23 Aug 2022

RM plc

Interim Results for the six months ended 31 May 2022

RM plc ("RM"), a leading supplier of technology and resources to the education sector, reports its interim results for the period ended 31 May 2022.

Headlines

- Revenue up 4% driven by growth in RM Resources and the return of UK school exams in RM Assessment
- Positive underlying progress on path to sustainable growth including encouraging wins across all Divisions
- Adjusted operating profit decline of £3.6m reflects the required turnaround in the RM Technology division, impacts associated with the IT implementation programme and increased freight costs in RM Resources
- Statutory loss after tax of £5.9m (2021: £2.0m profit) due to lower operating profits and higher expensed investment program costs £7.7m (2021: £3.4m)
- Implementation of new IT platform proving more challenging than anticipated, leading to extended timelines and increased project cost
- Net debt of £41.5m, with normal seasonal working capital movements and elevated IT project spend. Bank covenants relaxed at May 2022 and November 2022
- Payment of dividend paused due to elevated debt levels. Board remains committed to a sustainable dividend policy and will review again ahead of the preliminary results.
- 31 May 2021 Pension triennial concluded with scheme deficit reducing from £46.5m to £21.6m (IAS19 accounting basis is a surplus of £38.7m)

Outlook

- School funding is increasing in the UK, but school budgets have challenging headwinds notably salaries, energy costs and inflation which will impact discretionary spend
- Underlying market drivers continue to strengthen, confirming long-term growth potential with leadership positions in resilient markets
- Improving underlying sales momentum in each division and phasing impacts of delayed shipments in RM Resources from H1 to H2 supports positive revenue outlook
- Macroeconomic environment is challenging and together with IT implementation impacts, will dilute profit conversion in the short-term

£M	H1 2022	H1 2021**	Variance
Revenue	**100.3**	**96.1**	**+4%**
Adjusted* operating profit	**5.0**	**8.6**	**-42%**
Adjusted* operating profit margin	**5.0%**	**9.0%**	**-4.0pp**
Adjusted* profit before tax	**4.2**	**8.0**	**-47%**
Statutory (loss)/ profit before tax	**(7.2)**	**2.9**	**-345%**
Statutory (loss)/ profit after tax	**(5.9)**	**2.0**	**-401%**
Adjusted* diluted EPS	**4.0p**	**7.5p**	**-46%**
Diluted EPS	**(7.1)p**	**2.3p**	**-404%**
Dividend per share	**0.0p**	**1.7p**	**-**
Net debt	**41.5**	**10.5**	
IAS 19 Pension surplus	**38.7**	**5.5**	

* Throughout this statement, adjusted operating profit, adjusted profit before tax and EPS are stated after adjusting items (See Note 2) which are identified by virtue of their size, nature and/or incidence. The treatment of adjusted items is applied consistently period on period and is consistent with the way that underlying trading performance is measured by management.

** Restated as described in Note 2.

Commenting on the results, Neil Martin, Chief Executive of RM, said:

"RM is starting to build encouraging revenue momentum across the Group which demonstrates the strength of our offer and market positioning. At the same time, it is clear that there is more work to do to translate this into the levels of operating margin that we aspire to. We are addressing this through the 2-year transition period which we outlined at the beginning of the year.

Our long-term outlook remains positive, with the opportunity to capitalise on leading positions in resilient markets. Nearer-term, the work required to improve our operating platform and manage the challenging economic backdrop creates volatility that we must manage while we structure ourselves for long-term, sustainable success."

Notes to Editors:

RM provides market-leading products and services to educational institutions, exam bodies and international governments which improve, simplify and support education and learning.

The education sector is transforming, and RM is well positioned to capitalise on this through its three divisions:

- RM Resources is the established provider of education resources for early years, primary schools and secondary schools across the UK and to 80 countries internationally.
- RM Assessment (formerly RM Results) is a leading provider of assessment software, supporting exam awarding bodies, universities and governments worldwide to digitise their assessment delivery.
- RM Technology (formerly RM Education) is a market-leading supplier of ICT software, technology and services to UK schools and colleges.

Presentation and live webcast:

A webcast for analysts and investors will take place at 9.00am and can be accessed via the following website: https://www.investis-live.com/rmplc/62bdce7959bc741400218972/daswf

The webcast will also be accessible via a live conference call:

Dial-in (UK):	0800 640 6441
Dial-in (Local):	020 3936 2999
Dial-in (all other locations):	+44 20 3936 2999
Access code:	803178

For additional details and registration for the webcast, please contact Headland Consultancy on 020 3805 4822/ rm@headlandconsultancy.com.

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RM plc

Interim results for the six months ended 31 May 2022

	6 months to May 2022	6 months to May 2021**	12 months to November 2021
Revenue	**£100.3m**	£96.1m	£210.9m
Adjusted* operating profit	**£5.0m**	£8.6m	£18.5m
Statutory operating (loss)/profit	**£(6.5)m**	£3.6m	£7.0m
Adjusted* profit before tax	**£4.2m**	£8.0m	£17.1m
Statutory (loss)/profit before tax	**£(7.2)m**	£2.9m	£5.6m
Adjusted* profit after tax	**£3.4m**	£6.2m	£13.8m
Statutory (loss)/profit after tax	**£(5.9)m**	£2.0m	£4.2m
Adjusted* diluted Earnings Per Share	**4.0p**	7.5p	16.4p
Diluted (Loss)/Earnings Per Share	**(7.1)p**	2.3p	5.0p
Ordinary dividend per share	**0.0p**	1.7p	4.7p
Net debt	**£41.5m**	£10.5m	£18.3m

**As outlined above Adjusted operating profit and adjusted profit before tax are before the amortisation of acquisition related intangible assets, dual run costs, configuration of SaaS licenses (ERP) and restructuring costs. Refer to Note 5.*
***Restated as per Note 2.*

Overview

Revenue performance was satisfactory in the first half of the year and reflects the return of UK school exams. First half order intake was positive for RM Resources, although delayed shipments at the end of the period associated with the IT implementation programme reduced conversion to revenue. Since the period end, the TTS brand in RM Resources experienced its strongest two months order intake in June and July. There has also been encouraging signs of an improving sales pipeline within RM Assessment either signing or achieving preferred bidder status on 10 new contracts in the half and RM Technology securing the largest school infrastructure contract in the marketplace.

Operating profit and margins are reduced reflecting the required turnaround in the Technology Division and the impact of the transition programme, in particular the IT platform implementation, alongside continued inflationary pressures.

The rollout of the IT platform has been more challenging than anticipated. The timeframe and cost for full implementation will therefore be extended and the associated benefits will take longer to come through.

As a result of the elevated net debt levels associated with the IT platform implementation, the Board has taken a prudent view of balance sheet management and decided to pause the dividend payment in the short term. It remains committed to a sustainable dividend policy and will review this position again ahead of the preliminary results.

Our banking partners have increased the net debt / adjusted EBITDA ratio covenant for May and November 2022 to 3.0x from 2.5x. As set out in the net debt section, as this amendment was approved post period end, bank borrowings have been classified as current liabilities at 31 May 2022.

Building RM for the future

As we set out earlier in the year, to capitalise on the market opportunities, we are in a 2-year transition phase to strengthen our channel advantage, unlock growth and improve operating leverage.

<u>Market – a resilient demand picture</u>

- Technology continues to expand across Education, with the market reverting to more normal, long-term growth rates after a pandemic driven spike in hardware purchasing. We are one of the largest providers of technology to UK schools and well placed to support schools as they look to benefit from the myriad of technology available to them.

- The English Government has made clear their intention to complete the conversion of state-maintained schools to Academies by 2030, with guidance for schools to be part of a trust of at least 10 schools. We are starting to see larger trusts showing preference to work with larger providers, like RM, who can meet their geographic and complex technology needs.

- It is "when not if" that assessment will become digital, and we are seeing improving demand for digital assessment capabilities from a breadth of customer segments, including winning our first customer in Higher Education. Customers of all types are seeking a partner who can help them move along a digital maturity curve over time, and RM has the breadth of product portfolio and experience of delivering for some of the world's most demanding assessment customers.

- Governments around the world are investing additional funding in Education to mitigate learning lost as a result of Covid. The pandemic has shone a spotlight on critical elements of education where RM has strength including the STEM curriculum and Early Years development.

Transition progress update

We have aligned our divisional structure to our market opportunities to enable a sharper focus and appointed a new Managing Director for the Technology Division where the greatest turnaround is required.

Evolution, a Groupwide IT platform change is in the implementation phase and, as noted, has proven to be more challenging than anticipated. This is a replacement of legacy core systems and comprises updates to business processes and technology, delivering warehouse automation, Cloud based ERP and e-commerce. This will provide a critical platform from which to improve our customer service, increase our efficiency and automation, and ensure that we are better using the data we have within the company to aid decision making and create customer value.

The Divisions are at different stages of development with their own short term execution priorities. RM Resources is looking to embed key systems and warehouse changes while managing inflationary challenges; RM Assessment is focused on customer acquisition and improving scalability; and RM Technology is focused on improving its operating model to deliver value, rebuild its margin and expand on its Managed Services solution set.

Outlook

Although school funding is increasing in the UK, the backdrop with regard to salaries, energy costs and inflation create headwinds that will impact school budgets and will need to be monitored carefully over the next 18 months.

Underlying revenue trends are strengthening with each division looking to growth this year. Profit conversion will remain subdued in the short-term as we progress through transition and have elevated commercial uncertainty both from the macro-economic environment and from the impacts of the IT platform implementation.

Transitions are never simple, but the opportunity for RM is both material and realistic. Looking further out, the investments and changes we make over the next 2 years pave the way for consistent mid-single-digit, profitable revenue growth, improving operating leverage and attractive cash generation. We hold leading positions in the markets in which we operate and leading customer and channel scale, enabling us to deliver improved shareholder returns while delivering enhanced value and experiences for our customers and employees.

Financial performance

RM's financial performance for the period reflects a recovery from the material impacts from Covid with revenue growth but also the dynamics of managing a business transition with a significant IT transformation against a volatile economic backdrop.

Group revenue increased by 4% to £100.3m (H1 2021: £96.1m) with strong international sales growth in RM Resources and a full series of UK school exams. We continue to see positive customer demand for our products and services. It is worth noting that revenue was lower than anticipated, held back by the short-term impact in RM Resources of delayed shipments at the end of the period due to the implementation of the new IT platform.

Adjusted Operating Profit decreased to £5.0m (H1 2021: £8.6m). The profit reduction is most notable in the RM Technology Division which is starting a turnaround under new leadership. RM Resources profitability has been impacted by delayed shipments and elevated indirect costs associated with the IT implementation and higher than anticipated freight costs. All divisions have a number of actions to mitigate the high inflation environment, but it is harder to manage in some areas, most notably where we have long-term contracts with exposure to support from our Indian operation where inflation is higher than that in the UK, resulting in increased wage costs.

Statutory Operating Profit decreased to a loss of £(6.5)m (H1 2021: profit of £3.6m) predominately driven by the continuation of the warehouse automation and IT platform investment programmes. In the period £7.7m (H1 2021: £3.4m) of costs were incurred relating to the Configuration of SaaS licenses as part of our IT system implementation and £2.8m (H1 2021: £0.6m) of dual running costs relating to the continuation of the both the warehouse and IT platform implementation.

Adjusted profit before tax was £4.2m, down from £8.0m in H1 2021, which alongside the reduced adjusted operating profit, was due to higher interest costs. Adjusted Diluted earnings per share decreased to 4.0p (H1 2021: 7.5p). Statutory loss after tax was £(5.9)m (H1 2021: profit of £2.0m).

Net debt

The first half of the financial year is normally a working capital outflow period for the Group with inventory purchases ahead of the second half peak selling period and the majority of cash inflow from the examinations sessions also coming the second half. 2022 has seen a return of that seasonality with £10.9m of adjusted working capital outflows in the period. As a result of this return to more normal seasonal working capital movements and the continuation of investment programmes, we closed the period at £41.5m (H1 2021: £10.5m). The Group reports an adjusted cash outflow from operations of £(3.6)m (H1 2021: cash inflow of £8.8m, H1 2019: cash outflow £(1.2)m).

The continuation of the warehouse automation and IT platform investment programmes contributed £11.8m of the cash outflow. Following the decision to extend the timeframe of the rollout of the IT platform we now anticipate the programmes to continue into FY23 and we expect the associated benefits to be delayed and the costs to support the change programmes to continue.

In the period, we opted to utilise a one-year extension to our £70m revolving credit facility, which will now run to July 2024. Increased net debt and a decline in operating performance has led to a net debt/EBITDA ratio outside of our existing covenants at 31 May 2022. However, our lending banks are supportive of the business and its future prospects and accordingly have agreed to increase the net debt to EBITDA leverage covenant to 3.0x from 2.5x for the May and November 2022 period end tests whilst the IT programme spend remains elevated. The extension of the May 2022 net debt to EBITDA leverage covenant was granted after 31 May 2022, the borrowings have been reclassified at the balance sheet date to current liabilities notwithstanding that the lenders have made clear they currently have no intention of accelerating all or any part of the loan repayments. The borrowings are anticipated to revert to non-current liabilities at 30 November 2022.

Pension

The 31 May 2021 triennial valuation for the current schemes has been completed with the total scheme deficit reducing from £46.5m to £21.6m. The deficit recovery payments of £4.4m per annum will continue until end 2024, before reducing to £1.2m until the end of 2026 when recovery payments cease

The IAS19 net pension position in respect of RM's defined benefit pension schemes improved by £8.3m in the half, resulting in a surplus of £38.7m (30 November 2021: £30.4m surplus). The improvement was driven primarily by an increase in the discount rate, which is based on corporate bond yields, but partially offset by reduced scheme asset valuations associated with what is a challenging equities market.

Dividend

The Board, taking a prudent view of the balance sheet, has decided not to pay an interim dividend in 2022 given the elevated costs and timeline associated with the deployment of the IT platform. The Board remains committed to a sustainable dividend and will review this position again ahead of the preliminary results. An interim dividend of 1.7p was paid in 2021 and a final dividend of 3.0p was paid for the year ended 30 November 2021.

Divisional review

RM Resources

RM Resources provides education resources and supplies to schools and nurseries in the UK and internationally. Products supplied are a mix of own designed items, own branded and third-party products.

	6 months to May 2022	6 months to May 2021	12 months to November 2021

RM Resources revenue	**£51.6m**	£48.2m	£114.4m
RM Resources adjusted operating profit	**£1.2m**	£2.9m	£10.1m

Revenue increased by 7% to £51.6m (H1 2021: £48.2m) driven by strong International and UK curriculum revenues despite some shipments delayed at the period end associated with the IT implementation programme.

Adjusted operating profit decreased to £1.2m (H1 2021: £2.9m). Profitability was held back by higher than anticipated freight costs and impacts associated with the IT implementation for the Consortium brand which delayed product shipments from April and drove inefficiencies which elevated warehousing, distribution, and packaging expenditure. Progress is being made and these impacts are expected to be short term.

Since the period end, the TTS brand experienced its strongest ever UK order intake months in June and July highlighting the brand strength and positioning.

Revenue in the UK increased by 2% to £42.9m (H1 2021: £42.0m) with growth in curriculum sales more than offsetting the impact of delayed commodity shipments.

International revenues comprise two key channels; international distributors, through which we sell own-developed products, and international English curriculum schools to whom we sell a wider portfolio of education supplies.

International revenues within RM Resources increased by 41% to £8.7m (H1 2021: £6.2m). The increase is driven by improvements across most geographies but notably Europe where strong performance materially exceeded both 2021 and pre-pandemic levels in 2019.

RM Assessment

RM Assessment provides IT software and end-to-end digital assessment services to enable online exam marking, online testing and the management and analysis of educational data. Customers include government ministries, exam boards and professional awarding bodies in the UK and overseas.

	6 months to May 2022	6 months to May 2021	12 months to November 2021
RM Assessment revenue	**£18.2m**	£15.5m	£31.9m
RM Assessment adjusted operating profit	**£2.8m**	£3.3m	£5.7m

Revenue was up 17% versus prior year at £18.2m (H1 2021: £15.5m) with 2022 being the first period where we have seen a full series of exams sat since 2019.

Adjusted operating profit decreased by £0.5m to £2.8m (H1 2021: £3.3m) with revenue growth offset by the absence of one-time benefits experienced in 2021 and higher costs in the short term associated with software development and hosting.

After a period of disruption brought about by Covid, RM Assessment is now seeing more positive signs around the development and conversion of its sales pipeline. During the period, 10 new contracts where either signed or reached preferred bidder status with a particular focus on the professional qualifications sector.

RM Technology

RM Technology provides ICT software and services to UK schools and colleges.

	6 months to May 2022	6 months to May 2021	12 months to November 2021
RM Technology revenue	**£30.4m**	£32.3m	£64.6m
RM Technology adjusted operating profit	**£2.5m**	£4.6m	£7.1m

Revenue decreased by 6% to £30.4m (H1 2021: £32.3m) driven primarily by reduced hardware sales and managed services revenues.

Adjusted operating profit decreased to £2.5m (H1 2021: £4.6m), which in addition to lower revenues was impacted by elevated service delivery and transition costs and inflation impacts.

Under new leadership the division is focussed on improving its operating model to deliver greater value to our target customers, rebuild operating margin and revising its customer offer to a clearer set of strategic priorities. This will take time and profit recovery will lag revenue growth, but RM Technology benefits from a strong market position and channel reach. Early positive inroads are being made in its more focussed target segments, including securing the largest schools infrastructure contract in the market in the first half which should enable the division to return to growth in the full year.

Corporate Costs

Corporate costs in the period were £1.5m (H1 2021 £2.1m). H1 2021, had higher costs associated with Board recruitment and bonus expense.

Statement on Principal Risks and Uncertainties

Pursuant to the requirements of the Disclosure and Transparency Rules, the Group provides the following information on its principal risks and uncertainties. The Group considers strategic, operational and financial risks and identifies actions to mitigate those risks. Risk management systems are monitored on an ongoing basis. The principal risks and uncertainties detailed within the Group's 2021 Annual Report remain applicable. This is available from the RM website: www.rmplc.com.

In summary, those risks relate to public policy, education practice, operational execution, supply chain, data and business continuity, environmental, people, transformation, innovation, dependence on key contracts, the impact of the Covid pandemic, pensions and treasury.

Inflation and investment programme challenges have impacted the Group in the period; however, the principal risks remain aligned to those reported in the annual report.

During 2022, the Group now considers the level of borrowings and compliance of debt covenant reporting as a new principal risk. The risk is set out below

Risk and categorisation	**Description and likely impact**	**Mitigation**
Level of borrowings and debt compliance (linked to the strategic objective of strong financial discipline)	The Group is funded by a bank facility of £70m that is subject to two key financial covenants. Maximum Net debt to EBITDA ratio of 2.5x and at least 4x interest cover/ EBITDA ratio. The covenants are based on a rolling 12 months results calculated at May and November annually. The current high levels of investments in our IT programme and the warehouse strategic project have negatively impacted net debt. At the same time the levels of earnings have been impacted by Covid in 2021, higher service delivery costs and the transitional performance impacts of the Consortium brand warehouse go-live.	The Company reviews both performance and cash flow forecasts on a monthly basis of the Group. The Group assesses the cash flow impacts of new contracts and negotiates appropriately. The Group manages the timing of investments in relation to their impacts on the business and the borrowings and debt compliance.

Alternative Performance Measures (APMs)

In response to the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA) and the Financial Reporting Council (FRC), additional information on the APMs used by the Group is provided below.

The following APMs are used by the Group:

- Adjusted operating profit

- Adjusted operating margin
- Adjusted profit before tax
- Adjusted tax
- Adjusted profit after tax
- Adjusted Earnings per Share
- Adjusted diluted earnings per share
- Adjusted cash conversion
- Net debt
- Average net debt

Further explanation of what each APM comprises and reconciliations between Statutory reported measures and adjusted measures are shown in note 5

The Board believes that the presentation of the Group results in this way is relevant to an understanding of the Group's financial performance, as adjustment items are identified by virtue of their size, nature and/or incidence. This presentation is consistent with the way that financial performance is measured by management, reported to the Board, the basis of financial measures for senior management's compensation schemes and assists in providing supplementary information that assists the user to understand better the financial performance, position and trends of the Group. In determining whether an event or transaction is an adjustment, the Board considers both quantitative and qualitative factors such as the frequency or predictability of occurrence.

The APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current period results and comparative periods where provided and are consistently defined from period to period.

Going concern

The condensed financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons set out further below.

The Balance sheet as at 31 May 2022, discloses our borrowings as current liabilities, as approval for the increase in the debt covenant was granted after the balance sheet date (increasing the Net Debt/EBITDA covenant to 3.0x from 2.5x). RM has also been granted an increase of the same covenant measure to 3.0 times for 30 November 2022.

In assessing the going concern position the Directors have considered the balance sheet position as included on page 11 and the level of available finance not drawn down. Whilst the Group had net current liabilities of £32.6m (30 November 2021 £1.0m), liquidity headroom was £24.1m. RM Group plc has a bank facility ("the facility") which totalled £70m at the date of this report. The facility maturity was extended in May and is committed until July 2024. The terms of the facility remain consistent with those of the prior facility agreement, see Note 31 of the 2021 Annual Financial Statements for further details. The debt facilities are subject to financial covenants of a maximum of 2.5 times Net Debt/EBITDA (extended to 3.0 for May 2022 and November 2022) and at least 4 times interest cover/EBITDA. These covenants are tested annually in May and November. At 31 May 2022 the results of the covenant tests were 2.61 and 13.73 respectively.

The directors have prepared cash flow forecasts for the period to the end of November 2023 which indicate that there is liquidity and covenant headroom at each measurement period. A number of reasonably plausible downside scenario sensitivities have been assessed alongside a review of mitigating actions which are within management's control. If the downside scenarios are all applied together without mitigating actions, it would result in the net debt/EBITDA covenant as at May 2023 being exceeded. Applying the mitigating actions the Directors are satisfied that the company will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of this report.

Further detail on the Directors assessment of Going concern including details in relation to the base assessment and the reasonably plausible downside scenario are set out in note 2.

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with United Kingdom adopted IAS 34 Interim Financial Reporting;

- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.4R of the Disclosure Guidance and Transparency Rules, being the condensed set of financial statements have been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole

  b) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  c) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Neil Martin

Chief Executive Officer

22 August 2022

Condensed Consolidated Income Statement

For the 6 months ended 31 May 2022

		6 months ended 31 May 2022			6 months ended 31 May 2021 Restated **			Year ended 30 November 2021		
	Note	**Adjusted £000**	**Adjustments £000**	**Total £000**	Adjusted £000	Adjustments £000	Total £000	Adjusted £000	Adjustments £000	Total £000
Revenue		**100,320**	**-**	**100,320**	96,059	-	96,059	210,853	-	210,853
Cost of sales		**(66,160)**	**-**	**(66,160)**	(63,122)	-	(63,122)	(140,220)	-	(140,220)
Gross profit		**34,160**	**-**	**34,160**	32,937	-	32,937	70,633	-	70,633
Operating expenses	5	**(29,158)**	**(11,464)**	**(40,622)**	(24,325)	(5,042)	(29,367)	(52,164)	(11,483)	(63,647)
Profit/(Loss) from operations		**5,002**	**(11,464)**	**(6,462)**	8,612	(5,042)	3,570	18,469	(11,483)	6,986
Other income		**315**	**-**	**315**	-	-	-	28	-	28
Finance costs		**(1,086)**	**-**	**(1,086)**	(621)	-	(621)	(1,396)	-	(1,396)
Profit / (loss)before tax		**4,231**	**(11,464)**	**(7,233)**	7,991	(5,042)	2,949	17,101	(11,483)	5,618
Tax	6	**(847)**	**2,186**	**1,339**	(1,746)	752	(994)	(3,282)	1,858	(1,424)
Profit/ (loss) for the period		**3,384**	**(9,278)**	**(5,894)**	6,245	(4,290)	1,955	13,819	(9,625)	4,194
(Loss)/Earnings per ordinary share:	7									
Basic		**4.1p**		**(7.1)p**	7.5p		2.4p	16.6p		5.0p
Diluted		**4.0p**		**(7.1)p**	7.5p		2.3p	16.4p		5.0p
Paid and proposed dividends per share:	8									
Interim				**-**			1.7p			1.7p
Final				**-**			-			3.0p

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.
The accompanying notes form part of these financial statements.

All amounts were derived from continuing operations.

Condensed Consolidated Statement of Comprehensive Income

For the 6 months ended 31 May 2022

	6 months ended 31 May 2022	6 months ended 31 May 2021 Restated **	Year ended 30 November 2021
	£000	£000	£000
(Loss) / profit for the period	**(5,894)**	1,955	4,194
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit pension scheme remeasurements	**5,703**	22,146	44,860
Tax on items that will not be reclassified subsequently to profit or loss	**(1,570)**	(4,577)	(10,364)
Items that are or may be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on hedged instruments	**88**	(43)	242
Tax on items that are or may be reclassified subsequently to profit or loss	**(15)**	-	(45)
Exchange gain/(loss) on translation of overseas operations	**250**	(265)	(180)
Other comprehensive income	**4,456**	17,261	34,513
Total comprehensive (expense) / income	**(1,438)**	19,216	38,707

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

Condensed Consolidated Balance Sheet

At 31 May 2022	Note	**31 May 2022**	31 May 2021 Restated **	30 November 2021
		£000	£000	£000
Non-current assets				
Goodwill		**49,458**	49,262	49,202
Other intangible assets		**24,118**	19,392	23,405
Property, plant and equipment		**16,647**	13,509	16,217
Right of use asset		**16,976**	17,675	18,018
Defined Benefit Pension Scheme Surplus	14	**39,719**	10,148	35,037
Other receivables		**83**	63	82
Contract fulfilment assets	10	**4,677**	2,729	4,169
Deferred tax assets		**156**	1,497	156
		151,834	114,275	146,286
Current assets				
Inventories		**23,140**	20,016	19,055
Trade and other receivables	9	**38,503**	28,899	33,865
Contract fulfilment assets	10	**2,155**	1,771	1,360
Held for Sale Asset		**3,034**	4,797	3,034
Corporation tax assets		**6,047**	3,087	3,665
Cash and short-term deposits		**4,258**	4,334	3,560
		77,137	62,904	64,539
Total assets		**228,971**	177,179	210,825
Current liabilities				
Trade and other payables	11	**(58,256)**	(55,220)	(58,243)
Lease liabilities		**(3,076)**	(3,099)	(3,126)
Tax liabilities		**-**	(162)	-
Provisions	13	**(1,677)**	(165)	(2,066)
Overdraft		**(1,899)**	(2,977)	(2,082)
Borrowings	12	**(43,824)**	-	-
		(108,732)	(61,623)	(65,517)
Net current (liabilities) / assets		**(31,595)**	1,281	(978)
Non-current liabilities				
Other payables	11	**(3,825)**	(3,616)	(3,269)
Lease liabilities		**(17,090)**	(17,361)	(17,803)
Provisions	13	**(1,682)**	(3,658)	(1,475)
Deferred tax liability		**(13,098)**	(5,302)	(10,830)
Defined Benefit Pension Scheme obligation	14	**(1,068)**	(4,603)	(4,686)
Borrowings	12	**-**	(11,845)	(19,744)
		(36,763)	(46,385)	(57,807)
Total liabilities		**(145,495)**	(108,008)	(123,324)
Net assets		**83,476**	69,171	87,501
Equity attributable to shareholders				
Share capital		**1,917**	1,917	1,917
Share premium account		**27,080**	27,080	27,080
Own shares		**(444)**	(444)	(444)
Capital redemption reserve		**94**	94	94
Hedging reserve		**265**	(108)	177

Translation reserve	**(632)**	(964)	(882)
Retained earnings	**55,196**	41,596	59,559
Total equity	**83,476**	69,171	87,501

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

Condensed Consolidated Statement of Changes in Equity

for the 6 months ended 31 May 2022	**Share capital**	**Share premium**	**Own shares**	**Capital redemption reserve**	**Hedging reserve**	**Translation reserve**	**Retained earnings**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 December 2021	**1,917**	**27,080**	**(444)**	**94**	**177**	**(882)**	**59,559**	**87,501**
(Loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(5,894)**	**(5,894)**
Other comprehensive income	**-**	**-**	**-**	**-**	**88**	**250**	**4,118**	**4,456**
Total comprehensive (expense)/income	**-**	**-**	**-**	**-**	**88**	**250**	**(1,776)**	**(1,438)**
Transactions with owners of the Company:								
Share-based payment awards exercised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payment fair value adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**(89)**	**(89)**
Ordinary dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(2,498)**	**(2,498)**
At 31 May 2022	**1,917**	**27,080**	**(444)**	**94**	**265**	**(632)**	**55,196**	**83,476**

for the 6 months ended 31 May 2021	Share capital	Share premium	Own shares	Capital redemption reserve	Hedging reserve	Translation reserve	Retained earnings	Total (Restated**)
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 December 2020 (restated **)	1,917	27,080	(841)	94	(65)	(702)	25,324	52,807
Profit for the period (restated **)	-	-	-	-	-	-	1,955	1,955
Other comprehensive income/(expense)	-	-	-	-	(43)	(262)	17,566	17,261
Total comprehensive income/(expense) (restated **)	-	-	-	-	(43)	(262)	19,521	19,216
Transactions with owners of the Company:								
Share-based payment awards exercised	-	-	397	-	-	-	(397)	-
Share-based payment fair value adjustments	-	-	-	-	-	-	(354)	(354)
Ordinary dividends paid	-	-	-	-	-	-	(2,498)	(2,498)
At 31 May 2021	1,917	27,080	(444)	94	(108)	(964)	41,596	69,171

** Amounts at 1 December 2020 and 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

for the year ended 30 November 2021	Share capital	Share premium	Own shares	Capital redemption reserve	Hedging reserve	Translation reserve	Retained earnings	Total (Restated**)
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 December 2020 (restated **)	1,917	27,080	(841)	94	(65)	(702)	25,324	52,807
Profit for the year	-	-	-	-	-	-	4,194	4,194
Other comprehensive income/(expense)	-	-	-	-	242	(180)	34,451	34,513
Total comprehensive income/(expense)	-	-	-	-	242	(180)	38,645	38,707
Transactions with owners of the Company:								
Share-based payment awards exercised	-	-	397	-	-	-	(397)	-
Share-based payment fair value adjustments	-	-	-	-	-	-	(100)	(100)
Ordinary dividends paid	-	-	-	-	-	-	(3,913)	(3,913)
At 30 November 2021	1,917	27,080	(444)	94	177	(882)	59,559	87,501

** Amounts at 1 December 2020 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

Condensed Consolidated Cash Flow Statement

	Note	6 months ended 31 May 2022	6 months ended 31 May 2021 Restated **	Year ended 30 November 2021
		£000	£000	£000
(Loss)/ profit before tax		**(7,233)**	2,949	5,618
Investment income		**(315)**	-	(28)
Finance costs		**1,086**	621	1,396
(Loss)/Profit from operations		**(6,462)**	3,570	6,986
Adjustments for:				
Amortisation and impairment of intangible assets		**1,048**	1,398	2,406
Depreciation and impairment of property, plant and equipment		**2,151**	1,818	4,281
Loss/ (gain) on disposal of property, plant and equipment		**73**	46	(1,449)
Loss/ (gain) on foreign exchange derivatives		**(114)**	(48)	64
Share-based payment (credit)		**(89)**	(354)	(100)
Increase /(decrease) in provisions	13	**153**	(419)	(353)
Defined Benefit Pension Scheme administration cost	14	**27**	-	52
Operating cash flows before movements in working capital		**(3,213)**	6,011	11,887
(Increase) in inventories		**(4,085)**	(1,422)	(460)
(Increase)/ decrease in receivables		**(4,609)**	2,358	(2,318)
(Increase) in contract fulfilment assets		**(1,303)**	(352)	(1,381)
Movement in payables:				
- increase/ (decrease) in trade and other payables		**314**	(1,453)	1,177
- utilisation of provisions	13	**(336)**	(191)	(528)
Cash generated by operations		**(13,232)**	4,951	8,377
Defined Benefit Pension Scheme cash contributions		**(2,310)**	(2,204)	(4,450)
Tax paid		**(211)**	(185)	(135)
Net cash (outflow)/ inflow from operating activities		**(15,753)**	2,562	3,792
Investing activities				
Interest received		**4**	-	28
Proceeds on disposal of property, plant and equipment		**-**	-	3,214
Purchases of property, plant and equipment		**(857)**	(5,200)	(8,024)
Purchases of other intangible assets		**(1,607)**	(1,663)	(6,977)
Net cash (used in) investing activities		**(2,460)**	(6,863)	(11,759)
Financing activities				
Dividends paid	8	**(2,498)**	(2,498)	(3,913)
Drawdown of borrowings		**24,000**	7,000	15,000
Borrowing facilities arrangement and commitment fees		**(187)**	(154)	(497)
Repayment of principal elements of lease obligations		**(1,509)**	(1,821)	(3,889)
Interest paid		**(820)**	(265)	(675)
Net cash generated by financing activities		**18,986**	2,262	6,026
Net (decrease)/increase in cash and cash equivalents		**773**	(2,039)	(1,941)
Cash and cash equivalents at the beginning of the period/year		**1,478**	3,461	3,461
Effect of foreign exchange rate changes		**108**	(65)	(42)
Cash and cash equivalents at the end of period/ year		**2,359**	1,357	1,478
Cash at bank and in hand		**4,258**	4,334	3,560
Overdraft		**(1,899)**	(2,977)	(2,082)
		2,359	1,357	1,478

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2

Notes to the Condensed Interim Financial Statements

1. General information
RM plc ('Company') is incorporated in the United Kingdom and listed on the London Stock Exchange. The unaudited Condensed Consolidated Interim Financial Statements as at 31 May 2022 and for the 6 months then ended comprise those of the Company and its subsidiaries (together 'the Group').

The comparative figures for the financial year ended 30 November 2021 are not the Group's statutory accounts for that financial year (see note 2). Those accounts have been reported on by the Group's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Condensed Consolidated Income Statement presentation
The Directors assess the performance of the Group using an Adjusted Operating Profit and Profit Before Tax. The Directors use Adjusted Operating Profit and EPS before adjustments to profit which are identified by virtue of their size, nature and/or incidence. The treatment of adjusted items is applied consistently period on period and is consistent with the way that underlying trading performance is measured by management. Further details are provided in note 2.

Other Comprehensive Income
During the period, £5.7m of actuarial profits relating to the defined benefit pension scheme surplus have been recognised in Other Comprehensive Income.

2. Accounting policies
The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting and in accordance with the Disclosure, Guidance and Transparency rules of the United Kingdom's conduct Authority.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) in accordance with the Disclosure, Guidance and Transparency rules of the United Kingdom's conduct Authority. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published Consolidated Financial Statements for the year ended 30 November 2021.

The preparation of the Condensed Consolidated Interim Financial Statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Interim Financial Statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 30 November 2021.

Key sources of estimation uncertainty

In applying the Group's accounting policies the Directors are required to make estimates and assumptions. Actual results may differ from these estimates. The following are considered key sources of estimation uncertainty:

Retirement benefit scheme valuation – The key estimation sensitivities are the discount rate applied to pension liabilities together with RPI/CPI and mortality. We note that every 0.1% movement in discount rate has a c.£4m impact on the deficit and a 0.1% movement in RPI has a c.£3m impact.

Revenue from contracts over time – There is estimation relating to the output methodology (of script volumes) to determine the transaction price. This estimation was reassessed during H1 2022 to reflect our latest expectations.

Critical accounting judgements

Revenue from RM Assessment contracts – A number of judgements are made to determine performance obligations and the allocation of revenue to those performance obligations. Each contract is analysed separately to identify the performance obligations. Judgements are made as to whether goods and services should be combined and whether revenue should be recognised at either a point in time or over time. Judgement is also required to allocate the transaction price to each performance obligation, based on an estimation of the standalone selling price for scanning and use of the residual method to determine a value for E-marking.

In concluding that the going concern assessment was appropriate and that there were no material uncertainties the Directors have made a number of significant judgements as detailed below in Note 2.

Restatement

As part of the strategy review carried out in 2021, the Directors considered that certain activities previously classified as Research and Development and certain selling and distribution (all administration activities) are more appropriately classified as part of Cost of Sales. This classification was applied in the Consolidated Financial Statements for the year ended 30 November 2021, but the six months ended 31 May 2021 has been restated to reflect a restatement of £4.6m. This has had no impact on the operating profit reported.

In addition, also as set out in the Consolidated Financial Statements for the year ended 30 November 2021, the Group had reflected the impact of their review of the IFRIC interpretation on the accounting treatment for configuration and customisation costs in a cloud computing arrangement. As a result, in these financial statements the financial impact on in the period ended 31 May 2021 has also been restated. £3.4m of costs previously capitalised as intangible software assets have been expensed, and the Group has also reclassified £0.4m of dual run license costs from operating expenses to adjusted operating expenses. The impact of these adjustments is to reduce statutory operating profit by £3.4m and profit after tax and net assets by £2.6m. EPS reduced by 12p. This treatment is in line with the treatment of both items in the year ended 30 November 2021.

Alternative Performance Measures (APMs)

In response to the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA) and the Financial Reporting Council (FRC), additional information on the APMs used by the Group is provided below.

The following APMs are used by the Group:

- Adjusted operating profit
- Adjusted operating margin
- Adjusted profit before tax
- Adjusted tax
- Adjusted profit after tax
- Adjusted Earnings per Share
- Adjusted diluted earnings per share
- Adjusted cash conversion
- Net debt

- Average net debt

Further explanation of what each APM comprises and reconciliations between Statutory reported measures and adjusted measures are shown in note 5.

The Board believes that presentation of the Group results in this way is relevant to an understanding of the Group's financial performance, as adjustment items are identified by virtue of their size, nature and/or incidence. This presentation is consistent with the way that financial performance is measured by management, reported to the Board, the basis of financial measures for senior management's compensation schemes and assists in providing supplementary information that assists the user to understand better the financial performance, position and trends of the Group. In determining whether an event or transaction is an adjustment, the Board considers both quantitative and qualitative factors such as the frequency or predictability of occurrence.

The APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current year results and comparative periods where provided.

Going concern

The condensed financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to the end of November 2023 which indicate that, taking account of reasonably plausible downsides as discussed below, the company will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of this report.

In assessing the going concern position the Directors have considered the balance sheet position as included on page 11 and the level of available finance not drawn down. RM Group plc has a bank facility ("the facility") which totalled £70m at the date of this report. The facility was extended in the period and is committed until July 2024.The terms of the facility remain consistent with those of the prior facility agreement, see Note 31 of the Annual Financial Statements for further details.

At 31 May 2022, the Group had net debt of £41.5m (November 2021: £18.3m) including drawn facilities of £44m (November 2021: £20m). Liquidity headroom compared to available facilities at 31 May 2022 was £24.1m. Average net debt over the period to 31 May 2022 was £37.2m (year to November 2021: £15.8m) with a maximum borrowings position of £48.7m (year to November 2021: £29.7m). The drawn facilities are expected to fluctuate over the period considered for going concern and are not anticipated to be fully repaid in this period.

The debt facilities at 31 May 2022 were subject to financial covenants of a maximum of 2.5 times. Net Debt/adjusted EBITDA and at least 4 times interest cover/adjusted EBITDA. These covenants are tested annually in May and November. On 31 May 2022 the results of the covenant tests were 2.61 and 13.73 respectively.

Subsequent to 31 May 2022 the lenders have agreed to amend the net debt/ adjusted EBITDA covenant to 3.0x at May 2022 and November 2022. Whilst the lenders have made clear they currently have no intention of accelerating all or any part of the loan repayments and have reiterated their continued support to the company as this was outside of the control of the directors at 31 May 2022, the borrowings have been reclassified at the balance sheet date to current liabilities.

The financial summary outlines the performance of the Group in the six months to 31 May 2022.

For going concern purposes, the Group has assessed a base case that assumes a broadly similar macroeconomic environment to that currently being experienced.

It is anticipated that delayed shipments in RM Resources from H1 are materially delivered in H2. Freight costs are expected to reduce in H2, partially due to the seasonality of shipments and partially reflecting lower freight costs being experienced in the wider market. Inflationary pressures on direct costs (and their associated labour costs) are assumed to be passed through to the customers in line with contractual terms or through price increases that are not contractual. Inflationary pressures on overheads have been absorbed in the forecast.

The base case does not assume a continuation of the recent positive revenue momentum across the three Divisions but does assume some operational execution improvements. The base case also assumes muted growth in RM Technology as it progresses through an operational turnaround.

The incremental costs associated with the IT implementation programme are reflected in the base case and are forecast to be similar in H2 to costs incurred in H1. As a result of the learnings in the period and our increased confidence migrating TTS onto a stable IT platform, no further costs or working capital delays are forecast in the base case in relation to the disruption in the Resources business case arising from the IT platform.

The base case also includes recovery of a claim for custom duties previously overpaid and resumption of dividends payments is also anticipated for the 2022 final dividend. Under that base case we continue to maintain headroom against our committed facility and are within our covenants.

The Group has assessed a downside scenario that adjusts base assumptions to include:

- Reduction of 5% in Resources sales volumes in the 12 months to May 2023 reflecting the unlikely scenario that customer backlogs are not fulfilled;
- Reduction by 50% of new business Technology revenues reflecting uncertainties associated with new contract revenues and lower retention revenues;
- A transition impact, capturing further operational disruptions in releasing orders from the warehouse associated with the migration of the TTS brand to the new IT platform and warehouse facilities, at 50% of the impact on profits and cashflows experienced in H1 by Consortium;
- Elevated service delivery costs, including increased energy costs, a return to higher freight costs in FY23 and failure to deliver the operational execution improvements planned in H2; and
- 50% of the customs duty claim for over payments not being recoverable.

In aggregate, whilst there would continue to be liquidity headroom, the effect of these downside scenarios would lead to a net debt/ EBITDA ratio at 31 May of 3.08 returning to 1.82 at 30 November 2023.

The Board has considered a number of mitigations of which it could be reasonably confident in its ability to deliver if required. These include:

- reduced discretionary, and investment spend, and headcount management;
- improving the timing of forward inventory purchases which improve working capital;
- a change to the IT implementation roadmap which extends the deployment timeline and reduces the investment spend in 2023; and
- the deferral of the final 2022 dividend.

Furthermore, although the base case has not included recent positive revenue momentum continuing into 2023 of which it cannot be certain, there are reasonably probable contractual improvements with existing customers that are not reflected in the base scenario but experience supports their addition.

The Directors do not believe that all these assumptions occurring together is plausible, but under these scenarios, taking into consideration the above mitigants, we continue to have reasonable headroom against the facility and comply with bank covenants. Having considered the severity of this scenario, the Board considers this to be an appropriate worst-case scenario.

The Board's assessment of the likelihood of a further downside scenario is remote, particularly with the continued progress in resolving the IT Implementation transition challenges, and recent experience in some of our market sectors.

Therefore, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of not less than 12 months from the date of this report, having considered both the availability of financial facilities and the forecast liquidity and expected future covenant compliance. For this reason, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

3. Operating segments

The Group's business is supplying products, services and solutions to the UK and international education markets. Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segmental performance is focussed on the nature of each type of activity.

The Group is structured into three operating divisions: RM Resources, RM Assessment and RM Technology. Typically two of the divisions are impacted by seasonality trends. RM Resources experiences increased revenues in March, June, July and October in line with customer financial and academic years. In RM Assessment scanning revenues are recognised over the period of the scanning activity and create seasonality depending the timing of exam sessions and the number and type of examinations being sat. UK government assessment scanning revenues are spread typically between May to July.

Corporate Services consists of central business costs associated with being a listed company, share based payment charges and non-division specific pension costs.

This segmental analysis shows the results and assets of these divisions. Revenue is that earned by the Group from third parties. Net financing costs and tax are not allocated to segments as the funding, cash and tax management of the Group are activities carried out by the central treasury and tax functions.

Segmental results

6 months ended 31 May 2022	**RM Resources* £000**	**RM Assessment £000**	**RM Technology £000**	**Corporate Services £000**	**Total £000**
Revenue					
UK	**42,923**	**11,376**	**28,943**	**-**	**83,242**
Europe	**5,513**	**4,029**	**13**	**-**	**9,555**
North America	**1,265**	**68**	**1,335**	**-**	**2,668**
Asia	**411**	**344**	**-**	**-**	**755**
Middle East	**553**	**78**	**-**	**-**	**631**
Rest of the world	**977**	**2,354**	**138**	**-**	**3,469**
	51,642	**18,249**	**30,429**	**-**	**100,320**
Adjusted operating profit /(loss)	**1,239**	**2,762**	**2,527**	**(1,526)**	**5,002**
Other income					**315**
Finance costs					**(1,086)**
Adjusted profit before tax					**4,231**
Adjustments (see note 5)					**(11,464)**
Profit before tax					**(7,233)**

6 months ended 31 May 2021	RM Resources* £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	42,017	9,319	32,229	-	83,565
Europe	3,456	3,308	39	-	6,803
North America	806	38	49	-	893
Asia	336	594	-	-	930
Middle East	448	54	-	-	502
Rest of the world	1,141	2,219	6	-	3,366
	48,204	15,532	32,323	-	96,059

Adjusted profit/(loss) from operations**	2,857	3,275	4,574	(2,094)	8,612
Adjusted other income					-
Adjusted finance costs					(621)
Adjusted profit before tax**					7,991
Adjustments** (see note 5)					(5,042)
Profit before tax**					2,949

Year ended 30 November 2021	RM Resources* £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Revenue					
UK	98,448	18,846	64,265	-	181,559
Europe	8,849	6,104	91	-	15,044
North America	1,882	-	138	-	2,020
Asia	772	1,036	-	-	1,808
Middle East	2,004	159	-	-	2,163
Rest of the world	2,469	5,724	66	-	8,259
	114,424	31,869	64,560	-	210,853
Adjusted profit/(loss) from operations	10,073	5,706	7,098	(4,408)	18,469
Investment income					28
Adjusted finance costs					(1,396)
Adjusted profit before tax					17,101
Adjustments (see note 5)					(11,483)
Profit before tax					5,618

* Included in UK are international sales via UK distributors

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2

Segmental assets

Other non-segmental assets include tax assets, cash and short-term deposits and other non division specific assets.

Segmental assets

At 31 May 2022	**RM Resources £000**	**RM Assessment £000**	**RM Technology £000**	**Corporate Services £000**	**Total £000**
Segmental	**134,268**	**24,782**	**16,631**	**3,067**	**178,748**
Other					**50,223**
Total assets					**228,971**

At 31 May 2021**	RM Resources £000	RM Assessment £000	RM Technology £000	Corporate Services £000	Total £000
Segmental	119,442	23,077	13,098	2,464	158,081
Other					19,098
Total assets					177,179

	RM Resources	RM Assessment	RM Technology	Corporate Services	Total

At 30 November 2021	£000	£000	£000	£000	£000
Segmental	125,670	24,153	15,960	2,517	168,300
Other					42,525
Total assets					210,825

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2

4. Revenue

	RM Resources	RM Technology	RM Technology	RM Assessment	
	Transactional	Transactional	Over time	Over time	Total
Period ended 31 May 2022	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Supply of products	**51,634**	**5,765**	**-**	**-**	**57,399**
Rendering services	**8**	**-**	**16,606**	**16,307**	**32,921**
Licences	**-**	**1,304**	**6,754**	**1,942**	**10,000**
	51,642	**7,069**	**23,360**	**18,249**	**100,320**

					Total
Period ended 31 May 2021					£'000
Supply of products	48,143	7,771	-	-	55,914
Rendering services	62	-	17,030	13,622	30,714
Licences	-	425	7,097	1,910	9,432
	48,205	8,196	24,127	15,532	96,059

5. Adjustments to profit before tax

	6 months ended 31 May 2022 £000	6 months ended 31 May 2021** £000	Year ended 30 November 2021 £000
Adjustments to operating expenses:			
Amortisation of acquisition related intangible assets	**1,004**	1,012	2,010
Dual running cost related to investment strategy	**2,758**	562	2,064
Configuration of SaaS licences (ERP)	**7,666**	3,418	8,337
Gain on sale of held for Sale properties	**-**	-	(1,399)
Onerous Lease	**-**	-	471
Restructuring costs	**36**	50	-
Total adjustments to operating expenses	**11,464**	5,042	11,483
Tax effect of adjustments	**(2,186)**	(752)	(1,858)
Post tax adjustment	**9,278**	4,290	9,625

** Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

In the 6 months ended 31 May 2022 notable adjustments to profit include:

The amortisation of acquisition related intangible assets is an annual recurring adjustment to profit that is a non-cash charge arising from investing activity. This adjustment is to communicate with the investment analyst community in common with peer companies across the technology sector. The income generated from the use of these intangible assets is, however, included in the adjusted profit measures.

Other adjusted items:
These are items which are identified by virtue of either their size or their nature to be important to understanding the performance of the business including the comparability of the results year on year. These items can include, but are not restricted to, impairment; gain on held for sale assets and related transaction costs; changes in the provision for exceptional property costs; the gain/loss on sale of operations and restructuring and acquisition costs.

In 2018, following a large acquisition in the Resources division, the Group announced a new warehouse strategy which involved the disposal of 5 warehouses (including 3 warehouses from the newly acquired group of companies) and transfer into one new automated warehouse. Interlinked with the automation software is a requirement to change the ERP solution which is being rolled out across the whole Group. The Group believes that whilst these programmes span a number of years, their size, complexity and number of unusual costs and income are material to the understanding of the trading performance of the business including the comparability of results year on year. As a result, all significant costs or income relating to these programmes have been treated as an adjustment to profit, consistently period to period.

Dual run related costs during the period (£2.8m), relate to costs associated with the new warehouse that is not yet fully operational but was acquired at the end of November 2020. Costs of £1.8m include items such as utilities, security and increased warehouse staff to test the new facility and to transfer inventory. Other dual run costs include IT costs associated with the replacement of our ERP solution (excluding configuration costs of SaaS licenses) being expensed that relate to running of IT systems not yet in use (£1.0m).

The restructuring costs relate to the last tranche of warehouse consolidation which was announced in 2018 and reflect the adjustment to the redundancy liability as at 31 May 2022. This is expected to be paid in H2 2022 as we complete the warehouse consolidation.

In addition to the warehouse programme, the ERP replacement programme "Evolution" comprises the configuration and customisation costs of a lot of inter-related systems. These costs represent a significant investment and amount to £7.7m in the period. The Group believes these items to be significantly large enough and unusual enough to impact the understanding of the performance of the Group if not adjusted.

Net debt is the total of borrowings (£43.8m (May 2021: £11.8m)), cash at bank (£4.3m (May 2021: £4.3m)) and overdraft (£1.9m (May 2021: £3.0m)) which was £41.5m as at 31 May 2022 (2021: £10.5m). Lease liabilities of £20.2m (May 2021: £20.5m) are excluded from this measure as they are not included in the measurement of net debt for the purpose of covenant calculations.

Average net debt is calculated by taking the net debt on a daily basis and dividing by number of days.

The above adjustments that arise during the year have the following impact on the cash flow statement:

	31 May 2022			31 May 2021		
	Adjusted cash flows £'000	Adjustments £'000	Statutory £'000	Adjusted cash flows £'000	Adjustments £'000	Statutory £'000
Profit before tax	4,231	(11,464)	(7,233)	7,991	(5,042)	2,949
Profit from operations	5,002	(11,464)	(6,462)	8,612	(5,042)	3,570
Net cash inflow from operating activities	(6,545)	(9,208)	(15,753)	6,274	(3,712)	2,562

Net cash used in investing activities	33	(2,493)	(2,460)	(639)	(6,224)	(6,863)
Net cash used in financing activities	18,986	-	18,986	2,262	-	2,262
Net increase/ (decrease) in cash & cash equivalents	12,475	(11,702)	773	7,897	(9,936)	(2,039)

Adjusted cash conversion percentage is defined as adjusted cash inflow from operating activities as a percentage of adjusted profit before tax.

The adjustments have the following impact on key metrics:

	2022	**2022**	**2022**	**2021**	**2021**	**2021**
	Adjusted measure	**Adjustment**	**Statutory measure**	**Adjusted measure**	**Adjustment**	**Statutory measure**
Gross profit (£000)	34,160	-	34,160	32,937	-	32,937
Profit from operations (£000)	5,002	(11,464)	(6,462)	8,612	(5,042)	3,570
Operating margin (%)	5.0%	0.0%	(6.4%)	9.0%	0.0%	3.7%
Profit before tax (£000)	4,231	(11,464)	(7,233)	7,991	(5,042)	2,949
Tax (£000)	(847)	2,186	1,339	(1,746)	752	(994)
Profit after tax (£000)	3,384	(9,278)	(5,894)	6,245	(4,290)	1,955
Earnings per share						
Basic (Pence)	4.1	-	(7.1)	7.5	-	2.4
Diluted (Pence)	4.0	-	(7.1)	7.5	-	2.3

Adjusted operating profit is defined as the profit before operations excluding the adjustments referred to above. Adjusted operating profit margin is defined as the adjusted operating profit as a percentage of revenue. The impact of tax is set out in Note 6.

6. Tax

	6 months ended 31 May 2022			6 months ended 31 May 2021 (restated *)			Year ended 30 November 2021		
	Adjusted	**Adjustments**	**Total**	Adjusted	Adjustments	Total	Adjusted	Adjustments	Total
	£000	**£000**	**£000**	£000	£000	£000	£000	£000	£000
Profit before tax	**4,231**	**(11,464)**	**(7,233)**	7,991	(5,042)	2,949	17,101	(11,483)	5,618
Tax charge	**(847)**	**2,186**	**1,339**	(1,746)	752	(994)	(3,282)	1,858	(1,424)

Effective tax rate (ETR)	**20.0%**	**(19.1%)**	**18.5%**	21.8%	(14.9%)	33.7%	19.2%	(16.2%)	25.3%

* Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

For the interim periods, the ETR is calculated by applying a forecast full year ETR to the interim results.

The standard rate of corporation tax in the UK for the period is 19%. An increase in the UK corporation tax rate from 19% to 25% from April 2023 was substantially enacted in May 2021. The deferred tax position reflects this change in legislation.

7. Earnings per ordinary share

	6 months ended 31 May 2022			6 months ended 31 May 2021 (restated *)			Year ended 30 November 2021		
	Profit after tax £000	**Weighted average number of shares £000**	**Pence per share**	Profit after tax £000	Weighted average number of shares £000	Pence per share	Profit after tax £000	Weighted average number of shares £000	Pence per share
Basic earnings per ordinary share:									
Basic earnings	**(5,894)**	**83,048**	**(7.1)**	1,955	83,048	2.4	4,194	83,150	5.0
Adjustments (see note 5)	**9,278**	**-**	**11.2**	4,290	-	5.1	9,625	-	11.6
Adjusted basic earnings	**3,384**	**83,048**	**4.1**	6,245	83,048	7.5	13,819	83,150	16.6
Diluted earnings per ordinary share:									
Basic earnings	**(5,894)**	**83,048**	**(7.1)**	1,955	83,048	2.4	4,194	83,150	5.0
Effect of dilutive potential ordinary shares: share-based payment awards	**-**	**1,449**	**-**	-	757	(0.1)	-	1,302	(0.0)
Diluted earnings per ordinary share	**(5,894)**	**84,497**	**(7.1)**	1,955	83,805	2.3	4,194	84,452	5.0
Adjustments (see note 5)	**9,278**	**-**	**11.1**	4,290	-	5.1	9,625	-	11.4
Adjusted diluted earnings	**3,384**	**84,497**	**4.0**	6,245	83,805	7.5	13,819	84,452	16.4

* Amounts at 31 May 2021 have been restated consistently with the adjustments made at 30 November 2021, refer to note 2.

8. Dividends

Amounts recognised as distributions to equity holders were:

	6 months ended 31 May 2022 £000	6 months ended 31 May 2021 £000	Year ended 30 November 2021 £000
Final dividend for the year ended 30 November 2021 - 3.0 p per share (2020: 3.0 p)	**2,498**	2,498	2,497

Interim dividend for the year ended 30 November 2021 – 1.7 p per share (2020: nil p)	**-**	-	1,416
	2,498	2,498	3,913

9. Trade and other receivables

	31 May 2022	31 May 2021	30 November 2021
	£000	£000	£000
Current			
Financial assets			
Trade receivables	**20,048**	18,527	21,792
Other receivables	**2,130**	1,372	1,629
Derivative financial instruments	**255**	-	164
Accrued income	**6,186**	2,902	2,667
	28,619	22,801	26,252
Non-financial assets			
Prepayments	**9,884**	6,098	7,613
	38,503	28,899	33,865
Non-current			
Financial assets			
Other receivables	**83**	63	82
	83	63	82
	38,586	28,962	33,947

The Group uses the practical expedient of measuring impairment using a provision matrix which is consistent with applying a full credit loss model for the Group. This has been consistently applied with no significant impact on the net trade receivables balance.

10. Contract fulfilment assets

	31 May 2022	31 May 2021	30 November 2021
	£000	£000	£000
Current	**2,155**	1,771	1,360
Non-current	**4,677**	2,729	4,169
	6,832	4,500	5,529

Contract fulfilment assets represent investment in contracts which are recoverable and are expected to provide benefits over the life of the contract. These costs, which relate to contract set up costs, are capitalised only when they relate directly to a contract and are incremental to securing the contract.

11. Trade and other payables

	31 May 2022	31 May 2021	30 November 2021
	£000	£000	£000
Current			

Financial liabilities			
Trade payables	**24,163**	20,029	21,277
Other taxation and social security	**3,111**	3,852	4,603
Other payables	**2,881**	2,944	2,893
Derivative financial instruments	**-**	117	-
Accruals	**13,603**	12,922	15,443
	43,758	39,864	44,216
Non-financial liabilities			
Deferred income	**14,498**	15,356	14,027
	58,256	55,220	58,243
Non-current			
Non-financial liabilities			
Deferred income:			
- due after one year but within two years	**1,554**	1,628	1,496
- due after two years but within five years	**1,137**	1,504	1,138
- After 5 years	**1,134**	484	635
	3,825	3,616	3,269
	62,081	58,836	61,512

12. Borrowings

	31 May 2022	31 May 2021	30 November 2021
	£000	£000	£000
Bank loan	**(44,000)**	(12,000)	(20,000)
Capitalised fees	**176**	155	256
	(43,824)	(11,845)	(19,744)

During the period the Group has drawn down £24.0 million of the facility. For details of the facility please see note 31 in the annual report and financial statements for the year ended 30 November 2021. On 31 May 2022, the Group extended the facility to 5 July 2024.

As described in the comments on net debt, the borrowings as at 31 May 2022, have been classified as a current liability, whereas as at 31 May 2021 and 30 November 2021 are classified as a non current liability.

13. Provisions

	Dilapidations	**Employee-related restructuring**	**Contract risk provisions**	**Total**
	£000	**£000**	**£000**	**£000**
At 1 December 2021	1,450	916	1,175	3,541
Utilisation of provisions	(280)	(56)	-	(336)
Release of provisions	(90)	-	-	(90)
Increase in provisions	219	36	-	255
Unwind of discount	(11)	-	-	(11)
At 31 May 2022	**1,288**	**896**	**1,175**	**3,359**

£1.0m of the contract risk provision relates to contractual TUPE provisions as disclosed in Note 26 of the annual report and financial statements for the year ended 30 November 2022. The timing of the provisions is dependent on the timing of the last employee in each of the 17 schemes leaving the Group.

14. Defined Benefit Pension Scheme

The Group has both defined benefit and defined contribution pension schemes. There are three defined benefit pension schemes, the Research Machines plc 1988 Pension Scheme (the "RM Scheme") and, following the acquisition of RM Educational Resources Limited ("The Consortium", acquired by the Company on 30 June 2017), the CARE Scheme and the Platinum Scheme. The RM Scheme and the CARE Scheme are both operated for employees and former employees of the Group only. The Platinum Scheme is a multi-employer scheme, with RM Educational Resources Limited being just one of a number of employers. The Group plays no active part in managing that Scheme, and since 30 November 2020 the Group has no employees in this Scheme.

For all three Schemes, based on the advice of a qualified independent actuary at each balance sheet date and using the projected unit method, the administrative expenses and current service costs are charged to operating profit, with the interest cost, net of interest on scheme assets, reported as a financing item.

Defined benefit pension scheme remeasurements are recognised as a component of other comprehensive income such that the balance sheet reflects the scheme's surplus or deficit as at the balance sheet date. Contributions to defined contribution plans are charged to operating profit as they become payable.

Scheme assets are measured at bid-price, where available, at 31 May 2022. The present value of the defined benefit obligation was measured using the projected unit method.

Under the guidance of IFRIC 14, the Group is able to recognise a pension surplus on the balance sheet for all three schemes. At 31 May 2022, the Platinum and RM scheme show a surplus and the CARE scheme is in deficit.

The Research Machines plc 1988 Pension Scheme (RM Scheme)

The Scheme provides benefits to qualifying employees and former employees of RM Education Limited, but was closed to new members with effect from 1 January 2003 and closed to future accrual of benefits from 31 October 2012. The assets of the Scheme are held separately from RM Education Limited's assets in a trustee-administered fund. The Trustee is a limited company. Directors of the Trustee company are appointed by RM Education Ltd and by members. The Scheme is a funded scheme.

The most recent actuarial valuation of Scheme assets and the present value of the defined benefit obligation was carried out for statutory funding purposes at 31 May 2021 by a qualified independent actuary. IAS 19 Employee Benefits (revised) liabilities at 31 May 2021 have been rolled forward based on this valuation's base data.

As at 31 May 2021, the triennial valuation for statutory funding purposes showed a deficit of £15.4m (31 May 2018: £40.6m). The Group agreed with the Scheme Trustees that it will repay this amount via deficit catch-up payments of £3.2m per annum until 31 December 2024. At 31 May 2021 there were amounts outstanding of £0.3m (2021: £0.3m) for one month's deficit payment (2021: 1 months) and £nil (2021: £nil) for Scheme expenses.

The parent company RM plc has entered into a pension protection fund compliant guarantee in respect of scheme liabilities. No liability has been recognised for this within the Company as the Directors consider that the likelihood of it being called upon is remote.

The Consortium CARE Scheme

Until 31 December 2005, RM Educational Resources Limited operated the CARE Scheme providing benefits on both a defined benefit (final salary-linked) and a defined contribution basis. From 1 January 2006, the defined benefit (final salary-linked) and defined contribution sections were closed and all employees, subject to the eligibility conditions set out in the Trust Deed and Rules, joined a new defined benefit (Career Average Revalued Earnings) section. As at 28 February 2011 the Scheme was closed to future accruals.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process, RM Educational Resources Limited must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these accounts. The Scheme is managed by a Board of Trustees appointed in part by the Company and in part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing Scheme assets. The Trustees delegate some of these functions to their professional advisers where appropriate. The valuation of the Scheme at 31 May 2021 was a deficit of £6.2m (31 December 2019 deficit £5.9m). The Group agreed with the Scheme Trustees that it will repay this amount via deficit catch-up payments of £1.2m per annum until 31 December 2026.

Prudential Platinum Pension

The Consortium acquired West Mercia Supplies in April 2012 (prior to the Company acquiring The Consortium). Upon acquisition of West Mercia Supplies by The Consortium, a pension scheme was set up providing benefits on both a defined benefit (final salary-linked) and a defined contribution basis for West Mercia employees. The most recent full actuarial valuation was carried out by the independent actuaries Xafinity on 31 December 2018. Using the assumptions below the results of the full valuation were adjusted and rolled forward to form the basis for the current year valuation. The Scheme is administered within a legally separate trust from RM Educational Resources Limited and the Trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that the Scheme assets are appropriately invested. The valuation of the Scheme at 31 December 2018 was a surplus of £213,000 (31 December 2015: deficit of £70,000).

The pension schemes have all seen improvements to their balance sheet position in the period as shown in the table below

	31-May-22	30-Nov-21	**31-May-22**	30-Nov-21	**31-May-22**	30-Nov-21
	£'000	£'000	**Discount rate**		**RPI %**	
RM Scheme	38,896	34,544	3.60%	1.75%	3.15%	3.15%
CARE scheme	(1,068)	(4,686)	3.60%	1.75%	3.25%	3.30%
Platinum scheme	823	493	3.60%	1.75%	3.10%	3.15%
Surplus/(deficit)	**38,651**	**30,351**				

	31-May-22
	£'000
Opening surplus	**30,351**
Gain from changes to financial assumptions on liabilities	98,663
Employer contributions	2,310
Return on assets	(90,268)
Interest	275
Experience (losses)/gains on liabilities	(2,692)
Other items	12
Closing surplus	**38,651**

The key areas of sensitivity in respect to the pension surplus / deficit are the discount rate and RPI.

The discount rates improved by 1.85 percentage points whilst RPI rates were substantially unchanged on the opening position. However, the improvement in the pension surplus of £98.8m due to the discount rate impact on liabilities, is offset by lower than expected invested returns of £(90.3)m. The overall pension surplus increased by £8.3m in the period.

15. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

The Group encourages its Directors and employees to be Governors, Trustees or equivalent of educational establishments. The Group trades with these establishments in the normal course of its business.

The only significant related party transactions in the period relate to scanning services amounting to £0.6m provided by Restore plc group, which is a supplier to RM of scanning and associated services. Charles Bligh, a Non-Executive Director of RM plc, is the CEO of Restore plc, but is not involved in the commercial discussions relating to this supply as set out in the Annual Report and Accounts.

16. Post balance sheet event

There are no post balance sheet events.

By order of the Board,

Neil Martin

Chief Executive Officer

22 August 2022

INDEPENDENT REVIEW REPORT TO RM PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Cash Flow Statement and related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 May 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the group a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP, Statutory Auditor

Birmingham, United Kingdom

22 August 2022