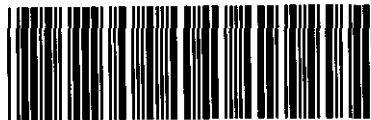


REGISTERED NUMBER: 02389545 (England and Wales)

Atomic IT Limited
Annual Report and Financial Statements
For the Year Ended 30 April 2023

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Atomic IT Limited (Registered number: 02389545)

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for the Year Ended 30 April 2023**

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Atomic IT Limited

**Company Information
for the Year Ended 30 April 2023**

DIRECTORS:

K P Dady
E Mortimer-Zhika
M D Cox
D J Lockie

REGISTERED OFFICE:

4th Floor
Heathrow Approach
470 London Road
Slough
Berkshire
SL3 8QY

REGISTERED NUMBER:

02389545 (England and Wales)

Atomic IT Limited (Registered number: 02389545)

**Strategic Report
for the Year Ended April 2023**

Introduction

The Directors present their strategic report of Atomic IT Limited ("the Company") for the year ended 30 April 2023. The Company is a member of the consolidated group of companies (together "the Group") headed by Perennial Newco 2 Ltd.

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 Company operates within the IRIS Group of Companies headed by the Group's ultimate parent company, Perennial Newco 2 Ltd. The principal activity of the Company continued to be the provision of IT consultancy and the supply of related products and services.

The Group is managed on a consolidated basis and the Strategic Report pertains to the whole Group.

Business Overview and Business Model

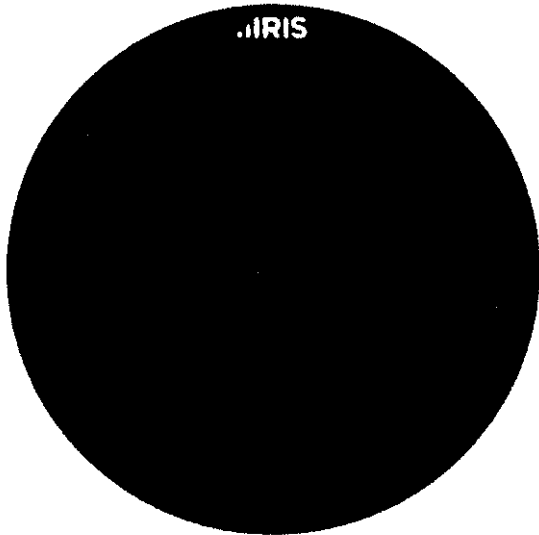
Our mission	Our vision
<i>To be the most trusted provider of mission critical software and services</i>	<i>Ensuring our customers get it right, first time, every time</i>

IRIS is one of the largest privately owned software companies in the UK, providing businesses with mission-critical operational software and services designed to work first time, every time. We started 45 years ago, focussing on accountancy software and have evolved during that time and are now relied on by more than 100,000 customers across 135 countries in accountancy, education and business. Accountants are at the centre of everything IRIS stands for. Our evolving best-in-class software solutions help our customers manage compliance complexity. We help organisations to make better business decisions by developing integrated software solutions to minimise admin, make business processes more efficient and give more time to do what's valued. Accountants, schools, and teams in payroll, HR and finance use our software and services to solve some of the most important operational business problems. These include the need to remain compliant with the law, drastically reduce time spent on administration and reporting; and generating actionable data insights to make better business decisions. Through simplifying and automating processes and providing insights on everyday mission-critical tasks for organisations of all shapes and sizes, we ensure our customers are able to focus on the work they love and look forward with certainty and confidence.

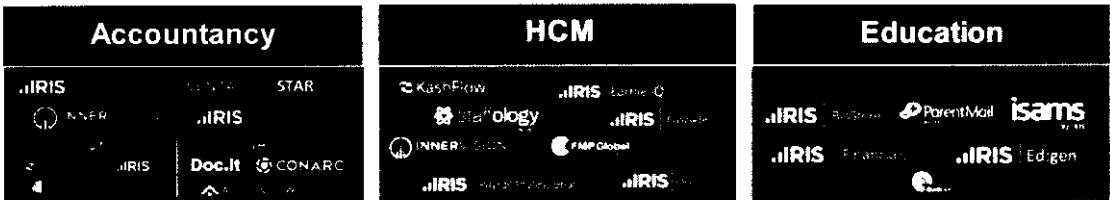
The Group is led by an Executive Committee made up of key leaders across Sales, Product, Technology, Marketing, Operations, Finance & Legal, Human Resources, and Corporate Development to drive better alignment and acceleration of performance across all areas of the business. Whilst the primary focus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

Strategic Report (continued)
for the Year Ended April 2023

Our business model



With dedicated software solutions and services for finance, HR and payroll teams, accountancy firms and educational organisations, our award-winning products are the invisible, but essential, beating heart of our customers' businesses. For more than 40 years, we have supplied innovative administrative solutions to businesses, charities and the public sector. IRIS' software solutions are managed under a number of leading product brands:



Revenue Generation

Our revenue is primarily generated through provision of software and services to end customers. Software services are principally provided through recurring maintenance or subscription, both through cloud/Software as a Service ("SaaS") applications and on-premise solutions. Cloud-based solutions are becoming more desirable for businesses. We recognise this and continue to develop and invest in a comprehensive range of cloud applications using the latest computing technology to drive improved productivity and efficiency for customers. 57% of our software revenue during 2023 was derived from cloud-based products (2022: 50%), a proportion that is growing rapidly. Contract lengths range from monthly rolling for certain solutions, through to multi-year arrangements.

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

**Strategic Report (continued)
for the Year Ended April 2023**

Adding Value

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. Our customers are 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. 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

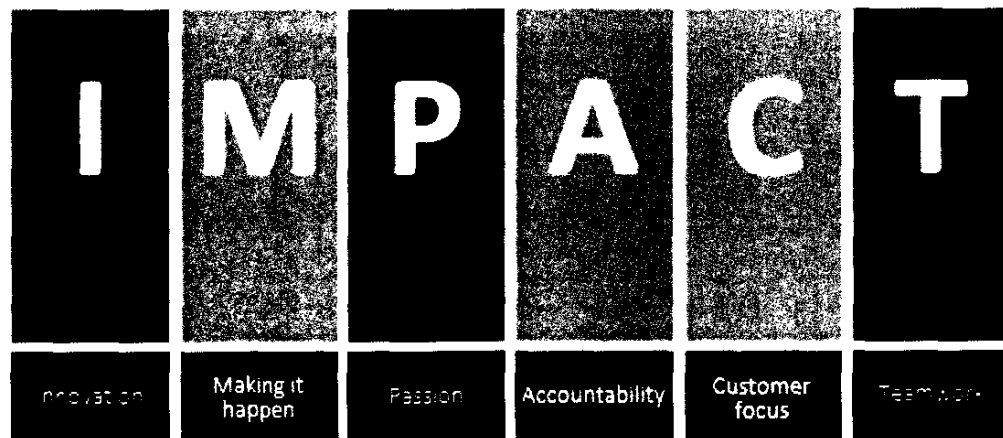
Our trusted position and specialist knowledge allows us to drive the adoption of new functionality and modules to existing customers and our broad product offering is attractive to new customers. With our increased investment in Cloud technologies we remain well positioned to continue this growth strategy for many years to come.

Our scale allows us to invest in state-of-the-art infrastructure, including Cloud IT and related analytics. This investment in technology and development means that customers can rely upon IRIS to consistently deliver regulatory updates alongside enhanced products and services.

The Group also continues to identify opportunities to expand 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.

Group Values

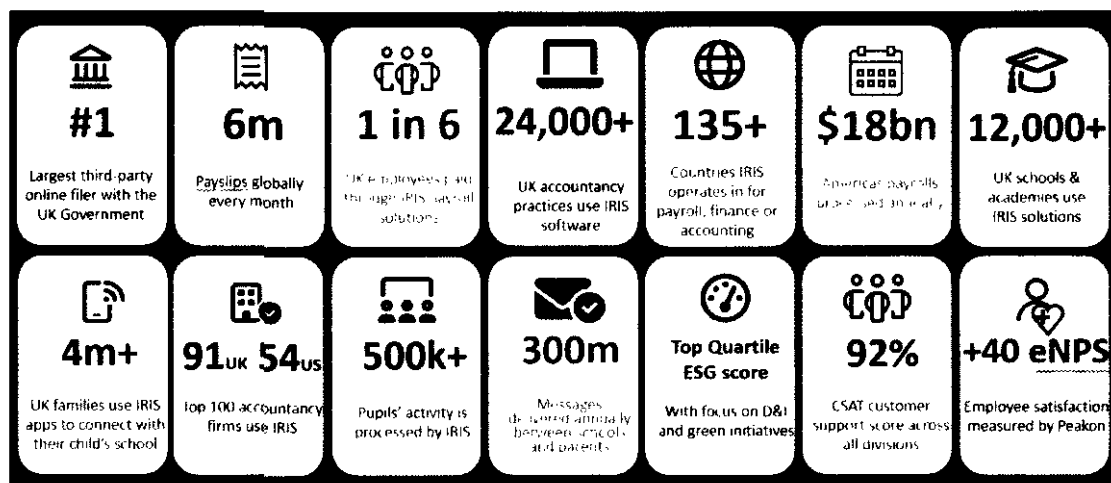
Our business success is underpinned by our Group Values – created by employees to support our vision, mission and culture and designed to make an IMPACT.



**Strategic Report (continued)
for the Year Ended April 2023**

Business Activity

Key highlights



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 globally - being operated in over 135 countries. Five million employees are using our payroll and HR software, with 1 in 6 people in the UK being paid through our payroll solutions. We are the largest third-party online filers of taxes with the UK Government. 300 million messages are delivered annually between schools and parents, with 500,000 pupils' activity being processed by us. More than 21,000 UK and 4,000 US accountancy practices use IRIS software, including 91 of the top 100 UK accountancy firms and 54 of the top 100 US certified public accounting (CPA) firms.

We are delighted with the continued recognition we receive for our products and services and are elated to have received many awards for our effective and successful business solutions provided to our customers. During the year, we won a number of awards, including:

- Bett Awards 2023 (Company of the Year)
- National MAT Awards 2023 (Company of the Year)
- UK Tech Awards 2022 (Tech Company of the Year)
- Thames Valley Tech Awards 2022 (Tech Employer of the Year)
- K2 Enterprises Awards 2022 * IRIS Americas (Prime Award, Technical Support Award and Small CPA Firm Solution Award)
- Global Payroll Awards 2022 (Payroll Manager of the Year)
- Vuzion Cloud Awards 2022 (UK Azure Partner of the Year)

We are proud that our accolades also extend beyond our products. We were thrilled to be awarded the prestigious accolade of A Great Place to Work™ for the third year running in November 2022. In addition, we have also been recognised as:

- one of the UK's Best Workplaces Super Large (1,000+ employees) in 2023;
- one of the UK's Best Workplaces for Women in 2023 (ranked #30);
- one of the UK's Best Workplaces for Wellbeing in 2023 (ranked #42); and
- ranked ninth in the 'Super Large' UK's Best Workplaces in Tech in 2022

**Strategic Report (continued)
for the Year Ended April 2023**

We are also proud of the numerous diversity and inclusion accreditations we have received, from being named a Stonewall Diversity Champion, signing The Race at Work Charter from The Prince's Responsible Business Network, to being a Disability Confident Committed Employer. We are also proud to have:

- been featured in 'Top 100 Businesses Enabling Entrepreneurship 2023' list by The Independent
- been featured in '100 Best Companies to Work for in the South East' list by The Business Magazine
- been featured in '10 Innovative Tech Companies in the Thames Valley 2023' list by The Business Magazine
- our CEO, Elona Mortimer-Zhika, featured in Ignition's Top 50 Women in Accounting list 2022
- Elona featured in the 'Top 100 People' list by Accounting Today
- been named HM Government G-Cloud Supplier 2022
- Been part of the CIPP Payroll Assurance Scheme 2022

Culture

We recognise that our employees are our most valuable asset. Our priority is to encourage and recognise every success with an emphasis on teamwork, individual contribution, inclusion and diversity. Our "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. 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. Our 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.

The Great Place to Work for Women certification recognises our commitment to ensuring all employees are able to reach their full potential, regardless of gender. We are a strong advocate for equality and have numerous initiatives focused on promoting women across the business, designed to remove obstacles encountered by women looking to transition into leadership positions. We celebrate the success of all women across our workforce, and actively promote and showcase our female senior leaders as role models across the business. This includes our CEO, Elona Mortimer-Zhika who joined the business as Chief Financial Officer in 2016, and subsequently Chief Operating Officer in 2018, before quickly becoming Chief Executive Officer in 2019. Elona was named in the 'Top 50 Women in Accounting' list 2022 by Ignition and Stephanie Kelly, our Chief People Officer was named 'Business Leader of the Year' in the Southern Tech 150 list 2022 by The Business Magazine.

Our female workforce currently accounts for 43% of the business. This is above the UK's tech average of 30%. With this figure, IRIS leads the way in championing workplace inclusivity. More information on gender diversity can be found on page 12.

We continue to offer flexible/hybrid working arrangements as well as remote training and events, making these more accessible to our people.

We acknowledge the contribution our younger generations will make, and the impact they will have on our future and therefore believe in the importance of nurturing talent as early as possible. Supporting these individuals will allow them to be successful in whatever their chosen career may be. We support a number of people through our apprenticeship schemes, in addition to our educational partnership programmes, including working with students at the University of Salford in Manchester and sponsoring employees to donate their time to Bookmark, a charity that helps children practice reading when they need a little extra support and encouragement.

We also acknowledge our responsibility to 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 10.

**Strategic Report (continued)
for the Year Ended April 2023**

Products

We have continued to invest heavily in development, as in previous years. Overall, over 500,000 development hours have been recorded. This includes further investment in our ground-breaking cloud platform, IRIS Elements. Elements is an adaptive cloud-based platform that allows customers to access data in one place. Consisting of a number of essential modules including IRIS Elements Tax, IRIS Elements Accounts Production and IRIS Elements Practice Management, IRIS Elements allows our customers to add products as and when they need, allowing them to grow at their own pace. In addition, we continue to develop our NextGen Payroll and Education software, allowing our customers to access first class cloud-based products.

Acquisitions

We have continued our trend of acquisitions during the financial year, acquiring four businesses across the Americas, UK and Ireland. These acquisitions complement and enhance our product offering in each of our core markets, including two in the US which are instrumental to our strategic priority of expansion in the Americas. Businesses are selected where products complement our own products, as well as having proven success in our core markets.

Americas acquisitions

In October 2022, having previously announced the signing of a binding agreement in May 2022, we completed the acquisition of managed payroll business myPay Solutions (Creative Software Solutions Corp). myPay Solutions provides comprehensive outsourced payroll and associated banking and tax services via CPA firms to small and medium-sized businesses across all 50 states in the United States.

myPay Solutions is a further strategic step in IRIS' mission to better serve the CPA market in the Americas, adding a complementary service offering to IRIS' domestic and international payroll, and HR consultancy.

Our Americas expansion continued in February 2023 with the acquisition of Apex HCM, a leading cloud-based HCM software provider for payroll service bureaus (PSBs) and Certified Public Accountant (CPA) firms.

Founded in 2008, Apex's software is used by over 250 PSBs and CPA firms across the US to provide payroll services to over 40,000 SMB and 400,000 employees. Its integrated HR modules also enable PSBs and CPAs to serve their SME clients with recruitment, onboarding, benefits administration, and time and attendance software from a cloud-native platform.

UK and Ireland acquisitions

On the first working day of the financial year, we completed the acquisition of Paycheck Plus, Ireland's premier payroll provider. Paycheck Plus manages Irish and UK payrolls for domestic and international organisations of all sizes. It provides an extensive range of payroll outsourcing services and has a relentless focus on accuracy, timeliness and compliance. Ireland has become a hub for UK and international businesses wanting to maintain access to the EU market following Brexit.

In October 2022, we completed the acquisition of Networx, a leading Applicant Tracking System (ATS) and recruitment software and services provider in the UK.

Founded in 2001, Networx provides simple, clever ATS and recruitment software and services to over 400 companies across many sectors in the UK including education, finance, legal, retail, hospitality and housing. Its integrated recruitment software enables in-house recruitment teams and HR professionals to successfully attract, engage, manage, and onboard top talent. This closely aligns with our mission to take the pain out of processes and ensure professionals gain back the time they need to add value to achieve their business goals.

Stability and growth

As at 30 April 2023, the Group had £37.5 million of cash resources excluding client funds (2022: £123.2 million) alongside an undrawn Revolving Credit Facility (RCF) of £40 million, and has significant headroom on both leverage

**Strategic Report (continued)
for the Year Ended April 2023**

and covenant levels as prescribed by our lending arrangements. This, coupled with the increase in revenues, achieved through both organic growth and acquisition, in addition to maintaining a strong capital/debt structure mean the Group is very well positioned for growth in the existing markets we operate in and anticipates further growth through acquisitions in the coming months.

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 four key priorities will be delivered through engaging and empowering our #1RIS talent:

Key priority	Bringing value to the business
To increase our revenue	<p>Our customers are at the centre of everything we do. We strive to provide exemplary customer service and ensure we respond to customer demands and provide the products they want and need, making IRIS their provider of choice. Through provision of excellent customer service and dynamic products, we are able to keep attrition rates low and improve our high recurring revenue rates, which consistently exceed 90%.</p> <p>Investment in our product offerings allows us to sell new products to our existing customer base, attract new customers to IRIS, in addition to maintaining customer retention rates.</p> <p>Investing in businesses whose product portfolios complement IRIS' existing products gives us access to new customers and markets and increases our ability to cross-sell.</p>
To increase revenue generated from Cloud products	<p>Continued investment in our cloud technology and ensuring we are meeting the growing demands of our customers for integrated products</p> <p>We understand how important cloud products are to our customers, with the pandemic emphasising how cloud products can transform the lives of users. Offering a comprehensive suite of integrated products will allow us to provide what our customers need and want.</p> <p>The acquisitions AccountantsWorld, Every, iSAMS, Staffology and Senta in recent years have been pivotal in providing a quicker route to market through their cloud based products which complement IRIS products.</p> <p>During the year, we have seen revenue from our cloud products increase to 57% (FY22: 50%). Through continued investment, we will continue to develop our cloud offerings.</p> <p>IRIS Ed:gen is our next-generation cloud-based school MIS designed for state schools and trusts. Smarter technology means smarter data, which in turn lets schools and trusts make smarter decisions that achieve better outcomes for pupils.</p> <p>Our Elements platform – the first ever end-to-end cloud accounting solution offers unique flexibility, scale and powerful automation to accountants. Following its launch, Elements has attracted significant</p>

**Strategic Report (continued)
for the Year Ended April 2023**

	<p>interest. More detail on Elements can be found on our website: https://www.iris.co.uk/products/iris-elements/</p> <p>In addition, we have been investing heavily in our Next Gen HCM platform which will revolutionise the traditional administrative functions of HR departments.</p>
<i>To grow revenue generated in the Americas</i>	
Continue to identify opportunities to expand our business in the Americas through cross-sell, delivery of our M&A value creation plans and further acquisition	<p>To date, we have been successful in the execution of our strategy to increase our presence in the Americas. During the year we successfully completed two further acquisitions in the Americas – myPay and Apex, helping to drive 123% growth in the Americas in year (FY22: 68%).</p> <p>To support our Americas expansion, we have continued to strengthen our local senior leadership team, headed by Jim Dunham, President, Americas. This team will continue to focus on successful integration of our new businesses, ensuring we deliver on our value creation plans.</p> <p>In addition, we will continue to identify further acquisition opportunities to complement our existing product offerings.</p>
<i>Cash conversion</i>	
Continue to drive high level of cash conversion through improvements to collection processes and delivery of procurement initiatives	<p>As a highly acquisitive and growing business we are focussed on streamlining our processes and systems, creating a standardised way of working across the Group. This includes our business transformation programme, bringing everything onto one platform, which will simplify our interactions with customers and improve our collection processes.</p> <p>We have a dedicated in-house procurement function which has introduced the required expertise to deliver on procurement initiatives.</p>

**Strategic Report (continued)
for the Year Ended April 2023**

Events after the Reporting Date

In December 2023 a binding agreement was entered into for The Group to be acquired by a joint investment of Hg Capital, Leonard Green & Partners, and Intermediate Capital Group. The transaction is expected to complete in the coming months following regulatory clearances, and represents one of Europe's largest software buyouts for 2023, valuing The Group at an Enterprise Value of around £3.15bn. Leonard Green & Partners submitted a bid for a co-controlling stake in the investment, acknowledging Hg and ICG's strong relationship, in-depth knowledge and experience with IRIS over the last 19 years since Hg first acquired the Group in 2004.

Key Performance Indicators

The Key Performance Indicators of the Company are established and monitored at a Group level and are stated in the financial statements of the ultimate parent company, Perennial Newco 2 Ltd. We consider the KPI's of the Company to be interlinked with the whole IRIS Group.

Financial Position

Working capital is managed at a Group level and the Company's statement of financial position consists of significant intra-group balances.

Environmental, Social and Governance (ESG)

We take our ESG responsibilities seriously and for us, commercial success goes hand in hand with good corporate social responsibility. We're acutely aware of the impact we (our business, our people, our suppliers) have on the environment and the communities we operate in and that is why we've integrated our social responsibilities into our day-to-day work and the way we conduct our business relationships.

We strive for sustainable improvement and will continuously review how our processes, services and actions impact on the environment. We have continued to increase staff awareness of environmental good practice and are extremely proud to have improved our ranking in the Hg annual ESG (Environmental, Social and Governance) survey, moving up to first place, which highlights the great work we are doing in this area.

 Sustainability We're committed to being a sustainable business and work to identify, share, educate and promote environmental awareness within our business.	 Society We believe it's important to give back to charities and our communities. We regularly fundraise and support causes close to our hearts.	 Our People We are a company built on hiring the best people. Our people are our greatest asset. They enable us to be the innovative, market-leading and high-performing company that we are today.	 Governance We are committed to the highest standards of corporate governance and here you can find details about our policies, processes and information about our business.	 IRIS Companies We have propelled the business through both organic development and acquisitions. The mission is to acquire best of breed technology so customers can benefit from true automation and integration.
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Our 'Green Group' – our internal champions for sustainability at IRIS – meet monthly to discuss environmental issues. The aim of the Green Group is to identify, share, educate and promote environmental awareness within IRIS, encouraging the adoption of green initiatives and targets to help influence both the business, our employees, our outputs and our culture in lessening our environmental impact.

Through education, innovation and adherence to our green commitments, we know we can make the necessary changes to protect the planet and reduce our consumption of finite resources. We continue our focus to 'get green' by:

**Strategic Report (continued)
for the Year Ended April 2023**

- responsibly choosing our suppliers (requesting a CSR policy before we engage with them)*
- thinking about our energy and water usage and reducing the amount used
- adding recycling and waste management points to each site
- reducing our use of stationery and other single-use plastic goods
- purchasing office equipment based on its sustainability not price
- making our offices energy efficient
- promoting our electric car leasing scheme
- adopting hybrid and remote working, which has significantly reduced the need for commuting and travelling between offices
- working on green business certifications
- recycling old equipment including donating laptops we are no longer able to use

* two of our major suppliers have committed to being net zero by 2025

We undertake reviews of our greenhouse gas emissions and have recently been benchmarked against other Hg portfolio companies. Our performance is favourable – with our intensity ratio (tonnes of CO₂e per employee) being well below average for both Scope 1 & 2 and Scope 3 emissions. More on our emissions can be found in the Directors' Report on pages 23 to 24.

We give our employees three 'Giving Back' days a year on top of their annual holiday entitlement to support local community and national charitable causes. We unite the contributions made between the business and our employees to make our actions stronger.

Employees are encouraged to actively give their time and skills to support community projects and charities. Our employees make use of their three 'giving back' days to volunteer in a number of ways, including fundraising for a charity of their choice, being a school governor, charity trustee, reading with school children through the Bookmark scheme, mentoring in schools and running money management courses, both externally in conjunction with charities, schools and other community groups, as well as internally with IRIS employees, that teach participants simple budgeting skills. We actively highlight acts of kindness displayed by our employees through our communication channels, both internally and externally. This has included fundraising, collecting for local food banks and baking and delivering cakes to the elderly. During the last financial year, 365 days (2022: 230 days) have been given to charities and community projects, including schools, NHS, foodbanks, blood donations, hospices and acting as a trustee. A total of £25,750 (2022: £28,060) has been donated to 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 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. The business has an 'Awareness Raising Programme', training staff on modern slavery issues. Our anti-slavery policy included as part of the induction process and available on our intranet.

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.

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.

**Strategic Report (continued)
for the Year Ended April 2023**

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

Gender Diversity

Gender equality, equal opportunity, and the power of diversity have always been at the heart of IRIS. At all levels of the organisation, we are passionate about celebrating differences, proud to encourage employees to bring their whole selves to work and committed to growing our diverse workforce. With our determination and promise to continue investing in an extensive range of programmes that promote gender equality and support the women of IRIS, we can continue to make IRIS an even better place to work. Our championing of women in leadership has been recognised through our recognition as a Great Place to Work for Women. Since its launch in 2020, we've welcomed 264 women into our Women in Leadership programme. We've also welcomed 12 women into the IRIS family as part of our Returnship programme and improved our equality scores that are measured as part of our regular employee surveys.

We support our gender equality strategy through our THRIVE programme:



Launched in 2021, THRIVE started as a women's development programme with the mission to ensure that women at IRIS and girls in local communities received ample support and had the confidence to pursue their goals and succeed. To achieve these goals, the programme focused on three pillars for success:

- reducing our gender pay gap;
- enhancing women's wellbeing; and
- uplifting young women.

We're delighted to have achieved many milestones throughout the year, such as partnering with Greater Manchester Combined Authority to offer young people a 'workplace safari' day in our Manchester office to experience life at IRIS. As of 1 January 2023, we have increased the percentage of female UK managers to 44%. For the coming year, our particular focus for THRIVE is to ensure we are increasing female representation at all levels, and in currently underrepresented areas in IRIS, such as Engineering, Sales, IT, and Leadership.

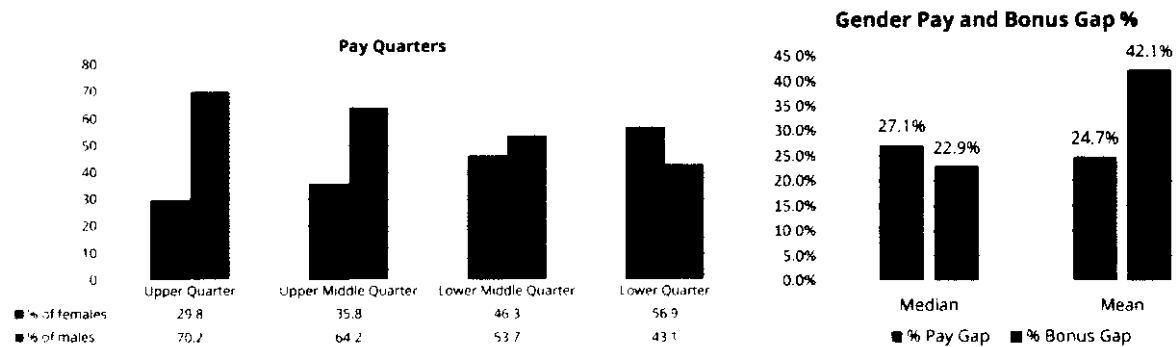
IRIS Group is led by nine board members, of which one is female. Its Executive Team (including Executive Board members)

comprises of four female leaders and ten male leaders. Our latest Gender Pay report was published in January 2023 and covers the tax year ended 5 April 2022. The measures for the report are calculated using core IRIS Group employees (which excludes non-UK staff and employees still employed by newly acquired entities). For 2021/22, the business comprised of 1,713 (2020/21: 1,381) employees with women representing 43% of roles - this exceeds the technology sector average of 30% women. We are proud to have increased the number of women in our UK workforce by over 25% since our last report. The percentage of women in top quartile jobs has increased by 4% since 2020/21, with women now making up 30% of upper quartile jobs. Increasing the number of women in the Group and moving towards an equal distribution of men and women across all levels continues to be an area of focus for us.

Strategic Report (continued)
for the Year Ended April 2023

Gender Pay Gap

Figures reveal that for 2021/22, our mean pay gap went up slightly from 22% to 25%, while the median pay gap increased from 25% to 27%. The median bonus gap reduced to 23% (2020/21: 68%), while the mean was 42% (2020/21: 38%). The increase is attributed to new business acquisitions who on the whole have more women in lower quartile roles, however, we are proud to announce that 96% (2020/21: 62%) of women received a bonus, compared to 98% (2020/21: 55%) of men.



Source: IRIS Gender Pay report 2021/22

Source: IRIS Gender Pay report 2021/22

We pride ourselves on being a diverse organisation and appreciate that each of our employees will have different needs and priorities. We work hard to help each person find their strengths. A core part of our approach is to offer women a positive, supportive, and flexible working environment that empowers them to succeed. Whilst we are proud of our progress so far, we acknowledge there is still opportunity to do more, and our goal is to create an even better gender balance across the business.

To support progress, during 2023, we will focus on four key pillars of success which are designed to encourage and empower employees across the IRIS family to get involved and help us collectively achieve our diversity goals.



Strategic Report (continued)
for the Year Ended April 2023







Pillar	Activity
Celebrating Success <i>We work to ensure there is a positive atmosphere, that employees feel energised and believe in the direction of the business. Celebrating others is paramount to the success of our Women in Leadership Programme that runs alongside our High Potential Programme.</i>	<ul style="list-style-type: none"> Promoting and showcasing female senior leaders as role models across the business Shining a light on inspirational female managers in the business through a special feature on our Intranet page Running learning and development events for women focusing on perceived or real barriers to success and launching/promoting female-focused courses Promoting our Women into Leadership Programme to foster and cultivate talent among our female colleagues Achieving 9 out of 10 for 'Equality' in our regular employee surveys (Peakon)
Enhancing Company Practices and Procedures <i>We recognise that it can be difficult to find meaningful, fairly paid work after taking long term career breaks to raise a family, with women being disproportionately affected. To combat this, we launched our Returnship Policy in June 2021.</i>	<ul style="list-style-type: none"> Reviewing our policies to ensure inclusivity for trans women and non-binary employees. Continuing to support working parents with flexible working patterns including a UK-wide hybrid working policy. Encouraging an open culture where it is acceptable to fairly challenge practices and pay. Supporting business-wide networking through regular leadership events and our annual IRIS conference. Continuing our 'Mentoring for Parents' scheme to connect returning parents with a colleague who's been through the same experiences and share advice. Working with hiring managers to build balanced shortlists of candidates.
Promoting Work Life Balance <i>We recognise our people work hard, and in return we want to support their emotional and physical wellbeing. We believe it is our responsibility to create an environment and culture for our employees that is happy and healthy. IRIS also recognises that there is no one-size-fits-all formula to achieving a perfect work-life balance.</i>	<ul style="list-style-type: none"> Promoting flexible working options across the organisation and encouraging a healthy work life balance Supporting employees with a range of flexible benefits options including private healthcare with discounted family coverage, free life insurance and group income protection for all employees Offering an Employee Assistance Programme which gives all employees access to free 24/7 advice on a wide range of topics and issues Offering three Giving Back Days per year for all employees to have the opportunity to volunteer in their local communities and generous holiday entitlement Continuing to train Mental Health First Aiders to provide wellbeing support and running weekly Workplace Support groups on a range of topics.


**Strategic Report (continued)
for the Year Ended April 2023**

Pillar	Activity
Increasing representation at all levels <i>We will strive to increase the percentage of women in the workforce to 40% by the end of April 2024. To achieve this goal and ensure we are increasing the representation of women at all levels, and in areas that are disproportionately inhabited by men, we have been promoting our THRIVE programme.</i>	<ul style="list-style-type: none"> Using gender-neutral language in job adverts and encourage returnships. Reviewing our career path maps to help employees unlock their full potential across the organisation. Implementing unconscious bias training for recruiters and hiring managers. Working to ensure there is 1 female successor for all key roles Focussing on increasing the percentage of female Heads of Function from 28% to 50% and increase the number of female Executives, to achieve more equal representation for women in leadership. <p>Adapting our promotion policy to encourage women applicants who may otherwise not feel confident enough to apply.</p>




Principal Risks and Uncertainties

As for other businesses, there are a number of risks and uncertainties that may affect our business activities. The Directors continue to identify and evaluate operational and other risks faced by the Group, implementing changes where necessary to reduce risk 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	FY23 vs FY22
	High	 Risk decreasing
	Medium	 No movement
	Low	 Risk increasing

Risk	Mitigation
<u>Evolving Technology Market</u> <p>The software market in which the Group operates is characterised by evolving technology, market practices and industry standards. There is a risk that IRIS may be left behind if it does not continue to invest in its products and solutions, and therefore becomes uncompetitive.</p> <p></p>	<p>We have a strong commitment to Research and Development, 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.</p> <p>We have continued to invest heavily in our ambitious IRIS Elements multiyear programme add more products to our to our cloud platform, which will deliver product functionality across our core product suite going forward. In addition, we continue to develop our NextGen payroll and NextGen education cloud products, demonstrating our commitment in this area.</p> <p>Project Quantum, our business transformation programme, which brings our customer facing and back office systems together, continued during the year and have now begun to migrate our Accountancy customers onto the new platform.</p>
Risk	Mitigation

**Strategic Report (continued)
for the Year Ended April 2023**

<p><u>Regulatory Change</u> Customers come to IRIS as they want to ensure that their compliance is taken care of, and is right first time. If IRIS was unable to ensure that products remained up to date for regulatory change, customers would be less confident in the products and may choose to go elsewhere.</p> 	<p>As a provider of regulatory software, it is imperative products are kept up to date, and product updates and releases are right first time.</p> <p>We have a privileged relationship with HMRC, working closely with them to ensure that our products meet all requirements.</p> <p>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.</p>
<p><u>Competitive Market Environment</u></p> <p>The Group operates in a competitive environment where the quality of products is paramount. All technology companies are vulnerable to disruptive market entrants.</p> 	<p>For us, product quality is paramount. As the largest third-party 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.</p> <p>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.</p> <p>We also attach enormous importance to providing the highest levels of customer service to differentiate ourselves in the market.</p>
<p><u>Breach of Copyright</u></p> <p>The 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.</p> 	<p>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 Group's intellectual property rights both in the UK and the Americas.</p>

**Strategic Report (continued)
for the Year Ended April 2023**

Risk	Mitigation
<p><u>Retention and recruitment of key employees</u></p> <p>Legislative software is complex and requires in-depth knowledge of both the legislation and software development, to build and deploy 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.</p> <p>M →</p>	<p>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 across the business and personalised development plans aligned to our career framework. We also include cross training across multiple products to remove any single points of failure. We are proud to be growing our workforce globally, including our hubs in India and Romania. For our senior leaders, we have been focussing on ensuring we have appropriate succession plans in place.</p>
<p><u>Acquisition Integration</u></p> <p>There is a risk that businesses acquired by IRIS do not integrate effectively within the business, and investment objectives are not met.</p> <p>L ↓</p>	<p>Acquisition integration is planned and monitored closely to ensure the investment objectives for each acquired business are met and value creation plans are delivered.</p>

Non-Financial KPI's

KPI	Definition	Performance
Cloud v non-cloud software delivery	Percentage of software revenue delivered through cloud-based products. This represents a key aspect of our strategy as cloud-based solutions become increasingly desirable for businesses.	FY21: 40% Cloud FY22: 50% Cloud FY23: 57% Cloud
Number of acquisitions completed	Number of acquisitions completed within the financial year. Aligned to our strategy of growing our Americas presence and Total Addressable Market.	FY21: 3 acquisitions FY22: 7 acquisitions FY23: 4 acquisitions
Number of employees	Average number of employees employed during the financial year. A key measure of operating efficiency as IRIS grows.	FY21: 1,778 employees FY22: 2,573 employees FY23: 3,100 employees

Atomic IT Limited (Registered number: 02389545)

**Strategic Report (continued)
for the Year Ended April 2023**

Future Outlook

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

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

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

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

On behalf of the Board



**Michael Cox
Chief Financial Officer
12 January 2024**

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023**

The Directors present their report and the unaudited financial statements of Atomic IT Limited ("the Company") for the year ended 30 April 2023. The Company is a member of IRIS Group (the "Group") which is one of the largest privately held software Groups in the UK. The Company operates within the IRIS Group of Companies headed by the Group's ultimate parent company, Perennial Newco 2 Ltd.

Principal Activities

With over 43 years' experience and a predominantly UK, but growing international focus, the Group offers the greatest range of specialist financial, human resources, engagement, payroll and bookkeeping solutions. These are managed under the leading brands outlined on page 3.

The principal activity of the Company continued to be the provision of IT consultancy and the supply of related products and services.

During the prior period, The Company changed its period end date from 31 March to 30 April. The prior period comparatives represent the 13 month period ended 30 April 2022.

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

The future outlook of the Group is outlined in the Strategic Report on page 2.

Financial Risk Management Objectives and Policies

The 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 £37.5 million as at the year end (2022: £123.2 million) and the use of an available revolving credit facility of up to £40 million (2022: £40 million). At year end the balance drawn on this facility was £nil (2022: £nil).

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

Throughout the year ended 30 April 2023, the Facility B and Acquisition Facility loans, of £795 million and £75 million respectively, remained fully drawn down. The total Facility B at the year end was £795 million (2022: £795 million) and was fully drawn (2022: fully drawn). The Revolving Credit Facility of £40 million was available throughout the year. The facility was utilised on a temporary basis to support acquisition activity in the latter half of the year. It was fully repaid in April 2023 and remained undrawn at the year end. At 30 April 2023, the facilities have a bullet repayment and remaining term of 2.5 years. The Revolving Credit facility will assist the Group to achieve its growth ambitions both organically and by further acquisitions.

Interest Rate Risk

The Group holds its borrowings through long-term variable rate facilities. In October 2022, the Group entered into new 2-year interest hedge contracts to protect against market volatility with rapidly increasing interest rates. The contracts consist of a series of fixed SONIA interest swaps for a total notional amount of £435 million.

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

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 a large number of counterparties and customers. For continuing operations in the year ended 30 April 2023, no income derived from a single customer exceeded 1% of the Group's revenue. Given the performance of the Group outlined above and the letter of support provided by the ultimate parent preparing the Company financial statements on a going concern basis is considered appropriate.

Going Concern

The Group has very strong liquidity with £37.5 million of cash excluding client funds as at the reporting date (2022: £123.2 million). It has no debt repayable until late in 2025 and continues to have significant headroom in its only covenant test. This coupled with highly recurring and cash generative nature of the business model, mean the Group is very stable from a profit and cash perspective. Board approved forecasts are used as the basis for the going concern assessment, to which plausible downside scenarios are then applied. Management have considered every plausible scenario and do not foresee any of them causing this covenant test to fail.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they believe there is no material uncertainty in respect of going concern and continue to adopt the going concern basis in preparing the financial statements for the coming 12 months from the date of this report. Further information is included in Note 3.

Dividends

During the year, the Company did not pay a dividend (2022: £nil). 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 the Group during the year are disclosed on page 11.

The Group made no political donations during the year (2022: £nil).

Directors

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

K Dady
E Mortimer-Zhika
M Cox
D Lockie

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

Director roles on the Board are as follows:

Executive Directors	
Kevin Dady Executive Chairman Appointed 6 September 2018 Industry experience: 25+ years	<p>Kevin Dady is the Executive Chairman of IRIS Software Group and is responsible for IRIS' acquisition and corporate development strategy, while also continuing his executive sponsorship of the company's exciting next generation of products and services, which are due to be launched this year and beyond.</p> <p>Kevin has over 25 years of leadership experience, having held many executive roles across the UK. Most notably, his experience includes membership of Capita's divisional executive board, spending 18 years with the business, including overseeing its Professional Services Division. Kevin is also a non-Executive director of Literacy Capital.</p>
Elona Mortimer-Zhika Chief Executive Officer Appointed 6 September 2018 Industry experience: 20+ years	<p>Elona is the Chief Executive Officer of IRIS Software Group and all of its subsidiaries. Elona is dedicated to ensuring IRIS is the most trusted provider of mission-critical software and services. She is very passionate about building winning teams that put customers at the heart of everything IRIS does, providing them with an exceptional experience and value-add solutions. IRIS was crowned the winner of the 2022 UK Tech Business of the Year Award.</p> <p>Elona joined IRIS in 2016 as Chief Financial Officer and was promoted to Chief Operating Officer in 2018, and then Chief Executive Officer in 2019. Before joining IRIS, Elona held several senior leadership roles in Big 4 and PE-backed businesses, including Mavennir, Acision, Arthur Andersen and Deloitte.</p> <p>Elona graduated with a First Class Honours Degree in Accounting and Economics and is a Fellow of the Institute of Chartered Accountants in England & Wales. Awards include Top 100 Most Influential People in Accounting in the US 2022, Top 50 Women in Accounting 2021; UK Tech Awards Business Woman of the Year 2020; Global Banking and Finance Business Woman of the Year UK 2020 and the Venus National Finance Professional of the Year 2018.</p> <p>Elona is passionate about diversity and is a mentor in the F-Ten ICAEW programme supporting women in leadership positions.</p>
Michael Cox Chief Financial Officer Appointed 1 February 2019 Industry experience: 15+ years	<p>Michael is Chief Finance Officer at IRIS and is responsible for all global finance and legal operations.</p> <p>Prior to joining IRIS in 2016, Michael held senior leadership roles across both Operational and Commercial Finance at Xura, a PE-backed leading digital communications services provider. During this time, he led international teams and helped take the business through two transformative sale processes under both PE- and US-listed environments.</p> <p>Michael is a Chartered Accountant, having begun his career at PwC focused on technology and software clients before moving into industry.</p>
David Lockie Chief Operating Officer	<p>David is responsible for a wide range of functions, including Revenue, Customer Success, Systems and Data and M&A Integration. He joined IRIS in 2018 as Chief Customer Officer,</p>

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

Appointed 16 November 2020 Industry experience: 23+ years	bringing a wealth of experience and knowledge across various sectors and industries, including taking responsibility for software businesses across central and local government, education, financial services and payments. As a seasoned executive, David has a proven track-record for championing customers, providing an exceptional experience and driving innovation and improvement at every step of their journey. Prior to IRIS, David enjoyed a varied tenure with Capita, most recently leading the Capita Software Services Division.
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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.

Section 172 Statement

The Directors of the Company, as those of all UK companies, must act in accordance with the duties detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- *the likely consequences of any decisions in the long-term;*
- *the interests of the Company's employees;*
- *the need to foster the Company's business relationships with suppliers, customers and others;*
- *the impact of the Company's operations on the community and environment;*
- *the desirability of the Company maintaining a reputation for high standards of business conduct; and*
- *the need to act fairly as between shareholders of the Company.*

The following paragraphs summarise how the Directors fulfil their duties:

Risk Management

IRIS provides mission-critical software and services to its customers. As it grows, the business and risk environment also 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 page 15.

Employees

Our employees are our most valuable asset. For the business to succeed we need to ensure we are supporting and managing our employees' careers, offering opportunities for learning and development and ensuring success is recognised. 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 values are included on page 4.

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

We have a committed and skilled workforce and the 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 have listened to feedback on the benefits we offer and continue to enhance flexible benefit schemes which gives our employees the opportunity to choose appropriate benefits to suit their lifestyles while 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 meetings including monthly all company update meetings, the Group's intranet and the CEO's weekly blog. We continue to gain employee feedback through our monthly Peakon surveys, allowing us to understand how employees are feeling. Since we launched these monthly surveys in December 2020, we've had an aggregated participation rate of 88%.

Learning and Development

The education and development of our employees remain a priority. 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.

Employee development is encouraged through appropriate training and a dedicated Learning and Development function as well as through informal Lunch and Learn sessions run in various departments. Regular and open communication between management and employees is viewed as essential for motivating a highly educated workforce. Briefings are held regularly to provide business updates and give opportunities for questions and feedback. We maintain a website, which is freely accessible, as well as an intranet site which is accessible to all employees.

A focus on learning and development has resulted in over 759 employees attending 180 different courses during the year. 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 our Leading and Managing with IMPACT courses. As well as our standard offering of courses, we regularly launch new courses for our employees to participate in.

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 employees 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 Group that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

Corporate Social Responsibility, Community and Environment

We are strongly aware of our social responsibility and the impact we have on the environment and the communities we serve. We use our position of strength to create positive change for the people and communities with which we interact and we actively encourage employees to support communities and charities they are close to.

For further details on how we interact with communities and the environment, please see page 13.

Streamlined Energy and Carbon Reporting

Greenhouse Gas Emissions (GHG) and Energy Consumption

For this reporting period we have again seen an increase in emissions during the year as restrictions put in place by the Government have been all removed. We continue to welcome back more staff into our offices, which has increased car use as well as energy use at our offices. We have also increased the number of offices by taking on

new leases as a result of further acquisitions, some of these are in older and less energy efficient buildings.

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

Our Green Group will continue to monitor our performance and identify ways to keep our emissions as low as possible. We have recently contracted with a Company, Normative, to start to record monthly GHG emissions, so we can monitor, track and put plans in place to reduce our carbon footprint.

Our Group emissions for the year are summarised as follows:

Type of emission	Activity	Year ended 30 April 2023			Year ended 30 April 2022		
		kWh	tCO ₂ e	% of total	kWh	tCO ₂ e	% of total
Scope 1	Natural Gas	37,471	7	1.9%	8,341	2	0.8%
Scope 2	Electricity	845,403	163	43.7%	591,479	126	49.8%
Scope 3	Grey Fleet	822,255	203	54.4%	536,646	125	49.4%
Total gross emissions		1,705,129	373	100%	1,136,466	253	100%

Intensity metric:

Number of employees (average for the year per note 5)

3,100

2,573

Tonnes of CO₂e per employee

0.12

0.10

Quantification and Reporting Methodology

We have followed the 2019 UK Government Environmental Reporting Guidelines. We have used the 2021 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology has been created based on energy management best practice.

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 us and our main priority is the wellbeing and safety of our colleagues. We are proud to have supported the training of 41 mental health first aiders.

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 4.

Suppliers

We have established a procurement framework and have policies in place for supplier onboarding and management.

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

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.

Corporate Governance

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

The Perennial Newco 2 Ltd Board has adopted a schedule of matters, which are specifically reserved for its decision. Such matters include, but are 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.

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

The Perennial Newco 2 Ltd Board of Directors' intention is to convene at least six times a year at formal Board meetings, however, has met more often in recent years and a total of eleven times during the current financial year.

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 Committee, which consists of members of the Group Board. The Audit Committee meets regularly with the Auditors to review audit planning, audit and non-audit fees and the results of the Group audit and financial statements prior to finalisation. The Audit Committee is also responsible for the appointment of the Auditors.

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.

Atomic IT Limited (Registered number: 02389545)

**Directors' Report for the
Year Ended 30 April 2023 (continued)**

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

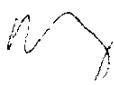
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Michael Cox
Chief Financial Officer
12 January 2024

Atomic IT Limited (Registered number: 02389545)

**Income Statement
for the Year Ended 30 April 2023**

	Note	Year ended 30 April 2023 £	Period ended 30 April 2022 £
REVENUE	4	242,238	226,046
Administrative expenses		<u>(231,055)</u>	<u>(224,122)</u>
OPERATING PROFIT	6	11,183	1,924
PROFIT BEFORE TAXATION		<u>11,183</u>	<u>1,924</u>
Income tax expense	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR / PERIOD		<u><u>11,183</u></u>	<u><u>1,924</u></u>

The notes on pages 31 to 40 form part of these financial statements

Atomic IT Limited (Registered number: 02389545)

**Statement of Comprehensive Income
for the Year Ended 30 April 2023**

	Year ended 30 April 2023 £	Period ended 30 April 2022 £
PROFIT FOR THE FINANCIAL YEAR / PERIOD	11,183	1,924
Other comprehensive income	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR / PERIOD	<u><u>11,183</u></u>	<u><u>1,924</u></u>

The notes on pages 31 to 40 form part of these financial statements

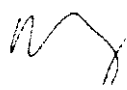
Atomic IT Limited (Registered number: 02389545)

**Statement of Financial Position
as at 30 April 2023**

	Note	Year ended 30 April 2023 £	Period ended 30 April 2022 £
CURRENT ASSETS			
Trade and other receivables	8	343,950	169,697
Cash at bank and in hand		42,132	111,419
		<u>386,082</u>	<u>281,116</u>
CREDITORS:			
Amounts falling due within one year	9	<u>(343,200)</u>	<u>(249,417)</u>
NET ASSETS		<u>42,882</u>	<u>31,699</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Retained earnings		42,782	31,599
TOTAL SHAREHOLDER'S FUNDS		<u>42,882</u>	<u>31,699</u>

For the year ended 30 April 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The unaudited financial statements on pages 27 to 40 were approved and authorised for issue by the Board of Directors on 12 January 2024 and were signed on its behalf by:



.....
M D Cox - Director

The notes on pages 31 to 40 form part of these financial statements

Atomic IT Limited (Registered number: 02389545)

**Statement of Changes in Equity
for the Year Ended 30 April 2023**

	Called up share capital £	Profit and loss reserves £	Total equity £
BALANCE AT 1 MAY 2021	100	29,675	29,775
COMPREHENSIVE INCOME:			
<i>Profit for the financial period</i>	-	1,924	1,924
<i>Other comprehensive income</i>	-	-	-
TOTAL COMPREHENSIVE INCOME	-	1,924	1,924
BALANCE AT 30 APRIL 2022	100	31,599	31,699
COMPREHENSIVE INCOME:			
<i>Profit for the financial year</i>	-	11,183	11,183
<i>Other comprehensive income</i>	-	-	-
TOTAL COMPREHENSIVE INCOME	-	11,183	11,183
BALANCE AT 30 APRIL 2023	100	42,782	42,882

The notes on pages 31 to 40 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 April 2023**

1. GENERAL EXPLANATION

The Company's financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 101 "Reduced Disclosure Framework" and the Companies Act 2006.

The Company's financial statements are presented in Sterling as that is the currency of the primary economic environment in which the Company operates.

The principal accounting policies applied in the preparation of these financial statements are set out in note 3. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. STATUTORY INFORMATION

Atomic IT Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The Company's registered office address and its principal place of business is 4th Floor, Heathrow Approach, 470 London Road, Slough, Berkshire SL3 8QY.

3. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 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;
- 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.

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

Changes in accounting policies

The following pronouncements, issued by the IASB, which are effective for periods commencing on or after 1 January 2022, have been applied for the first time in the financial statements for the year ending 30 April 2023.

- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), and
- Annual Improvements to IFRS Standards 2018–2020

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Going concern

At 30 April 2023, the Group had very strong liquidity with £37.5 million of cash and cash equivalents (excluding client funds), no debt repayable until 2025 and a year end leverage ratio of 5.25x on the £870 million Senior loan facility versus a covenant leverage ratio of 9.6x. In addition, the Group has access to an additional Revolving Credit Facility of £40 million which remained unutilised at the year end. In assessing going concern, management have considered the Group's budget for the year ended 30 April 2024, as well as on longer term forecasts and growth rates. The strong liquidity position coupled with the recurring and highly cash generative nature of the business model, mean the Group is very stable from an operating profit perspective.

Liquidity is managed at Group level using long-term Group bank facilities. Cash generated by the entity is swept to a related IRIS Group company overnight. Access to this facility is made available as needed to ensure the business remains a going concern. The entity is expected to continue to contribute to the overall profitability of the Group. The company is reliant for its working capital on funds provided by other group undertakings. The Directors have received a letter from Perennial Newco 2 Ltd indicating their intention to: (1) continue to provide the financial resources necessary to support the Company in meeting its liabilities as and when they fall due for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2023; and (2) not to require settlement of outstanding intercompany balances to the extent that money is not, at the relevant settlement date, otherwise available to the Company to meet such liabilities for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2023; and (3) advancing further amounts to related entities such that they can settle intercompany payables owed to the Company as they fall due. The Directors have reviewed the consolidated group cash flow forecasts for the entity providing the letter of support extending 12 months from signing date and have concluded there are adequate resources to support the Company as a going concern as well as all other subsidiaries to whom support is being provided for this period.

Having considered these risks and the current uncertain economic environment, the Directors believe that the Company has adequate resources to continue in operational existence as a trading company for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

Revenue

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 the recharge of management expenses incurred in the year together with a profit margin to Group companies.

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

Interest income and expense

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

Taxation

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 Company 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.

Taxation

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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Tangible fixed assets

Tangible fixed assets are 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:

Leasehold improvements	the lower of 20% and the period of the leasehold
Fixtures and fittings	10% to 20%
Computer equipment	10% to 33%

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

Intangible fixed assets

Intangible assets are stated at fair value less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company 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 Company is expected to benefit.

Amortisation relates to the period in which future cash flows are expected to arise which is expected to be:

Development costs	5 years straight line.
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The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company 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 Company 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 Company 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 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 Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

The Company as lessee (continued)

- 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 Company 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 Company 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 Company 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 statement of financial position.

The Company 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 Company has not used this practical expedient.

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

Impairment of assets

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 Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

Financial instruments

Financial assets and liabilities are recognised in the Statement of Financial Position when the Company 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. The Company has no financial assets measured at fair value through profit or loss.

Cash and cash equivalents

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.

Investments

Investments are stated at cost less provision for impairment.

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.

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

Provisions

Provisions are recognised when the Company 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 Company 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.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Impairment of investments

The Company determines whether investments are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount of the cash generating unit to which the assets are allocated. Estimating the value-in-use requires the Company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Amounts due from group undertakings

There is uncertainty regarding group undertakings who may not be able to pay as the balances when required. In reviewing the appropriateness of the estimated provisions in respect of recoverability of these amounts, consideration has been given to the economic climate in the respective markets, the performance of the group undertaking, the group undertakings balance sheet and the potential likelihood of default. The Company applies the IFRS 9 simplified approach to measuring expected credit losses in respect of amounts due from group undertakings.

Capitalisation of development cost

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.

Atomic IT Limited (Registered number: 02389545)

Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023

4. REVENUE

Revenue and profit before taxation in respect of continuing operations arise from the principal activity of the Company. This represents a single class of business. The majority of continuing operations are undertaken in the United Kingdom.

5. EMPLOYEES AND DIRECTORS

In the current and prior reporting years, the Company had no direct employees other than Directors. The remuneration paid by the Company for their services as Directors of the Company was £nil (2022: £nil).

6. OPERATING PROFIT

The Company has exercised its exemption from audit and therefore the audit fee payable to the Company's auditors for the audit of these financial statements was £nil (2022: £nil).

7. INCOME TAX CHARGE

Analysis of income tax expense

	Year ended 30 April 2023 £	Period ended 30 April 2022 £
Total income tax expense in income statement	-	-

Factors affecting the income tax expense

The income tax charge for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19.49% (2022: 19%). The difference is explained below:

	Year ended 30 April 2023 £	Period ended 30 April 2022 £
Profit before taxation	11,183	1,924
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19.49% (2022: 19%)	2,180	366
Effects of:		
Expenses not deductible for tax purposes	-	(366)
Group relief	(2,180)	-
Total income tax expense in income statement	-	-

The Company has no deferred tax balances at the balance sheet date (2022: £nil).

Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023

8. TRADE AND OTHER RECEIVABLES

	30 April 2023	30 April 2022
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	288,580	127,233
Other receivables	4,447	7,100
Trade receivables from contracts with customers	50,923	35,364
	<u>343,950</u>	<u>169,697</u>

Interest is only charged on amounts due from group undertakings with a value over £1,000,000 (2022: £500,000) at 7.10% (2022: 6.31%). Amounts owed to group undertakings are unsecured and repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 April 2023	30 April 2022
	£	£
Trade payables	4,232	6,312
Amounts owed to group undertakings	298,141	214,596
Other creditors	2,058	1,593
Accruals	30,089	19,979
Other tax and social security	8,680	6,937
	<u>343,200</u>	<u>249,417</u>

Interest is only charged on amounts due to group undertakings with a value over £1,000,000 (2022: £500,000) at 7.10% (2022: 6.31%). Amounts owed to group undertakings are unsecured and repayable on demand.

10. CALLED UP SHARE CAPITAL

Ordinary shares allotted, issued and fully paid:

	30 April 2023		30 April 2022	
	Number	£	Number	£
At the end of the year	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All shares are fully paid, have equal voting rights and carry no right to fixed income.

**Notes to the Financial Statements (continued)
for the Year Ended 30 April 2023**

11. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is IRIS Capital Limited. The smallest group to consolidate these financial statements is IRIS Debtco Limited. The ultimate parent undertaking and the largest group to consolidate these financial statements is Perennial Newco 2 Ltd. The consolidated financial statements of these undertakings are publicly available and may be obtained from Companies House. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

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) held a significant interest in the ordinary shares of the Group's ultimate Parent Company, Perennial Newco 2 Ltd, at 30 April 2023 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 has an ownership of more than 20% of the issued share capital of the Company.

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions provided by IAS24 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

13. EVENTS AFTER THE REPORTING PERIOD

In December 2023 a binding agreement was entered into for The Group to be acquired by a joint investment of Hg Capital, Leonard Green & Partners, and Intermediate Capital Group. The transaction is expected to complete in the coming months following regulatory clearances, and represents one of Europe's largest software buyouts for 2023, valuing The Group at an Enterprise Value of around £3.15bn. Leonard Green & Partners submitted a bid for a co-controlling stake in the investment, acknowledging Hg and ICG's strong relationship, in-depth knowledge and experience with IRIS over the last 19 years since Hg first acquired the Group in 2004.