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

2.28 Share based payments

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Critical Judgements in Applying the Group's Accounting Policies

Capitalisation of development costs

The Group capitalises internal costs of software development, where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Judgement is required in determining whether a project is suitable for capitalisation and in determining the useful economic life (note 11).

Critical Accounting Estimates and Assumptions

Where a critical estimate has been made by Management, sensitivity analysis has been performed and disclosed in the appropriate note below.

Impairment - goodwill and investments in Group companies

IFRS requires management to perform impairment tests to determine whether goodwill or its equity investments in Group companies are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. This reflects the greatest value of an asset in terms of the cash flows that can be derived from it, either by selling it or by continuing to use it in the business.

Impairment testing requires management to judge which is higher of fair value less costs of disposal and value in use (including the key 'value in use' assumptions such as growth rates and discount rate). Assessing impairment and fair value is considered to be a critical estimate that could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses. Further details are included in note 10 *Intangible Assets and* note 14 *Investments*.

Uncertain tax provisions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group uses in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate. The Group recognises provisions for uncertain tax positions when the Group has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits from the Group to settle the obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate either using management's estimate of the most likely outcome where the issues are binary, or the expected value approach where the issues have a range of possible outcomes. Tax figures set out in notes 9 and 19 are stated after provisions for uncertain tax positions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities (primarily interest rate swaps) recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs

such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments (note 20).

4. REVENUE

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

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

	2026	2025
Revenue analysis by class of business	**£'000**	**£'000**
Support & Subscription	370,197	297,055
Transactional	24,693	24,473
Managed Services	71,084	78,740
Professional Services	13,679	15,414
Licence & Other	6,042	7,071
	485,695	422,753
Revenue analysis by geography		
United Kingdom	371,697	313,005
North America	108,078	103,727
Rest of the World	5,920	6,021
	485,695	422,753

4.1 Assets and liabilities relating to contracts with customers

	30 April 2026	30 April 2025
	£'000	£'000
Non-current assets relating to contracts	18,641	18,426
Current assets relating to contracts	10,005	9,300
	28,646	27,726
Contract liabilities	103,629	114,468
	103,629	114,468

Assets relating to contracts with customers represent commissions paid to employees which are amortised over a 5 year period. Contract assets increased during the year as the Group continued to pay commissions to employees. Accrued revenue at 30 April 2026 totalled £6,298,000 (2025: £5,678,000) and is presented within accrued income (See note 15). Contract liabilities represent revenue received up front for contracts which are recognised over 12 months. The Group expects that substantially all of the

£105,723,000 (2025: £114,468,000) recorded as current contract liabilities at 30 April 2026 to be recognised in the next financial year ending 30 April 2027.

5. STAFF COSTS

Employee costs (including Directors) during the period were:	2026	2025
	£'000	£'000
Wages, salaries and bonuses	145,561	136,656
Share based payments	3,578	4,906
Social security costs	15,286	12,277
Other pension costs	4,539	4,032
	168,964	157,871

The amounts above are stated net of employee cost capitalised in respect of development of software assets in the year of £27,163,000 (2025: £20,218,000).

The Company had no employees.

The average monthly number of employees (including Directors) of the Group during the year was as follows:

	2026	2025
	Number	Number
Technical	2,488	2,590
Administration	646	697
Sales	449	484
	3,583	3,771

	2026	2025 (restated)
	£'000	£'000
Salaries and bonuses	1,186	1,273
Post-employment benefits	32	29
Share based payments	1,035	2,806
Compensation on leaving office	440	1,075
	2,693	5,183
Number of Directors remunerated	4	4
Number of Directors who held shares under a long term incentive scheme	4	4

Four (2025: three) Directors accrued benefits under the Group's defined contribution pension scheme. In the prior year, share-based payment compensation was inadvertently omitted from the disclosure. Accordingly, the comparative disclosure has been updated to include this component of remuneration. There is no associated restatement to the primary statements.

The highest paid Director in the year received total emoluments while serving as a director of £478,000 (2025: £1,370,000) which included £1,000 (2025: £11,000) of contributions to a pension scheme. The highest paid director held shares under a long-term incentive scheme.

	2026	2025
	£'000	£'000
Short-term employee benefits	2,986	4,725
Post-employment benefits	91	138
	3,077	4,863
Number of key management remunerated	10	16
Number of key management who held shares under a long term incentive scheme	10	16

Key management personnel comprises the Executive Committee of the IRIS Software Group, which includes four Executive Directors (2025: three).

6. OPERATING LOSS

The operating loss is stated after charging/ (crediting):	2026 £'000	2025 £'000
Staff costs - *net of share based payments*	165,386	152,964
Research and development expenditure	10,017	12,054
Impairment of goodwill	1,305,919	-
Amortisation of intangible assets	146,186	128,120
Costs in relation to the Sale Transaction	-	24,049
Transaction related costs	2,929	12,753
Depreciation of property, plant and equipment	1,785	1,736
Depreciation of right-of-use-assets	2,909	3,174
Share based payments	3,578	4,906
Foreign currency gains	-	548

Fees payable to the Group's Auditors comprise the following:

	2026	2025
	£'000	£'000
Tax advisory and compliance services	490	375
Transaction due diligence services	-	450
Other advisory	687	1,510
Total non-audit fees	1,177	2,335
Audit fees - for the audit of parent and consolidated statements	26	25
Audit fees - for the audit of subsidiary companies	632	700
Total fees	1,835	3,060

7. FINANCE INCOME

	2026	2025
	£'000	£'000
Deposit account interest	1,009	884
Unrealised gains on foreign exchange movements on Senior debt	-	12,291
Gain on financial instruments at FVTPL (note 20.3)	11,274	-
Total finance income	12,283	13,175

8. FINANCE COSTS

	2026	2025
	£'000	£'000
Bank loan interest	174,714	130,680
Amortisation of loan issue costs	3,507	2,900
Unwinding of discount	109	121
Bank facility fees	495	907
Interest expense on lease liabilities	707	720
Unrealised losses on FX movements on USD Senior debt	1,235	-
Loss on financial instruments at FVTPL (note 20.3)	-	15,225
Total finance costs	180,766	150,553

9. INCOME TAX CREDIT

The major components of income tax credit are:	30 April 2026 £'000	30 April 2025 £'000
Current income tax:		
UK tax charge for the current period	1,501	1,196
Impact of overseas income tax	2,413	4,224
	3,914	5,420
Deferred tax:		
Relating to origination and reversal of temporary differences	(43,175)	(43,734)
	(43,175)	**(43,734)**
Income tax credit reported in the income statement	(39,261)	(38,314)

The tax for the year is higher (2025: higher) than the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below.

	2026	2025
	£'000	£'000

Loss before tax	(1,439,117)	(144,818)
Loss before tax multiplied by standard rate of UK corporation tax of 25%.	(359,779)	(36,204)
Effects of:		
Impairment of goodwill not deductible for tax purposes	326,480	-
Non-deductible expenses and other permanent differences	(5,962)	13,790
Group relief received for nil payment	-	(15,900)
Total income tax credit	**(39,261)**	**(38,314)**

10. INTANGIBLE ASSETS AND IMPAIRMENT REVIEW

10.1 Intangible assets

	Development Expenditure £'000	Brand £'000	Intellectual Property £'000	Customer Relationships £'000	Goodwill £'000	Total £'000
COST						
At 1 May 2025	22,719	89,161	656,059	889,493	2,704,510	**4,361,942**
Arising on acquisition	-	-	-	-	-	**-**
Additions	27,163	-	-	-	-	**27,163**
Transfers to current assets held for sale (note 13)	(2,243)	-	-	-	-	**(2,243)**
Effect of changes in foreign exchange rates	1,136	(29)	(108)	(455)	4,326	**4,870**
Measurement period adjustment	-	-	-	-	(4,736)	**(4,736)**
At 30 April 2026	48,775	89,132	655,951	889,038	2,704,100	**4,386,996**
ACCUMULATED AMORTISATION / IMPAIRMENT						
At 1 May 2025	948	7,832	52,172	66,926	-	**127,878**
Amortisation for the period	5,693	8,930	61,849	68,272	-	**144,744**
Impairment charge for the period (note 10.2)	-	-	-	-	1,305,919	**1,305,919**
Transfers to current assets held for sale (note 13)	(1,162)	-	-	-	-	**(1,162)**
Effect of changes in foreign exchange rates	1,378	(25)	(92)	(206)	-	**1,055**
At 30 April 2026	6,857	16,737	113,929	134,992	1,305,919	**1,578,434**
NET BOOK VALUE						
At 30 April 2026	**41,918**	**72,395**	**542,022**	**754,046**	**1,398,181**	**2,808,562**
At 30 April 2025	**21,771**	**81,329**	**603,887**	**822,567**	**2,704,510**	**4,234,064**

The Group has recognised a measurement period adjustment to goodwill. The adjustment arises from the receipt of new information about facts and circumstances that existed at the acquisition date. The provisional amounts recognised on acquisition have been revised during the measurement period, with a corresponding adjustment recognised against goodwill rather than in the consolidated income statement.

10.2 Impairment review

Basis for calculating recoverable amounts

The Group tests goodwill for impairment annually, or more frequently where indicators of impairment exist, in accordance with IAS 36. The recoverable amount of each of the Group's cash-generating units (CGUs) has been measured as the higher of its value in use and its fair value less costs of disposal.

Value in use has been measured using a discounted cash flow model. Cash flow projections are based on the FY27 budget approved by the Board, extended through FY28–FY31 using the growth rates in the Group's long-term plan, and extrapolated beyond the five-year explicit forecast period using long-term growth rates. Cash flow projections are discounted using each CGU's discount rate; the calculations are prepared on a post-tax basis, with cash flows and discount rates determined on a consistent basis.

Fair value less costs of disposal has also been considered for each CGU using an earnings multiple approach. Value in use exceeds fair value less costs of disposal and accordingly forms the recoverable amount of each CGU. This represents a change from the prior period, in which recoverable amount was assessed primarily by reference to fair value evidenced by the recent acquisition of each business.

The Group has one class of business being the provision of software and related services. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows, which for the Group results in three CGUs: Core Integrated Businesses (primarily UK-generated revenue), North America, and Dext, a business acquired in December 2024 that remains a standalone operation within the Group. The carrying amount of goodwill allocated to each CGU is set out above.

Key assumptions

The key assumptions in the value in use calculations are the discount rate applied, the EBITDA forecasts, which are based on the FY27 budget approved by the Board and the growth rates in the Group's long-term plan, and the long-term growth rate. The long-term growth rates are derived from independent third-party forecasts of long-term nominal growth appropriate to each CGU's principal market: the OBR Economic and Fiscal Outlook (March 2026) for the Core Integrated Businesses and Dext CGUs, and the CBO long-term outlook for the North America CGU. The discount rates reflect current market assessments of the risks specific to each CGU.

Summary of results

At 30 April 2026, management reviewed the recoverable amount of each of the CGUs and concluded that the recoverable amount of each CGU was below its carrying amount. An impairment loss of £1,305,919,000 (2025: £nil) has been recognised, as follows:

£'000	Carrying amount	Recoverable amount	Impairment loss
Core Integrated Businesses	1,948,951	1,297,142	(651,809)
North America	1,103,477	614,926	(488,551)
Dext	600,373	434,814	(165,559)
Total	**3,652,801**	**2,346,882**	**(1,305,919)**

The impairment loss has been recognised in the Statement of profit or loss. In each case the impairment loss was less than the goodwill carrying amount allocated to the relevant CGU and has therefore been recognised entirely against goodwill, with no further allocation required to the other assets of the CGUs. Following recognition of the impairment loss, the recoverable amount of each CGU is equal to its carrying amount.

Sensitivity to changes in key assumptions

Reasonably possible changes in key assumptions, both individually and in combination, have been considered for each CGU. Because the recoverable amount of each CGU is equal to its carrying amount following the impairment recognised in the period, any adverse change in a key assumption would, in isolation or in combination, give rise to a further impairment loss. The additional impairment that would arise from each of the following reasonably possible changes is set out below: increasing the discount rate by 0.5 and 1.0 percentage points; reducing the long-term growth rate by 0.5 percentage points; and the combination of a 0.5 percentage point increase in the discount rate with a 0.5 percentage point reduction in the long-term growth rate:

Additional impairment (£'000)	Discount rate +0.5pts	Discount rate +1.0pts	Long-term growth rate −0.5pts	Discount rate +0.5pts and long-term growth rate −0.5pts
Core Integrated Businesses	55,165	105,851	38,383	89,917
North America	30,539	58,167	22,456	50,548
Dext	19,166	36,779	13,398	31,306
Total	**104,870**	**200,797**	**74,237**	**171,771**

Conversely, no reasonably possible favourable change in any single key assumption would increase the recoverable amount of any CGU sufficiently to reverse the impairment recognised in the period.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Improvements	Equipment	Fittings	Total
COST	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 May 2025	80	1,880	16,056	6,430	**24,446**
Additions	-	107	684	70	**861**
Effect of changes in foreign exchange rates	-	(12)	(123)	(22)	**(157)**
Disposals	(54)	(475)	(562)	(178)	**(1,269)**
At 30 April 2026	26	1,500	16,056	6,300	**23,881**
ACCUMULATED DEPRECIATION					
At 1 May 2025	64	1,087	14,359	5,368	**20,878**
Charge for the period	-	231	1,025	371	**1,627**
Effect of changes in foreign exchange rates	(54)	(475)	(561)	(195)	**(1,285)**
Disposals	-	(43)	(74)	(2)	**(119)**
At 30 April 2026	10	800	14,749	5,542	**21,101**
NET BOOK VALUE					
At 30 April 2026	**16**	**700**	**1,307**	**758**	**2,780**
At 30 April 2025	**16**	**793**	**1,698**	**1,062**	**3,568**

12. RIGHT-OF-USE ASSETS

GROUP	Property leases £'000
COST	
At 1 May 2025	
Balance brought forward	21,874
Remeasurements	(111)
Effect of changes in foreign exchange rates	(64)
Additions	3,206
Disposals	(2,244)
At 30 April 2026	22,661
ACCUMULATED DEPRECIATION	
Balance brought forward	12,650
Charge for the period	2,909
Effect of changes in foreign exchange rates	(55)
Disposals	(1,650)
At 30 April 2026	13,854
NET BOOK VALUE	
At 30 April 2026	**8,807**
At 30 April 2025	**9,224**

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

13. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 30 April 2026, the current assets and liabilities held for sale of £3,985,000 and £3,621,000, respectively, represented the net assets of Innervision Management Limited. Details of the transaction are presented in Note 26.

14. INVESTMENTS

14.1 Company - Investments

	Equity investments in subsidiaries	Preference shares in subsidiaries	Total
	£'000	£'000	£'000
At 1 May 2025	3,194,904	-	3,194,904
Re-presentation of preference shares	(210,046)	210,046	-
Accrued / rolled preference dividend	-	53,244	53,244
Impairment charge	(1,584,068)	-	(1,584,068)
Effect of changes in foreign exchange rates	-	(1,595)	(1,595)
At 30 April 2026	**1,400,790**	**261,695**	**1,662,485**

14.2 Equity investments in subsidiaries

Group	2026	2025
	£'000	£'000
COST AND NET BOOK VALUE		
At beginning of period	-	-
Additions	323	-
At 30 April	**323**	**-**

The Group's investments of £323,000 comprises a minority equity investment in Soraban, Inc. This investment is held at amortised cost. The Group does not exhibit control over Soraban, Inc. hence it is not consolidated with the Group's equity investments in subsidiaries.

Company	2026	2025
COST AND NET BOOK VALUE	£'000	£'000
At beginning of period	2,984,858	-
Additions	-	2,984,858
Impairment charge	(1,584,068)	-
At 30 April	**1,400,790**	**2,984,858**

The Group's subsidiary undertakings are shown below. Balances in respect of these subsidiaries have been consolidated line by line.

Undertaking	Country of registration or incorporation	Principal activity	Percentage of ordinary shares held at 30 April 2026	
			Group	Company
1Tap App Limited[13]	England & Wales	Software development	100%	0%
AccountantsWorld LLC[4]	USA	Software development	100%	0%
Apex Software Technologies LLC[9]	USA	Software development	100%	0%
APS Global Limited[1]	England & Wales	Payroll services	100%	0%
Atomic IT Limited[1]	England & Wales	Software development	100%	0%
Blue Octopus Recruitment Limited[1]	England & Wales	Software development	100%	0%

Bridgehead (Europe) Limited[1]	England & Wales	Payroll services	100%	0%
Bridgehead (UK) Limited [1]	England & Wales	Payroll services	100%	0%
Conarc Inc[4]	USA	Software development	100%	0%
Creative Solutions Software Corp[11]	USA	Payroll services	100%	0%
Datacode Tech Limited[1]	England & Wales	Software development	100%	0%
Dataplan Holdings Limited[1]	England & Wales	Holding company	100%	0%
Dataplan Payroll Limited[1]	England & Wales	Payroll services	100%	0%
Dext Australia Pty Limited[16]	Australia	Software development	100%	0%
Dext Bidco Limited[13]	England & Wales	Holding company	100%	0%
Dext Bulgaria Limited[15]	Bulgaria	Software development	100%	0%
Dext Canada Limited[19]	Canada	Software development	100%	0%
Dext France S.A.R.L[17]	France	Software development	100%	0%
Dext Holdco Limited[13]	England & Wales	Holding company	100%	0%
Dext Midco Limited[13]	England & Wales	Holding company	100%	0%
Dext Software Limited[13]	England & Wales	Software development	100%	0%
Dext South Africa Limited[18]	South Africa	Software development	100%	0%
Dext Topco Limited[14]	Jersey	Holding company	100%	0%
Doc-It Corp[4]	USA	Software development	100%	0%
Doc-It Inc[6]	Canada	Software development	100%	0%
Elements Bidco Limited[1]	England & Wales	Holding company	100%	100%
Eurowage Limited[1]	England & Wales	Payroll services	100%	0%
FMP HR and Payroll Software Limited[1]	England & Wales	Software development	100%	0%
Greenback Inc[22]	USA	Software development	100%	0%
Hatch Apps Limited[13]	England & Wales	Software development	100%	0%
Hosted Accountants Limited[1]	England & Wales	Software development	100%	0%
Human Capital Management LLC.[4]	USA	Payroll services	100%	0%
Indigo Marketing Limited[1]	England & Wales	Software development	100%	0%
Innervision Management Limited[1]	England & Wales	Software development	100%	0%
IRIS Americas Inc.[4]	USA	Software development	100%	0%
IRIS Bidco Limited[1]	England & Wales	Holding company	100%	0%
IRIS Business Software Limited[1]	England & Wales	Software development	100%	0%
IRIS Canada Holdings Limited[1]	England & Wales	Holding company	100%	0%
IRIS Capital Limited[1]	England & Wales	Holding company	100%	0%
IRIS Debtco Limited[1]	England & Wales	Holding company	100%	0%
IRIS Denmark ApS[21]	Denmark	Software development	100%	0%
IRIS Education Limited[1]	England & Wales	Software development	100%	0%
IRIS Education Payroll Limited[1]	England & Wales	Software development	100%	0%
IRIS Education Software Limited[1]	England & Wales	Software development	100%	0%
IRIS Firm Management Limited[1]	England & Wales	Software development	100%	0%
IRIS Global Inc.[4]	USA	Holding company	100%	0%
IRIS Group Limited[1]	England & Wales	Software development	100%	0%
IRIS Holdings Limited[1]	England & Wales	Holding company	100%	0%
IRIS KPO Resourcing (India) Private Limited[2]	India	Outsourcing services	56%	0%
IRIS Midco Limited[1]	England & Wales	Holding company	100%	0%
IRIS Payroll Services Limited[1]	England & Wales	Payroll services	100%	0%
IRIS Payroll Solutions Limited[1]	England & Wales	Software development	100%	0%

IRIS Resourcing Limited[1]	England & Wales	Holding company	100%	0%
IRIS Software and Services Inc. [4]	USA	Software development	100%	0%
IRIS Software Group Limited[1]	England & Wales	Holding company	100%	0%
IRIS Software Limited[1]	England & Wales	Software development	100%	0%
IRIS Software Technical Centre S.R.L.[12]	Romania	Software development	100%	0%
IRIS US Holdings Limited[1]	England & Wales	Holding company	100%	0%
iSAMS Limited[1]	England & Wales	Software development	100%	0%
iSAMS Pty Limited[8]	Australia	Software development	100%	0%
Kashflow Software Limited[1]	England & Wales	Software development	100%	0%
Kinetic Marketing & Design Limited[1]	England & Wales	Payroll services	100%	0%
MCN Associates Limited[1]	England & Wales	Software development	100%	0%
Net-Worx (2001) Limited[1]	England & Wales	Software development	100%	0%
Paycheck Plus Payroll Service Ireland Limited[7]	Ireland	Payroll services	100%	0%
Paycheck Plus UK Limited[1]	England & Wales	Payroll services	100%	0%
Payplus Limited[1]	England & Wales	Payroll services	100%	0%
Perennial Newco 2 Limited[1]	England & Wales	Holding company	100%	0%
Phroot Limited[3]	Guernsey	Software development	100%	0%
Practice Engine Systems Inc.[4]	USA	Software distribution	100%	0%
PSI Payroll Services[5]	Canada	Payroll services	100%	0%
PTP Software Limited[1]	England & Wales	Software development	100%	0%
Receipt BK U.S. Inc[23]	USA	Software development	100%	0%
Sandgate BG Limited[10]	Bulgaria	Software development	100%	0%
Sandgate Systems Limited[1]	England & Wales	Software development	100%	0%
School Spider Limited[1]	England & Wales	Software development	100%	0%
Senta SaaS Limited[1]	England & Wales	Software development	100%	0%
Staffology Limited[1]	England & Wales	Software development	100%	0%
Sweep Limited[1]	England & Wales	Software development	100%	0%
Swipeclock LLC[20]	USA	Software development	100%	0%
Taxfiler Limited[1]	England & Wales	Software development	100%	0%
The Practice Engine Group Limited[1]	England & Wales	Software development	100%	0%
Troncmasters Limited[1]	England & Wales	Software development	100%	0%
Truancy Call Limited[1]	England & Wales	Software development	100%	0%

[1] Subsidiary registered address: 4th Floor, Heathrow Approach, 470 London Road, Slough, England SL3 8QY
[2] Subsidiary registered address: Pottipati Plaza 77, Nungambakkam High Road, Chennai–600 034
[3] Subsidiary registered address: PO Box 186, 1 Le Marchant Street, St Peter Port, Guernsey, GY1 4HP
[4] Subsidiary registered address: 44 Milton Ave, 212 STE, Alpharetta, GA 30009, USA
[5] Subsidiary registered address: 4200 South Service Rd, #200, Burlington Ontario, L7L 4X5, Canada
[6] Subsidiary registered address: 201-1430 Cormorant Rd, Ancaster ON L9G4V5, Canada
[7] Subsidiary registered address: 9 Trinity Street, Dublin 2, Republic of Ireland
[8] Subsidiary registered address: 36 Greycliffe Street, Queenscliff, NSW, 2096, Australia
[9] Subsidiary registered address: 500 Colonial Center Pkwy, Ste 650, Roswell, GA 30076
[10] Subsidiary registered address: Hristo Belchev No18, FI3, Sofia 1000, Bulgaria
[11] Subsidiary registered address: 6300 Interfirst Drive, Ann Arbor, MI 48108
[12] Subsidiary registered address: Str GEORGE CONSTANTINESCU, Nr. 4B SI 2-4, CLADIREA B, ETAJ V, CAMERA 18 Bucuresti Sectorul 2, Romania
[13] Subsidiary registered address: Unit 2.1 Techspace Shoreditch, 25 Luke Steet, London, United Kingdom, EC2A 4DS

[14] Subsidiary registered address: 22 Grenville Street, St Helier, Jersey, JE4 8PX
[15] Subsidiary registered address: 19 Asparoukh Street, Fl2, 1000 Sofia Centre, Bulgaria
[16] Subsidiary registered address: Level 14, 15 Castlereagh Street, Sydney, NSW2000, Australia
[17] Subsidiary registered address: 34-40 Rue Guynemer 92130 Issy-les-Moulineaux, France
[18] Subsidiary registered address: Unit 4, 257 Jean Ave, Centurion, Gauteng, 0157, South Africa
[19] Subsidiary registered address: 700 W Georgia Street, Suite 2200, Vancouver, BC, V7Y 1K8, Canada
[20] Subsidiary registered address: 10644 S. Jordan Gateway, Suite 400, South Jordan, UT 8409, USA
[21] Subsidiary registered address: C/O Beierholm, Knud Højgaards Vej 9, 2860 Søborg
[22] Subsidiary registered address: 307 West 6th Street, Suite 209, Royal Oak, MI 48067
[23] Subsidiary registered address: 1805 7th St, NW Ste 805 Washington, DC, 20001-327 USA

14.3 Company - Preference shares in subsidiaries

	2026	2025
	£'000	£'000
At 1 May	210,046	224,081
Accrued / rolled preference dividend	53,244	-
Effect of changes in foreign exchange rates	(1,595)	(14,035)
At 30 April	**261,695**	**210,046**

The Company holds cumulative redeemable preference shares in its subsidiary Elements Bidco Limited, denominated in US dollars, with a nominal value of USD 281,131,216.83, issued on 30 April 2024. The shares carry a cumulative preferential dividend of 12% of issue price per annum, compounding annually, and are mandatorily redeemable on 30 April 2033, or earlier at the option of the issuer or holder. Under IAS 32 the preference shares are a financial asset of the Company and under IFRS 9 they are held at amortised cost. The shares are classified as a non-current financial asset, reflecting the 30 April 2033 redemption date. The dividend coupon is recognised as finance income using the effective interest method, and the US dollar carrying amount is retranslated at the closing rate with exchange differences recognised in profit or loss.

14.4 Impairment review

The Company principal investment is its equity interest in Elements Bidco Limited. The Company also holds preference shares in Elements Bidco Limited, as described in Note 14.3, and has assessed both investments for impairment. In determining the recoverable amount of its investments, the Company has considered the equity value attributable to its investments together with any related structural intercompany funding arrangements. Accordingly, the assessment reflects the value of the underlying group businesses after taking into account net debt within the investment structure and any structural intercompany debt balances.

The Company tests its investments for impairment annually, or more frequently where indicators of impairment exist. The recoverable amount of its investment is measured as the higher of its value in use and its fair value less cost of disposal.

Basis for calculating recoverable amounts

The recoverable amount of the Company's investment in Elements Bidco Limited has been determined using a value in use methodology based on a discounted cash flow model. The valuation is consistent with the impairment assessment performed for the Group's cash-generating units and utilises the same underlying cash flow projections, scenarios and assumptions as described in Note 10.

Key assumptions

The key assumptions in the value in use calculations are the discount rate, the EBITDA forecasts, which are based on the FY27 budget approved by the Board and the growth rates in the Group's long-term plan, and the long-term growth rate. Further details are provided in the impairment review section of note 10.

These assumptions are consistent with those used in the Group's impairment assessment disclosed in Note 10. Management considers these assumptions to represent its best estimate of the future performance of the underlying businesses and the economic conditions in which they operate.

Summary of results

At 30 April 2026, management reviewed the recoverable amount of the Company's investments and concluded that the recoverable was below its carrying amount. An impairment loss of £1,584,068 thousand (2025: £nil) has been recognised, as follows:

£'000	Carrying amount	Recoverable amount	Impairment loss
Investments	**3,927,701**	**2,346,882**	**(1,584,068)**

Impairment losses are recognised in the Statement of profit or loss. In accordance with the Company's accounting policy, impairment losses may be reversed in future periods if there has been a change in the estimates used to determine the recoverable amount. Any reversal would be limited to the carrying amount that would have been determined had no impairment loss been recognised previously.

Following recognition of the impairment loss, the recoverable amount of the Company's investments is equal to its carrying amount.

Sensitivity to changes in key assumptions

Reasonably possible changes in key assumptions, both individually and in combination, have been considered for the Company's investments. This analysis is reflective of the same sensitivities applied to the Group's goodwill impairment testing, details of which are in note 10.

Conversely, no reasonably possible favourable change in any single key assumption would increase the recoverable amount of the Company's investments sufficiently to reverse the impairment recognised in the period.

15. TRADE AND OTHER RECEIVABLES

	2026	2025
	£'000	£'000
Current		
Trade receivables from contracts with customers	39,071	45,775
Less: provision for impairment of receivables	(4,166)	(5,302)
Trade receivables from contracts with customers - net	34,905	40,473
Other receivables	14,843	154
Prepayments	13,984	13,538
Accrued income	6,187	5,678
	69,919	59,843

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

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

	2026	2025
	£'000	£'000
At the beginning of the period	5,302	-
Acquired through Acquisitions	-	5,080
Charged to the Income Statement	(1,136)	222
At the end of the period	**4,166**	**5,302**

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

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

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

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

16. CASH AND CASH EQUIVALENTS

	2026	2025
	£'000	£'000
Cash at banks and on hand	105,031	104,256
Restricted cash - client funds	121,604	198,021
	226,635	**302,276**

Interest income on client funds

The Group provides certain customers with a managed payroll service whereby the Group receives funds from customers and holds these funds for before using them to pay the payroll amounts and associated payroll taxes due to those customers' employees and the appropriate tax authorities. The entity has the right to control these funds which are reported within *Cash and cash equivalents* on the Consolidated Statement of Financial Position and *Restricted cash – client funds* above. A corresponding liability is presented as *Client obligations*. The Group earns interest on the invested funds with this interest being reported in Interest income on client funds. Interest reported for the year ending 30 April 2026 was £4,898,000 (2025: £6,213,000).

17. TRADE AND OTHER PAYABLES

GROUP	2026	2025
	£'000	£'000
Current		
Trade payables	9,265	8,797
Social security and other taxes	5,597	5,230
VAT	5,740	7,510
Other creditors	10,901	11,013
	31,503	32,550

Trade payables are non-interest bearing and are normally settled on 30-day terms. The fair values of trade and other payables are not materially different to those disclosed above. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost. The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 20.

18. AMOUNTS OWED TO AND FROM GROUP UNDERTAKINGS

GROUP	2026	2025
	£'000	£'000
Amounts owed to parent undertakings	38,906	33,708
COMPANY		
Amounts owed from parent undertakings	672	28,722
Amounts owed from subsidiary undertakings	561,344	567,865
	562,016	596,587
Amounts owed to parent undertakings	-	124
Amounts owed to subsidiary undertakings	61,462	15,958
	61,462	16,082

Amounts owed to Group undertakings are interest bearing and repayable on demand.

19. DEFERRED TAX

	Fixed asset timing differences	Short term timing differences	Losses and other deductions	Acquired intangible assets	Total
	£'000	£'000	£'000	£'000	£'000
At 1 May 2025	9,011	(23,782)	(17,897)	326,176	293,508
Effect of changes in foreign exchange rates	-	138	-	169	307
(Credited)/charged to the income statement	(581)	(17,715)	2,664	(27,543)	(43,175)
At 30 April 2026	**8,430**	**(41,359)**	**(15,233)**	**298,802**	**250,640**

The majority of deferred tax balances arise in the UK where the closing deferred tax liability as at 30 April 2026 has been calculated at 25% reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods. Deferred tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

At 30 April 2026, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates. It is likely that the unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption such that no UK tax would be due upon remitting those earnings to the UK. However, £84.3 million of those earnings may still result in a tax liability, principally as a result of the dividend withholding taxes levied by the overseas jurisdictions in which those subsidiaries operate, being those subsidiaries domiciled in the United States, India, Canada, Australia, France, South Africa and Romania. These tax liabilities are not expected to exceed £4.9 million, of which none has been provided as the Group is able to control the timing of the dividends. It is not expected that further amounts will crystallise in the foreseeable future as the Group has an agreement with its associates that the profits of the associates will not be distributed until it obtains the consent of the Group. The Company does not foresee such a consent being given at the reporting date.

The Group has recognised deferred tax assets of £15.2 million (2025: £17.9 million) in respect of tax losses where it is considered probable that future taxable profits will be available against which the losses can be utilised. The Group has not recognised a deferred tax asset in respect of £40.5 million (2025: £6.0 million) of non-trade losses and short-term timing differences where utilisation is not assessed as probable.

20. FINANCIAL ASSETS AND LIABILITIES

20.1 Principal financial assets and liabilities

The principal financial instruments used by the Group comprise cash and short-term deposits, derivative financial instruments, trade and other receivables, trade and other payables, client obligations, accruals, provisions, lease liabilities, convertible loan notes and loans and borrowings. These instruments give rise to a range of financial risks that are managed through the Group's established risk management policies and procedures.

Financial assets and liabilities by category	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost
	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Cash and cash equivalents	-	226,635	-	302,276
Trade and other receivables	-	49,748	-	40,627
Other financial assets	3,716	-	-	-
Total financial assets	**3,716**	**276,383**	**-**	**342,903**

	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Financial liabilities at amortised cost
	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Trade and other payables	-	31,503	-	32,551
Derivative financial instruments	2,611	-	13,885	-
Client obligations	-	121,604	-	198,021
Amounts owed to Parent undertakings	-	38,906	-	33,708
Accrued interest	-	-	-	532
Deferred consideration	238	-	945	-
Lease liabilities	-	10,446	-	11,257
Loans and borrowings	-	1,770,730	-	1,728,778
Total financial liabilities	**2,849**	**1,973,189**	**14,830**	**2,004,847**

20.2 Financial assets and liabilities not measured at fair value

Financial assets and liabilities not measured at fair value includes cash and short term deposits, and contract liabilities.

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

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

20.3 Financial instruments at fair value

The table below analyses financial instruments carried at fair value by valuation method. Accounting standards require us to disclose them into different levels as follows:

- Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Fair values measured using inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (from prices) or indirectly (derived from prices)
- Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data.

	At 30 April 2026			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets measured at fair value:				
Interest rate instruments	-	-	-	-
Convertible loan note	-	-	3,716	3,716
Total financial assets at fair value	**-**	**-**	**3,716**	**3,716**
Financial liabilities measured at fair value:				
Interest rate instruments	-	2,611	-	2,611
Deferred consideration	-	-	238	238
Total financial liabilities at fair value	**-**	**2,611**	**238**	**2,849**

	At 30 April 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Financial assets measured at fair value:				
Interest rate instruments	-	-	-	-
Deferred consideration	-	-	-	-
Total financial assets at fair value	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value:				
Interest rate instruments	-	13,885	-	13,885
Deferred consideration	-	-	945	945
Total financial liabilities at fair value	**-**	**13,885**	**945**	**14,830**

IRIS Global Inc., a subsidiary of the Group, holds a convertible loan note in Instead Holdings, LLC. As the instrument contains a discretionary conversion feature that results in contractual cash flows not meeting the solely payments of principal and interest (SPPI) criterion under IFRS 9, it is classified and measured at fair value through profit or loss. The Group does not control Instead Holdings, LLC and, accordingly, the investment is not consolidated and is recognised as a financial asset in the consolidated financial statements.

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

Reconciliation - financial liabilities / (assets)

A reconciliation of the financial liabilities is as follows:	**Interest rate swaps**	**Deferred consideration**	**Total**
	£'000	**£'000**	**£'000**
At 1 May 2025	(13,885)	(945)	(14,830)
Paid during the period	-	707	707
Changes in fair value to profit or loss	11,274	-	11,274
At 30 April 2026	**(2,611)**	**(238)**	**(2,849)**

Deferred consideration arises when settlement of all or part of the cost of a business combination falls due after the date the acquisition was completed, usually through an earn-out based on post-acquisition performance, and is stated at the fair value of the total consideration outstanding. At 30 April 2026, the fair value of deferred

consideration was assessed using actual performance to date against each acquisitions' earn-out targets together with an assessment of future financial performance based on the Group's approved budget.

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

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

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

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

The cumulative Fair Value of these four interest rates swaps at 30 April 2026 created a liability of £2,611,000.

There has been no reclassification of financial instruments.

20.4 Financial risk management

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

The Group has exposure to the following risks from its use of financial instruments:

i. credit risk
ii. liquidity risk
iii. interest rate risk
iv. foreign currency risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk

management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Credit risk

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

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

Trade receivables

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

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

Total trade receivables from contracts with customers (net of allowances) held by the Group at 30 April 2026 amounted to £34,905,000 (2025: £40,473,000).

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

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

Liquidity risk

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

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

	Amounts owed to parent undertakings	Deferred Consideration	Lease liabilities	Borrowings and accrued interest	Trade and other payables	Client obligations	Total
At 30 April 2026	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
In less than 1 year	-	-	3,250	-	31,503	121,604	156,357
In more than 1 year but not more than 2 years	-	-	2,326	-	-	-	2,326
In more than 2 years but not more than 5 years	-	-	3,482	-	-	-	3,482
In more than 5 years	38,906	-	3,480	1,787,067	-	-	1,829,453
Effect of discount/financing rates	-	-	(2,092)	(16,337)	-	-	(18,429)
	38,906	**-**	**10,446**	**1,770,730**	**31,503**	**121,604**	**1,973,189**
At 30 April 2025							
In less than 1 year	-	945	3,173	-	32,550	198,021	234,689
In more than 1 year but not more than 2 years	-	-	2,400	-	-	-	2,400
In more than 2 years but not more than 5 years	-	-	4,074	-	-	-	4,074
In more than 5 years	33,708	-	4,101	1,748,623	-	-	1,786,432
Effect of discount/financing rates	-	-	(2,491)	(19,845)	-	-	(22,336)
	33,708	**945**	**11,257**	**1,728,778**	**32,550**	**198,021**	**2,005,259**

The current Senior loan facility (Main and Acquisition facilities - see note 22) include a leverage covenant which requires the leverage (the ratio of Consolidated Senior Secured Net Leverage to Consolidated Pro Forma EBITDA) does not exceed 15.06x. Consolidated Senior Secured Net Leverage is the total balance of the senior facilities

less unrestricted cash. Consolidated Pro Forma EBITDA is the Management EBITDA of the Group combined with pre-acquisition EBITDA of acquisition in the relevant reporting period and adjusted for various metrics as defined in the facilities agreement. At 30 April 2026, the leverage was substantially below the covenant level at 7.59x (2025: 7.02x).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group has managed most of this risk through its Interest rate Swaps which cover 75% (2025: 75%) of the USD denominated debt and 40.4% (2025: 40.4%) of the GBP denominated debt.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency) and the Group's net investments in foreign subsidiaries. As of 30 April 2026, the IRIS Group reduces foreign currency risk by having 20-25% (2025: 20-25%) of the IRIS Group's debt denominated in US Dollars.

Sensitivity analysis

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

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

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

	2026		2025	
	Income (losses)/ gains	Equity (losses)/ gains	Income (losses)/ gains	Equity (losses)/ gains
	£'000	£'000	£'000	£'000
1% increase in market interest rates (2025: 1%)	(9,720)	(9,720)	(9,336)	(9,336)
1% decrease in market interest rates (2025: 1%)	9,720	9,720	9,336	9,336
10% strengthening of sterling versus other currencies (2025: 10%)	860	57,779	2,067	20,459
10% weakening of sterling versus other currencies (2025: 10%)	(946)	(63,557)	(2,274)	(22,505)

Capital Management

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the Group's capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or amend its debt arrangements. The Group's share capital is disclosed in note 25, and its debt structure is detailed in note 22.

21. PROVISIONS

	Dilapidations
	2026
	£'000
At 1 May 2025	2,471
Payments on termination of leases	(184)
Charged to income statement	-
Effect of changes in foreign exchange rates	(109)
Unwinding of discount	109
At 30 April 2026	**2,287**

These provisions are estimates because the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for once the final liability has been determined.

22. BORROWINGS

During the prior period ended 30 April 2025, a new Senior loan facility made up of a £950 million tranche and an Acquisition facility of £810m were borrowed by Elements Finco Limited. Part of these facilities were established in USD$. Interest is paid monthly on these facilities and starting in January 2025 a portion of the Senior debt interest was deferred to be paid at the maturity of the facility. The final part of the Sale transaction funding was £1,870 million of preference shares were issued by the ultimate Parent Company in the IRIS Group. In addition the Company has access to an additional Revolving Credit Facility of £100 million which was unutilised at the period end.

Non-current	At 1 May 25 £'000		Borrowing costs capitalised in period £'000	Borrowing costs amortised in period £'000	Interest deferred in period £'000	Change due to FX in period £'000	At 30 Apr 26 £'000
Borrowings	1,728,778	-	-	3,508	40,652	(2,208)	**1,770,730**

Details of the Group's borrowing facilities are presented below.

	Effective interest rate	Maturity	Facility Utilised
Senior bank loan			
Main Tranche - GBP	SONIA +4.75% to +5.25% margin	April 2031	791,621
Main Tranche - USD	SOFR +4.75% to +5.25% margin	April 2031	180,780
Acquisition facility - GBP	SONIA +4.75% to +5.25% margin	April 2031	666,469
Acquisition facility - USD	SOFR +4.75% to +5.25% margin	April 2031	148,197
Revolving Credit Facility	SONIA +3.00% to +3.75% margin	October 2030	-
			1,787,067

Due to the various interest periods and interest rollover dates ending prior to 30 April 2026, there is accrued interest on the Senior facilities at the year end. Accrued interest is presented in note 24. Borrowing costs capitalised in relation to each facility are included within non-current borrowings in the consolidated statement of financial

position and are not separately disclosed by facility. Facility utilisation represents the aggregate of principal amounts outstanding and accrued interest at the reporting date.

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

	At 30 April 2026		At 30 April 2025	
Borrowings - Group	**Senior**	**Total**	**Senior**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due between two and five years	-	-	-	-
Amounts falling due in more than five years	1,787,067	1,787,067	1,748,623	1,748,623
	1,787,067	1,787,067	1,748,623	1,748,623
Unamortised borrowing costs	(16,337)	(16,337)	(19,845)	(19,845)
Amounts falling due in more than five years after unamortised borrowing costs	1,770,730	1,770,730	1,728,778	1,728,778
Amounts falling due in more than five years after unamortised borrowing costs	1,770,730	1,770,730	1,728,778	1,728,778

	30 April 2026		30 April 2025	
Borrowings - Company	**Senior**	**Total**	**Senior**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due between two and five years	-	-	-	-
Amounts falling due in more than five years	1,638,803	1,638,803	1,600,564	1,600,564
	1,638,803	1,638,803	1,600,564	1,600,564
Unamortised borrowing costs	(14,522)	(14,522)	(19,106)	(19,106)
Amounts falling due after more than one year	1,624,281	1,624,281	1,581,458	1,581,458
Amounts falling due in more than five years after unamortised borrowing costs	1,624,281	1,624,281	1,581,458	1,581,458

Security for the Senior and Second Lien Liabilities takes the form of debentures giving fixed and floating charges over the assets of certain IRIS Group undertakings which have acceded to a cross-guarantee structure. All other loans are unsecured.

23. COMMITMENTS

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

The Group and Company had no other capital commitments.

24. ACCRUALS

	2026	2025
	£'000	£'000
Accruals	36,114	33,235
Accrued interest	1,305	184
	37,419	33,419

25. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

Company

	2026	2025
Nominal value	£0.01	£0.01
Number of ordinary shares allotted, called up and fully paid[1]	22,737,276,119	22,737,276,119
Shares authorised, issued and fully paid:	£'000	£'000
Share Capital	227,373	227,373
Share premium	2,046,355	2,046,355
Total Equity	2,273,728	2,273,728

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

26. EVENTS AFTER THE BALANCE SHEET DATE

On 24 July 2026, the Group entered into a conditional agreement to sell its entire shareholding in Innervision Management Limited, a wholly-owned UK subsidiary, to FQEU Limited, a third-party purchaser. The sale process commenced prior to the year end and, on the basis that the criteria in IFRS 5 were met at 30 April 2026, the assets and liabilities of Innervision have been classified as held for sale and presented separately in the consolidated statement of financial position, as described in Note 13. The transaction completed shortly after the year end. Consideration comprises an initial amount of £14,500,000, subject to customary adjustments for net cash and working capital at completion, plus contingent earnout consideration of up to £4,000,000 receivable over the following 24 to 29 months.

27. SHARE BASED PAYMENTS

The IRIS Group gives senior management and employees, who are employed by subsidiary companies, the opportunity to acquire shares in the ultimate parent company, Elements Topco Limited, and in Elements Holdco 1 Limited, at market value. These shares, which are administered by Ocorian Trustees (Jersey) Limited, cannot be traded and must be sold back to the IRIS Group when employment ceases. The shares are only redeemed on sale of the Group. These shares fall under the definition of share based payments and are reported under IFRS 2.

In the year ended 30 April 2026, the Group issued 554,522 B Ordinary shares, C Ordinary shares and Holdco 1 profit interest units (in aggregate, and stated as effective IFRS 2 units) to staff employed by subsidiary companies (2025: 1,060,168). Employees will be entitled to receive sale proceeds on the sale of the business. In general, employees who leave before a sale transaction will forfeit their shares.

The fair value of the shares issued in the period was calculated using the Monte Carlo model that takes into account the exercise price, the term of the award, the impact of dilution (where material), the share price at grant date (based on an assessment of enterprise value using a discounted cash flow approach) and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the award, and the correlations and volatilities of the peer group companies. Grant-date fair values for awards made in the year were derived from periodic independent valuations performed by external specialists, with fair values between valuation dates determined by linear interpolation.

	2026 Grant A	2026 Grant B	2026 Grant C	2026 Grant D	2026 Grant E	2025 Grant A	2025 Grant B
Grant date	06/06/2025	16/06/2025	13/08/2025	07/11/2025	16/03/2026	30/04/2024	14/08/2024
Settlement method	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Number of shares granted (effective units)	139,085	46,875	205,525	43,007	120,030	1,037,104	23,064
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	3.91%	3.91%	3.91%	3.91%	3.91%	3.95%	3.95%
Volatility	45.6%	45.6%	45.6%	45.6%	45.6%	36.3%	36.3%
Forecast maturity	30/09/2029	30/09/2029	30/09/2029	30/09/2029	30/09/2029	30/09/2029	30/09/2029
Fair value per share at grant (£)	20.98	20.87	20.20	19.78	19.78	24.62	24.62
Fair value of shares when issued (£)	**2,918,189**	**978,085**	**4,150,752**	**850,678**	**2,374,193**	**25,533,500**	**567,836**

	2026	2025
Outstanding at start of period	769,057	-
Granted in the period	554,522	1,060,168
Forfeited in the period	(428,720)	(223,611)
Vested in the period (retained on departure)	(135,656)	(67,500)
Outstanding at end of period	759,203	769,057

The expected price volatility is based on a benchmark of observable similar companies.

The equity settled share-based payment cost charged to the income statement for the year ended 30 April 2026 was £3,578,000 (period ended 30 April 2025: £4,907,000).

28. EMPLOYEE BENEFIT TRUST

Elements Finco Limited is the holding company of a sub-group that includes Elements Bidco Limited. Elements Bidco Limited is the lender under a facility agreement with the Group's Employee Benefit Trust (the "EBT" or "Trust"), administered by Ocorian Trustees Jersey Limited. The facility funds the Trust's acquisition of shares from departing employees, which are warehoused pending reallocation to new and continuing participants in the Group's management incentive arrangements.

At 30 April 2026, the Group had a Loan receivable from the Trust of £8,598,000, which is presented within Note 18, Amounts owed from subsidiary undertakings. The loan is unsecured and repayable on demand. It is non-interest bearing unless the lender elects, on 30 days' written notice, to charge interest (at a rate not exceeding 3% over the base lending rate of Barclays Bank PLC); no such election has been made and the loan bore no interest during the period. The lender's recourse is limited to the assets of the Trust.

29. RESERVES

	Group	Company
	Accumulated Losses	Accumulated Losses
	£'000	£'000
At 1 May 2025	(102,457)	(93,693)
Result for the period	(1,400,690)	(1,645,480)
Share-based payments (Note 27)	3,578	-
At 30 April 2026	**(1,499,569)**	**(1,739,173)**

30. CONTINGENT LIABILITIES

There are no (2025: no) contingent liabilities.

31. PENSION COMMITMENTS

The Group operates a defined contribution personal pension scheme which is open to all staff. The pension cost for the year represents contributions payable by the Group to the funds and amounted to £4,539,000 (2025: £4,032,000). Pension contributions unpaid at the year end were £1,065,000 (2025: £741,000).

32. DIVIDENDS PER SHARE

The Company did not declare or pay a dividend (2025: none) in the year.

33. RELATED PARTY TRANSACTIONS

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

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

Supplier transactions occurred during the year between the Group, HG Pooled Management Limited, Intermediate Capital Group plc and Leonard Green & Partners, L.P. Transactions relate to providing the services of the Directors and preparing the Group for securing new investment. During the year ended 30 April 2026, £782,000 (2025: £750,000) related to these transactions was charged through administrative expenses. There were outstanding amounts payable of £782,000 (2025: £988,000) at 30 April 2026.

As at 30 April 2026 there were outstanding amounts of £38,906,000 (2025: £33,708,000) owed by the Group to Elements Topco Limited as set out in note 18.

The Group has transactions with the Employee Benefit Trust, details of which are in Note 28. The Trust is a related party of the Elements Finco Limited sub-group because it is controlled by its ultimate parent, Elements Topco Limited, thereby under common control. The amount receivable from the Trust at the reporting date was £8,598,000.

34. NON-CONTROLLING INTERESTS

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

	£'000
At 1 May 2025	4,208
Effect of movement in exchange rates	(511)
Non-controlling interest's share of profit for the period	834
At 30 April 2026	**4,531**

35. RECONCILIATION OF MANAGEMENT REVENUE AND EBITDA

Management revenue

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

	30 April 2026 £'000	30 April 2025 £'000
Revenue	**485,695**	**422,753**
Effect of fair value of contract liabilities on acquisition	-	(222)
Effect of fair value of deferred revenue on acquisition	-	22,749
Impact of deferring revenue on certain professional services income streams	(401)	131
Impact of deferring revenue on certain licence income streams	-	1,276
Management Revenue	**485,294**	**446,687**

Management EBITDA

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

	Note	2026 £'000	2025 £'000
Operating profit / (loss)		**(1,270,634)**	**(7,439)**
Depreciation and amortisation			
Depreciation and loss on disposal of property, plant and equipment	11	1,666	1,736
Depreciation and profit/loss on right-of-use assets disposed on lease termination	12	2,901	3,174
Impairment of goodwill	10	1,305,919	-
Amortisation of intangibles	10	146,186	128,120
		1,456,672	133,030
Acquisition related items			
Transaction related costs	6	2,929	12,753
Post-acquisition integration costs		131	3,618
Effect of fair value of deferred revenue on acquisition		(1,281)	22,749
Effect of fair value of contract liabilities on acquisition		-	222
		1,779	39,342
Adjustments required to recognise the cash impact of staff costs and asset rentals			
Impact of recognising sales commissions and certain income streams as they fall due		(1,726)	(3,876)
Impact of recognising rents as they fall due		(2,842)	(3,467)
Impact of share based payments		3,578	4,906
		(990)	(2,437)
Material non-recurring investment expenditure Transformational projects including Next Generation Elements Product Suite		9,416	7,833
		9,416	7,833
Other adjustments			
Costs in relation to the Sale Transaction		-	24,049
Restructuring and one off legal costs including redundancies and office closures		5,957	4,770
Impact of recognising forward-looking credit loss provisions as they fall due		(404)	-
Cost paid on behalf of parent undertaking		(117)	-
Foreign exchange losses recognised below EBITDA		(13)	550
		5,423	29,369
Management EBITDA		**201,666**	**199,698**

Management EBITDA is a non-GAAP measure used to monitor the performance of the business and is defined as operating profit before depreciation, amortisation and management exceptional items. Management exceptional items include transaction related costs, post-acquisition integration costs, impact of deferral of sales commissions & licence revenue (IFRS15), recognition of rental expense (IAS17 vs IFRS16), share based payments' expense (IFRS2), material non-recurring expenditure on

transformational projects, and restructuring costs. This measure is in line with management reporting and forms the basis of the Groups leverage calculations as required by the finance agreements with lending banks. The impact of recognising sales commissions and certain income streams as they fall due of £1,726,000 (2025: £3,876,000) and the impact of recognising rents as they fall due of £2,842,000 (2025: £3,467,000) have also been removed as this impact was not included in the Management Accounts for the year ended 30 April 2026 and is consistent with our reporting to our shareholders and lenders.

36. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in liabilities arising from Financing activities

	At 30 April 2025	Cash flow	Non cash flow	At 30 April 2026
	£'000	£'000	£'000	£'000
Bank Loans	950,000	-	22,401	972,401
Acquisition Facility	798,623	-	16,043	814,666
Amounts owed to parent undertakings	33,708	-	5,198	38,906
Lease liabilities	11,257	(791)	(20)	10,446
	1,793,588	**(791)**	**43,622**	**1,836,419**

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

37. ULTIMATE CONTROLLING PARTY

The immediate parent of the Company is Elements Midco 2 Limited, a company incorporated in England & Wales. The ultimate parent of the Company is Elements Topco Limited, a company incorporated in Jersey. According to the register maintained by the Company, a number of limited partnerships which are managed by Hg Pooled Management Limited ("HgCapital") (holding through a nominee company) and Leonard Green & Partners, L.P., ("LGP") (holding through a limited partnership), held a significant interest in the ordinary shares of the Group's ultimate Parent Company, Elements Topco Limited, at 30 April 2026 and subsequently to the date of approval of the financial statements. The Directors' deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by HgCapital or LGP has an ownership of more than 25% of the issued share capital of the Company.

38. AUDIT EXEMPTION UNDER SECTION 479A OF THE COMPANIES ACT 2006

The Directors consider that subsidiaries of the Group are entitled to exemption from the requirement to have an audit under the provision of section 479A of the Companies Act 2006 ("the Act") and the members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

Elements Finco Limited has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the year ended 30 April 2026:

	Registration number
1Tap App Limited	10000547
APS Global Limited	06975759
Atomic IT Limited	02389545
Blue Octopus Recruitment Limited	07088452
Bridgehead (Europe) Limited	05433219
Bridgehead (UK) Limited	03132403
Datacode Tech Limited	11657994
Dataplan Holdings Limited	11218578
Dataplan Payroll Limited	06475128
Dext Bidco Limited	13249219
Dext Holdco Limited	13343025
Dext Midco Limited	13338267
Dext Software Limited	07361080
Dext Topco Limited	FC039303
Elements Bidco Limited	15354440
Eurowage Limited	05653596
FMP HR and Payroll Software Limited	09811970
Hatch Apps Ltd	09866038
Hosted Accountants Limited	07794433
Indigo Marketing Limited	06741443
Innervision Management Limited	02813804
IRIS Bidco Limited	11369168
IRIS Business Software Limited	02050075
IRIS Canada Holdings Limited	13506519
IRIS Debtco Limited	11368604
IRIS Firm Management Limited	09296195
IRIS Group Limited	03193619
IRIS Holdings Limited	04091087
IRIS Midco Limited	11367962
IRIS Payroll Services Limited	07604987
IRIS Payroll Solutions Limited	01865495
IRIS Resourcing Limited	06229817
IRIS Software Group Limited	06295385
IRIS US Holdings Limited	13407074
iSAMS Limited	05652119
Kashflow Software Limited	05674043
Kinetic Marketing & Design Limited	06344400
MCN Associates Limited	06938254
Net-Worx (2001) Limited	04278636
Paycheck Plus UK Limited	08889273
Payplus Limited	06642764
Perennial Newco 2 Limited	11370428
PTP Software Limited	03166974
Sandgate Systems Limited	07442104

School Spider Limited	08423446
Senta SaaS Limited	08964408
Staffology Limited	11759993
Sweep Limited	11666104
TaxFiler Limited	08168004
The Practice Engine Group Limited	03938072
Troncmasters Limited	11658096
Truancy Call Limited	04125665

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.