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Rocket Topco Limited

Report and Financial Statements

for the Year Ended 31 December 2024

Rocket Topco Limited

Contents

Company Information	1
Directors' Report	2 to 12
Statement of Directors' Responsibilities	13
Independent Auditor's Report	14 to 17
Consolidated Statement of Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20 to 21
Consolidated Statement of Cash Flows	22 to 23
Notes to the Financial Statements	24 to 64

Rocket Topco Limited

Company Information

Directors	C P Morris E Wann
Registered office	2nd Floor Sir Walter Raleigh House 48-50 Esplanade Street St Helier Jersey JE2 3QB
Auditors	Ernst & Young LLP 2 St Peter's Square Manchester M2 3DF

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

The Directors present their report and the consolidated financial statements for the year ended 31 December 2024.

Principal activity and business review

The principal activity of the Group is the provision of tech-enabled Compliance Solutions to small and medium sized businesses in the United Kingdom. The Group also provides similar products in Australia & New Zealand and Canada following international expansion into said territories in 2021 and 2023 respectively.

Compliance Solutions include: Human Resources, Employment Law, Health and Safety, Fire Safety and Electrical Safety, ISO Certification, ISO Consultancy, SSIP Accreditation, Criminal Record Bureau Checking, eLearning, Food Safety and Cyber Security Services.

The results for the period are set out on page 18 of the financial statements.

In the year ended 31 December 2024 the Group continued to grow organically via the acquiring of new business, the renewal of existing customers onto new contracts and the cross-selling of the Group's products and services to new and existing customers within and between individual businesses' customer bases.

During the year the Group continued to grow via merger and acquisition activity and made four acquisitions which added complementary services to the Group's product offering:

- PricewaterhouseCoopers Compliance Services Pty Ltd (subsequently known as Citation Standards Pty Ltd from 22 February 2024), a provider of ISO Certification & ISO Consultancy Services in Australia, on 16 February 2024;
- Careskills Academy Ltd, a provider of eLearning Services in the United Kingdom, on 29 February 2024;
- Agendrix Inc., a provider of Human Resources Services in Canada, on 12 June 2024;
- Flexabee Ltd, a provider of eLearning Services in the United Kingdom, on 1 October 2024.

On 1 July 2024 the Company bought back 15,757,272 A preference shares previously issued on 15 September 2020 and held by Hg via HGC Capital 8 Nominees Limited. The total value paid for the shares was £24,250,000 with a price paid per share of £1.539 with each share having a par value of £1 and with associated accumulated interest of £0.539. Following the buy-back the shares were immediately cancelled. See Note 23 for further details.

The group has undertaken a group reorganisation exercise which completed on 28 February 2025. As part of the reorganisation KKR (40.84%), Hg (40.84%), a new minority investor HarbourVest (14.98%), and certain members of the Group's management team (3.34%), via the newly formed Broom Topco Limited together acquired 100% of the share capital of Rocket Topco Limited. KKR and Hg have joint control of Broom Topco Limited and consequently continue to have joint control of Rocket Topco Limited. Broom Topco Limited is the newly formed joint venture company, incorporated on 11 December 2024 due to the group reorganisation.

The Group achieved turnover for the period of £275,414,000 (2023: £262,535,000) and recorded a loss before taxation of £141,820,000 (2023: loss of £113,926,000). Operating loss was £26,071,000 (2023: £6,088,000). Operating profit after excluding depreciation of £1,285,000 (2023: £1,312,000) and amortisation of £68,306,000 (2023: £61,402,000) was £43,520,000 (2023: £56,626,000).

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

Future Developments

The Group is continuing with its strategy of expanding routes to market, adding additional products and services to its offering, cross-selling products and services to new and existing customers within and between individual businesses' customer bases and developing the next generation of IT platforms for clients.

In 2025 two further acquisitions have been made:

- TrustID Limited and its subsidiary Red and White Solutions Limited, a provider of Digital ID Checking Services in the United Kingdom, on 19 March 2025;
- FoundU Holdings Limited, a provider of Payroll Services in Australia, on 13 May 2025.

On 18 December 2024 the Group signed an agreement to undertake an exercise to refinance the outstanding amounts relating to each of the unitranche loan facility, the acquisition credit facility, the 2023 acquisition credit facility and the revolving credit facility. This exercise completed on 16 January 2025.

See note 30 for further details.

On the basis of a future recapitalisation of the Group in 2025 being agreed in the current year amounts due to certain of the Group's employees in relation to Beneficial shares and assigned shares rights held were vested. The total shares (other than assigned share rights) granted and outstanding at the beginning and end of the year in 2024 and 2023 was 55,500. There were no cancellations or modifications to the awards in 2024 or 2023. See Note 22 for further details.

Results and dividends

The loss for the period, after taxation, amounted to £141,038,000 (2023: £115,520,000).

The Directors do not recommend a final dividend (2023: £Nil).

Directors of the Group

The Directors who held office during the year were as follows:

C P Morris

E Wann

R M Bibi (resigned 28 February 2025)

J K I Van Gool (resigned 28 February 2025)

M G M Deroo (resigned 7 January 2025)

The following director was appointed after the year end:

N D L Jordan (appointed 7 January 2025 and resigned 28 February 2025)

Board composition

As at 31 December 2024 Rocket Topco Limited was owned 49.25% by KKR via Rocket Aggregator LP, 44.77% by Hg Capital via HGC Capital 8 Nominees Limited and 5.98% by Management. Of the above directors, C P Morris and E Wann represent Rocket Topco Limited, and prior to their resignations R M Bibi represented KKR and J K I Van Gool, M G M Deroo and N D L Jordan represented Hg Capital. In addition, there were two Non-Executive Directors on the Board, A Warby, a representative of KKR, and D Marriot, a representative of Hg Capital, but both resigned from their respective positions in 2025.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

The group has undertaken a group reorganisation exercise which completed on 28 February 2025. As part of the reorganisation KKR (40.84%), Hg (40.84%), a new minority investor HarbourVest (14.98%), and certain members of the Group's management team (3.34%), via the newly formed Broom Topco Limited together acquired 100% of the share capital of Rocket Topco Limited. KKR & Hg have joint control of Broom Topco Limited and consequently continue to have joint control of Rocket Topco Limited. Broom Topco Limited is the newly formed joint venture company, incorporated on 11 December 2024 due to the group reorganisation. Broom Topco Limited was incorporated on 11 December 2024 and at the point of completion on 28 February 2025 the Directors of the entity comprise E Wann and C P Morris who represent Broom Topco Limited, R M Bibi and H Arstad who represent KKR and J K I Van Gool and N Jordan who represent Hg Capital.

Key performance indicators

The Board uses a range of financial and non-financial performance indicators, reported on a regular basis, to monitor performance over time. These Key Performance Indicators include:

Financial

EBITDA, cash, new and renewed business, sales growth, order book value and tenure, and net revenue retention.

Non-financial

Customer Service and Net Promoter Score (NPS).

Net Promoter Score is defined as the % of promoters minus % of detractors following an HR, H&S visit or Atlas training session. Whilst not quantifiable itself customer service is inherently measured by the Group's NPS score. Maintaining a high NPS score is a key facet of the Group's strategy and business model with a high score giving rise to

- An increased likelihood of winning new business through upsell and cross sell to the existing customer base;
- An increased likelihood of maintaining the existing customer base through renewal of existing customer contracts nearing expiration.

Walker Guidelines Compliance Statement

The Board has acknowledged the need for enhanced disclosure and transparency in the financial statements under the Walker Guidelines. The Board is satisfied that basic compliance requirements have been achieved through the information included within the Directors' Report and Notes to the Financial Statements but acknowledge that this is a work in progress and additional details could be provided to achieve what is deemed Best Practice under the guidelines. In particular, it is noted additional details could be included in relation to Key Performance Indicators, Strategy and Business Model and Trends and Factors Affecting Future Development, however, disclosure is limited in these areas on the basis of further information being commercially sensitive. Details regarding Net Debt & Covenants have been provided in Note 18.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

Principal risks and uncertainties

Company specific and market risks

The pace of continued growth depends upon the Group continuing to attract new clients for its services and the renewal of existing client contracts. The directors are confident the ongoing strong performance of the Group clearly demonstrates its success and resilience.

The servicing of the Group's growing client base requires ongoing recruitment of qualified service personnel. The Group is dedicated to being a first-class employer and employing only the best.

The Group is confident of meeting the challenges of attracting new business both domestically and internationally, because of the size of the relevant markets, the heavy regulatory burden on small and medium sized businesses, the deployment of new routes to market, and the enhanced development of the service offerings using technology and new products. Additional staff will continue to be recruited to match the growth in the business, and to deliver the standards of service as recognised by the various professional bodies the Group is accredited by, including BSI under the ISO accreditation regime.

Changes in legislation have a significant impact on the Group through updates to client information and the requirement to ensure that all staff maintain their comprehensive knowledge of the regulations that could affect clients.

Liquidity risk

The Board reviews the Group's liquidity risks both bi-annually, as part of the planning and budgeting process, and on an ad-hoc basis to ensure the Group can access sufficient cash resources to meet covenant and funding requirements and liabilities as they fall due. Short-term and long-term cash flow forecasts are regularly performed and reported to the Board. Utilisation and headroom of facilities are reported to the Board monthly. The Group's finance team monitor cash positions and this is reported at an entity and consolidated level to the Senior Management Team on a weekly basis and the Group maintains access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

Credit risk

The Group is exposed to credit risk on financial assets to the extent it is owed trade and other receivables from customers. The Group's credit control function manages trade receivable exposure in house and through use of specialist debt recovery lawyers. At risk customers are reported to the Senior Management Team on an ad-hoc basis and action is taken swiftly to reduce risk through measures such as agreeing payment plans with customers. When debt is deemed irrecoverable overdue invoices and any related accrued income balance is written off against the relevant underlying provisions.

Interest rate risk

The Group is exposed to interest rate risk as a result of long-term interest bearing liabilities, of which some are subject to variable interest rates. The Group mitigates the risk by monitoring SONIA and taking out interest rate hedges where appropriate.

Brexit Risk

The Group has considered the impact of Brexit and consider the risk to be minimal. This is due to the Group having a diversified portfolio of over 110,000 clients at the end of 2024 and sales predominantly being either from the Group's UK businesses to external UK businesses, or from the Group's Australia, New Zealand and Canada businesses to external businesses in their respective domestic markets.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

Cyber Risk

The Group is at risk of a cyber-attack given that it delivers its service offering alongside technology based platforms. Failure to prevent a cyber-attack or data breach could negatively impact the Group's customer and employee data, financial reporting systems and stakeholder confidence and could ultimately result in fines levied by ICO. The business continues to proactively manage risks associated with data loss, GDPR non-compliance and data control weaknesses and has hired Data Protection Officers across the Group who have introduced data security training programmes for the Group's employees and who undertake reviews of the Group's IT structure, systems and procedures on an ongoing basis to ensure they are fit for purpose.

Climate Risk

The Group has considered the impact of climate change and considers the risk to be minimal given the nature of the Group's services. The regulatory burden on small and medium sized businesses both domestically and internationally will remain, and indeed likely increase, as the increasing impact of climate change is felt across the globe. The Group also has a widespread geographical presence and can deliver its services remotely, alongside a hybrid working model for employees, therefore it is deemed trading would not be significantly hindered by travel restrictions or climate related disasters. Further, the Group has no significant manufacturing or storage facilities. The Group recognises the importance of issues such as climate change and energy consumption, and that increasing environmental regulation will continue to be a trend going forward. The Group continues to look for ways to minimise its impact on the environment.

Other Risks

The Group has considered the impact of the war in Ukraine and the ongoing high inflationary environment and cost of living crisis within the UK and considers the risk to be minimal. This is due to the Group predominantly trading with customers based in the UK, Australia and New Zealand and due to the Group's largely technology based offering, which is not reliant on supply chains that could potentially be cut off. Whilst the Group acknowledges that continued unrest in Ukraine could lead to increased prices, particularly fuel, this is not deemed to have a significant impact on the Group due to the nature of its cost base and due to the Group being able to mitigate an increasing cost base through price rises on its own products and encouraging remote delivery of services and a hybrid working model for employees.

The Group is conscious of the legacy of the impact of Covid-19, including the impact of moving to a hybrid working model. The Group keeps in close communication with all of its employees and continually reviews policies and procedures to ensure it safeguards employees' wellbeing. For those occasions where employees do work from the office the Group has taken appropriate actions to ensure its employees remain safe at all times.

The Group has considered the impact of the heightened tariff environment introduced by the United States from April 2025 and the Group considers the direct risk to be minimal. This is due to the Group predominantly trading services rather than goods and with the majority of sales taking place via sales to businesses within its respective domestic markets. With regard to cross-border sales only a very small portion of these are to the United States. The Group does however acknowledge that an indirect risk exists regarding the potential impact of knock-on effects caused by the high tariff environment, for example, a United States or global recession.

Environmental matters and emissions reporting

The Group is committed to minimising the environmental impact of its activities, products and services. This outlook extends to the environmental impact of the Group's customers for whom the Group provides a free sustainability hub for existing users of the Group's Atlas platform. The sustainability hub provides free resources and information to explain ESG in simple terms, offers a free sustainability self-assessment to help customers measure their current performance and provides a report with practical guidance to improve the way the customer engages with sustainability. The Group also now offers its clients an ESG Essentials Certification product via its Be Certified platform.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

The Board regularly evaluates the Group's policies in order to ensure compliance with relevant environmental legislation, regulations and other environmental requirements is maintained. The Group has continued to see improvements in the results of their annual ESG maturity assessments. The Group's greenhouse gas emissions reduction targets have been validated and approved by The Science Based Targets initiative. In addition to setting near-term targets, the Group has developed a carbon reduction plan to reach Net Zero by 2050. The Group's worldwide Carbon Emissions are detailed further below under Emissions Reporting and have been calculated and validated by an external expert consultancy.

Emissions reporting

	2024	2023
Energy Usage - MWh	1,190	1,732
Total Emissions - T CO ₂ e	12,152	3,902
Energy Intensity Ratio - T CO ₂ e per £m revenue	44.1	14.9

The increase in emissions is due to business growth, increased data coverage and improved data collection processes.

Environmental and energy efficiency initiatives undertaken in the year include:

- Reduction in employee travel through remote selling to and servicing of clients and the use of a hybrid working from home model for employees;
- Minimisation of waste through prevention, re-use and recycling such as use of a recycling company for office waste and replacing of plastic milk bottles for glass;
- A movement towards working with environmentally responsible suppliers;
- Reduction in printing;
- Raising awareness of the Cycle to Work scheme throughout the Group and encouraging uptake of the scheme;
- Procurement of renewable energy at both Wilmslow offices;
- Continued provision of an electric vehicle salary sacrifice scheme;
- Establishment of environmental committees throughout the Group and empowering colleagues to make changes both small and large to increase energy efficiency.

Going concern

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The Group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The Group restructured its funding arrangements as part of a refinancing exercise undertaken in January 2025, (as set out in Notes 18 and 30), to provide the Group with additional facilities and cash headroom. The Going Concern assessment reflects the new funding structure and revised covenant requirements following the refinance exercise.

In assessing the going concern assumption for these financial statements, the Directors have prepared a base case cash flow and profit forecast to 31 July 2026 to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

As forecasting is inherently difficult in the current environment, and revenues can be potentially impacted by external factors, the Directors have applied sensitivities to the base case, challenging the forecasted values by incorporating severe but plausible downside scenarios which include:

- A 15% reduction in the existing contracted client base including a 20% decrease in take-up on customer renewals; together with
- An average fall of new business across the forecast period of 50% against baseline budgeted growth; and
- A stepped increase up to 5% on the unhedged portion of SONIA charged on the Group's borrowings.

The Group is required to meet certain financial covenants to avoid breaching the terms of its facility agreement. Throughout the review period of its assessment, even after sensitising the forecasts for plausible downside scenarios, the Group maintains sufficient cash reserves to pay its liabilities as they fall due, including interest payments, and complies with its financial covenant.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the Group is able to continue as a going concern to 31 July 2026.

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any one sector, making the business more resilient to demand shocks. The Group's business has grown since the outbreak of Covid-19 in the UK, Australia and New Zealand and Canada with new business across all divisions having returned to pre-Covid levels or above before the end of 2021.
- With cash at the end of 2024 of £26,765,000 and a £84,900,000 undrawn revolving credit facility as at the end of May 2025 the Group has sufficient liquidity at the start of the forecast period for the period ahead.
- Only interest repayments are required to be made until the maturity of the bank debt in 2031 and 2032 (as applicable) - see Note 30 for further details.

Capital structure

As set out in Note 18, the Group has £599,883,000 of external debt as at 31 December 2024. Preference shares totalling £350,722,000 are held by the equity shareholders and senior members of the Management team. As at 31 December 2024 there is £220,460,000 of associated accumulated interest owed.

This type of capital structure, with a mix of external and shareholder debt, has been successful in supporting the growth of the business through two private equity transactions, and in ensuring successful delivery of organic growth and merger and acquisition targets to date for the current investment cycle.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

Corporate social responsibility

The Group is committed to taking its corporate social responsibilities very seriously and includes social and environmental issues at the heart of all decision-making processes. As the Group continues to grow, it is always looking for ways to increase efficiencies. The Group continues to maintain the ISO 9001 standard from the British Standards Institute, which demonstrates commitment to quality and improved performance.

As well as Group-wide charitable initiatives, each Group business raises money locally for charities close to them through a range of activities such as bake sales, donations, raffles, sponsored events and food bank donations. Many Group businesses offer paid community days through which over 700 hours of volunteering were delivered in 2024.

In addition to these charitable activities the Group supports various work experience placements, apprentices, industrial placements and has developed academy programmes to help develop young and diverse talent. The Group provides comprehensive training and advice to its employees to keep them safe and healthy. Throughout 2024 Group companies supported colleagues via wellbeing programmes which included Employee Assistance Programmes, mindfulness sessions and mental health, menopause and diabetes awareness training. There are employees across the Group who are qualified Mental Health First Aiders and the Group continues to deliver mental health training to managers with a focus on updated tools and tips to help them to support colleagues. In addition to this, the Group has delivered webinars to clients regarding mental health in the workplace.

Employee involvement

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Group and are of interest to them as employees. This is done via a monthly Group-wide business brief headed up by a member of the Local Board or Group Board. A heavy emphasis is placed on providing a rewarding and fair environment in which employees can come to work and produce their best results. The Group measures employee engagement annually and as a result consistently achieves top quartile employee engagement scores. All of the Group's qualified employees receive regular and funded CPD. The Group has development schemes in place to take entry level recruits through professional qualifications and has successfully trained and developed recruits to achieve a nationally recognised qualifications in Health & Safety, Human Resources, Employment Law, Finance and Fire Safety. The Group continues to run its Leadership Development Programmes including its Institute of Leadership and Management certified Women in Leadership programme. There are mandatory training schemes for Fire Marshals and Mental Health First Aiders. In addition, a number of colleagues have undertaken apprenticeship schemes.

Gender diversity

The Group strives to encourage and has seen the benefits of having a diverse and inclusive workforce. Whilst gender is just one facet of the Group's diversity and inclusion plan, it takes a continuous improvement approach and has seen improvements including but not limited to a reduction in its mean hourly gender pay gap for Group businesses required to report on their gender pay gap.

The Group has a Steering Group to help build an action plan to develop women in leadership, the aims of which are to unleash potential and to ensure the Group continues to have future high performing female senior leaders, to create more high performing females in commercial roles, and to continue to educate all colleagues with regard to diversity and inclusion.

The table below outlines the gender diversity of the Group as at 31 December 2024. The level 1 figure comprises the Group Chief Executive Officer (C P Morris) and their direct reports. Level 2 comprises the direct reports of employees in level 1. Note the figures provided are on the basis of Headcount rather than FTE (Full Time Equivalent).

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

	Total	Male		Female	
	Headcount	Headcount	%	Headcount	%
Level 1: CEO & CEO direct reports	11	8	73%	3	27%
Level 2: Direct reports of Level 1	43	26	60%	17	40%
All others	1,798	960	53%	828	47%
Total	1,852	994	54%	858	46%

Disabled employees

Disabled employees are given full and fair consideration for all types of vacancy. Should an existing employee become disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

Political donations

No political contributions/donations/expenditures were made during the year by the company nor any of its subsidiaries.

Post Balance Sheet Events

The group has undertaken a group reorganisation exercise which completed on 28 February 2025. As part of the reorganisation KKR (40.84%), Hg (40.84%), a new minority investor HarbourVest (14.98%), and certain members of the Group's management team (3.34%), via the newly formed Broom Topco Limited together acquired 100% of the share capital of Rocket Topco Limited. KKR and Hg have joint control of Broom Topco Limited and consequently continue to have joint control of Rocket Topco Limited. Broom Topco Limited is the newly formed joint venture company, incorporated on 11 December 2024 due to the group reorganisation. On 28 February 2025, on closing of the group reorganisation, the preference shares and associated accumulated interest outstanding as at 31 December 2024, as detailed in Notes 18 and 22, were repaid, and all of the share classes issued by the Company, as detailed in Note 22, were redesignated as one class of Ordinary shares.

On 18 December 2024 the Group signed an agreement to undertake an exercise to refinance the outstanding amounts relating to each of the unitranche loan facility, the acquisition credit facility, the 2023 acquisition credit facility and the revolving credit facility. This exercise completed on 16 January 2025 with all outstanding amounts on each facility as at 31 December 2024, as detailed in Note 18, being repaid on completion, with the repayment being funded via drawdown on the new facilities secured at the Rocket Bidco Limited level as listed below, with the exception of \$62,924,000 AUD outstanding on the acquisition credit facility, for which repayment was instead funded by an equivalent drawdown on the new rolling credit facility, as referenced below, upon completion. All hedging arrangements in place as at the point of the refinancing exercise remained in place post completion.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

The new facilities entered into on 16 January 2025 were as follows:

£590,000,000 relating to a new unitranche loan with various lenders. This is repayable on 15 January 2032 or will be repaid in the event of a sale of the Group. Interest is charged at Margin + SONIA and Margin is determined via a sliding scale and was 4.75% per annum at the point of completion. £590,000,000 was drawn on this facility at the point of completion.

£100,000,000 relating to a new Delayed Draw Term Loan (DDTL) facility with various lenders. This is repayable on 15 January 2032 or will be repaid in the event of a sale of the Group. Interest is charged in line with the new unitranche loan above. Commencing 15 January 2026 a commitment fee of 1.00% per annum will be charged for undrawn amounts on this facility. A drawdown fee of 1.00% is paid to lenders on drawdowns made on this facility. The DDTL facility remained undrawn at the point of completion.

£100,000,000 relating to a new revolving credit facility with various lenders. This is repayable on 15 July 2031 or will be repaid in the event of a sale of the Group. Interest is charged at Margin + SONIA and Margin is determined via a sliding scale and was 4.00% per annum at the point of completion. A commitment fee set at 30% of Margin is charged for undrawn amounts on this facility. At the point of completion \$62,924,000 AUD was drawn on this facility.

On 7 March 2025 a repayment of \$62,924,000 was made on the new revolving credit facility.

On 18 March 2025 a drawdown of £24,016,000 was made on the new revolving credit facility.

On 19 March 2025 the Group acquired the final 25% of Citation Holdings Pty Ltd. The cash purchase price was \$41,000,000 AUD.

On 19 March 2025 the Group acquired TrustID Limited and its subsidiary Red and White Solutions Limited, a provider of Digital ID Checking Services. The initial cash purchase price was £21,178,000 with up to a further £5,000,000 of deferred remuneration dependent on service and performance milestones.

On 22 April 2025 a drawdown of £24,470,000 was made on the DDTL facility and a repayment of £24,016,000 was made on the new revolving credit facility.

On 1 May 2025 a drawdown of \$30,904,000 AUD was made on the new revolving credit facility.

On 1 May 2025 the Company issued 25,000,000 Ordinary shares at a price of £1.00 per share and with an aggregate value of £25,000,000.

On 7 May 2025 the Group extended the ceiling of the DDTL facility by £100,000,000 from £100,000,000 to £200,000,000.

On 13 May 2025 the Group acquired foundU Holdings Ltd, a provider of Payroll Services. The initial cash purchase price was \$71,726,000 AUD with up to a further \$2,000,000 AUD of deferred remuneration dependent on service and integration related milestones.

On 28 July 2025 a drawdown of \$31,425,000 AUD was made on the DDTL facility and a repayment of \$30,904,000 AUD was made on the new revolving credit facility.

Rocket Topco Limited

Directors' Report for the Year Ended 31 December 2024

Reappointment of auditors

The auditor, Ernst & Young LLP will be proposed for reappointment in accordance with the Companies (Jersey) Law 1991, having indicated their willingness to continue in office.

Approved and authorised by the Board on 30th July 2025 and signed on its behalf by:

Eloise Wann

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E Wann
Director

Rocket Topco Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Jersey Company law requires the Directors to prepare financial statements for each financial period in accordance with generally accepted accounting principles. Therefore, the Directors have decided to adopt FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company at the period end and of the profit or loss of the Company for the period then ended.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are 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 to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Rocket Topco Limited

Independent Auditor's Report to the Members of Rocket Topco Limited

Opinion

We have audited the financial statements of Rocket Topco Limited and its subsidiaries (the “group”) for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s ability to continue as a going concern for the period to 31 July 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group’s ability to continue as a going concern.

Rocket Topco Limited

Independent Auditor's Report to the Members of Rocket Topco Limited

Other information

The other information comprises the information included in the annual report. [other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

Rocket Topco Limited

Independent Auditor's Report to the Members of Rocket Topco Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the Companies (Jersey) Law 1991) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its own operations, including anti-bribery regulations, employment law and regulations, health and safety and GDPR. We understood how Rocket Topco Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance. We also reviewed correspondence with relevant authorities
- We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur by considering areas of significant judgement and estimation, complex transactions, performance targets, economic or external pressures and the impact these factors have on a likelihood of material misstatement. We considered the risk of management override and assumed revenue to be a fraud risk specifically as a result of manual journals posted and considered the design of controls at the financial statement level, to prevent this, as well as incorporating data analytics in our audit approach.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of minutes of board meetings, direct enquiry of management and those charged with governance, journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and legislation .


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

Rocket Topco Limited

Independent Auditor's Report to the Members of Rocket Topco Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Elizabeth Jones
for and on behalf of Ernst & Young LLP
Manchester

30 July 2025
Date:.....

Rocket Topco Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Turnover	3	275,414	262,535
Cost of sales		<u>(92,436)</u>	<u>(97,940)</u>
Gross profit		182,978	164,595
Administrative expenses	4	<u>(209,049)</u>	<u>(170,683)</u>
Operating loss	4	(26,071)	(6,088)
Loss on disposal of subsidiaries		-	(4,108)
Other interest receivable and similar income	9	1,244	284
Interest payable and similar expenses	10	<u>(116,993)</u>	<u>(104,014)</u>
Loss before tax		(141,820)	(113,926)
Tax credit/(charge) on loss	11	<u>782</u>	<u>(1,594)</u>
Loss for the financial year		<u><u>(141,038)</u></u>	<u><u>(115,520)</u></u>
Profit/(loss) attributable to:			
Owners of the Company		(141,514)	(115,487)
Minority interests		<u>476</u>	<u>(33)</u>
		<u><u>(141,038)</u></u>	<u><u>(115,520)</u></u>
Loss for the year		(141,038)	(115,520)
Foreign currency translation differences		<u>(3,025)</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(144,063)</u></u>	<u><u>(115,520)</u></u>

The above results were derived from continuing operations with the exception of the results pertaining to the year ended 31 December 2023 which contain results for subsidiaries disposed of during the period, (revenue of £16,908,000 and loss before tax of £3,813,000 in the period prior to disposal).

The Group has no recognised gains or losses for the year other than the results above.

Rocket Topco Limited

(Registration number: FC038851)

Consolidated Statement of Financial Position as at 31 December 2024

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Intangible assets	12	280,922	244,476
Tangible assets	13	3,875	4,069
Investments	14	19	19
		<u>284,816</u>	<u>248,564</u>
Current assets			
Stocks		-	67
Cash at bank and in hand		26,195	19,638
Debtors: Amounts falling due within one year	16	64,107	61,229
Debtors: Amounts falling due after more than one year	16	14,977	15,943
		<u>105,279</u>	<u>96,877</u>
Creditors: Amounts falling due within one year	17	<u>(88,961)</u>	<u>(60,895)</u>
Net current assets		<u>16,318</u>	<u>35,982</u>
Total assets less current liabilities		301,134	284,546
Creditors: Amounts falling due after more than one year	17	(1,164,425)	(1,012,025)
Provisions for liabilities	20	<u>(3,439)</u>	<u>(4,543)</u>
Net liabilities		<u><u>(866,730)</u></u>	<u><u>(732,022)</u></u>
Capital and reserves			
Called up share capital	23	1,077	1,077
Own shares held by EBT		(27)	(27)
Share premium	24	11,513	11,513
Merger reserve	25	(184,446)	(184,446)
Other capital reserves		9,355	-
Profit and loss account		<u>(705,875)</u>	<u>(561,336)</u>
Equity attributable to owners of the company		(868,403)	(733,219)
Non-controlling interests		<u>1,673</u>	<u>1,197</u>
Shareholders' deficit		<u><u>(866,730)</u></u>	<u><u>(732,022)</u></u>

Approved and authorised by the Board on 30th July 2025 and signed on its behalf by:

Eloise Wann

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E Wann
Director

The notes on pages 24 to 64 form an integral part of these financial statements.

Rocket Topco Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024 Equity attributable to the parent company

	Share capital	Own shares held by EBT Note 23	Share premium	Merger reserve	Other capital reserves	Profit and loss account	Non- controlling interests	Total equity
Note	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2024	1,077	(27)	11,513	(184,446)	-	(561,336)	1,197	(732,022)
(Loss)/profit for the year	-	-	-	-	-	(141,514)	476	(141,038)
Foreign currency translation reserve	-	-	-	-	-	(3,025)	-	(3,025)
Total comprehensive income	-	-	-	-	-	(144,539)	476	(144,063)
Share-based payments accruals	22 -	-	-	-	9,355	-	-	9,355
At 31 December 2024	<u>1,077</u>	<u>(27)</u>	<u>11,513</u>	<u>(184,446)</u>	<u>9,355</u>	<u>(705,875)</u>	<u>1,673</u>	<u>(866,730)</u>

The notes on pages 24 to 64 form an integral part of these financial statements.

Rocket Topco Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024 Equity attributable to the parent company

	Share capital Note	Own shares held by EBT Note 23	Share premium £ 000	Merger reserve £ 000	Other capital reserves £ 000	Profit and loss account £ 000	Non- controlling interests £ 000	Total equity £ 000
At 1 January 2023	1,000	(27)	-	(184,446)	-	(445,849)	1,230	(628,092)
Loss for the year	-	-	-	-	-	(115,487)	(33)	(115,520)
New shares issued	22 77	-	11,513	-	-	-	-	11,590
At 31 December 2023	<u>1,077</u>	<u>(27)</u>	<u>11,513</u>	<u>(184,446)</u>	<u>-</u>	<u>(561,336)</u>	<u>1,197</u>	<u>(732,022)</u>

The notes on pages 24 to 64 form an integral part of these financial statements.

Rocket Topco Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Loss for the year		(141,038)	(115,520)
Adjustments to cash flows from non-cash items			
Depreciation		1,285	1,312
Amortisation		68,306	61,402
Share-based payments accruals		16,967	-
Loss on disposal of subsidiaries		-	4,108
Finance income	9	(1,244)	(284)
Financial expenses		56,766	47,382
Gain on movement in fair value of interest rate swaps		83	2,720
Accrued interest on preference shares		62,579	55,690
Unrealised foreign exchange gain		(2,551)	(1,778)
Deferred remuneration expense		4,620	5,755
Corporation tax (credit)/charge		(782)	1,594
		<u>64,991</u>	<u>62,381</u>
Working capital adjustments			
Decrease in stocks		67	65
Decrease/(increase) in trade debtors	16	1,182	(9,076)
Increase in trade creditors	17	<u>28,273</u>	<u>3,535</u>
Cash generated from operations		94,513	56,905
Interest received		2	13
Interest paid		(54,186)	(42,891)
Tax paid		(1,702)	(5,501)
Deferred remuneration paid		<u>(6,350)</u>	<u>(6,221)</u>
Net cash flow from operating activities		<u>32,277</u>	<u>2,305</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,105)	(1,057)
Purchase of intangible fixed assets		(13,251)	(10,387)
Proceeds from disposal of subsidiaries		-	5,612
Cash in disposed subsidiaries		-	(1,910)
Loans given on disposal of subsidiaries		-	(1,758)
Consideration in cash for current year acquisitions of subsidiaries		(99,791)	(125,625)
Acquired cash of new subsidiaries		1,484	6,414
Payment of deferred consideration accrued in respect of prior year acquisitions of subsidiaries		<u>(1,434)</u>	<u>(11,457)</u>
Net cash flows from investing activities		<u>(114,097)</u>	<u>(140,168)</u>

The notes on pages 24 to 64 form an integral part of these financial statements.

Rocket Topco Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from financing activities			
Capital element of finance lease		(2)	(85)
Issue of new loans		114,637	91,629
Capital facility costs paid		(1,438)	(3,966)
Hedging arrangement costs paid		-	(1,264)
Issue of ordinary share capital		-	11,590
(Redemption)/issue of preference shares		(15,757)	40,756
Repayment of preference shares interest		(8,493)	-
Net cash flows from financing activities		<u>88,947</u>	<u>138,660</u>
Net increase in cash and cash equivalents		7,127	797
Cash and cash equivalents at 1 January		19,638	18,841
Effect of exchange rate fluctuations on cash and cash equivalents		(570)	-
Cash and cash equivalents at 31 December		<u><u>26,195</u></u>	<u><u>19,638</u></u>

The notes on pages 24 to 64 form an integral part of these financial statements.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

1 General information

The Company is a private company limited by share capital, incorporated in Jersey.

The address of its registered office is:

2nd Floor

Sir Walter Raleigh House

48-50 Esplanade Street

St Helier

Jersey

JE2 3QB

2 Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

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

2.2 Statement of compliance and basis of preparation

The consolidated financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies (Jersey) Law 1991.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £000.

The Group has taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the Group.

2.3 Upcoming standards

On the 27 March 2024, the FRC published Amendments to FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland - Period Review 2024, following the second periodic review of FRS 102. These accounts are prepared without the forthcoming changes to FRS 102 and will be considered when they become effective.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.4 Basis of consolidation

The consolidated financial statements present the results of Rocket Topco Limited and all its subsidiaries ("the Group") as if they form a single entity drawn up to 31 December each year. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position the acquired identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date less any non-controlling interest.

Subsidiaries are consolidated from the date of incorporation or acquisition, being the date when the Group obtains control, and are consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the prior year Disclosure Services Ltd, Common Sense Compliance Limited, HRdownloads Inc. (subsequently known as Citation Canada Inc. from 30 May 2024), Timetastic Ltd and QuiqSolutions Limited have been included in the consolidated financial statements using the purchase method of accounting. Accordingly, the Group profit and loss account and statement of cash flows include the results and cash flows of:

- Disclosure Services Ltd for the 12 month period from its acquisition on 16 January 2023;
- Common Sense Compliance Limited for the 11 month period from its acquisition on 1 February 2023;
- HRdownloads Inc. (subsequently known as Citation Canada Inc. from 30 May 2024) for the 8 month period from its acquisition on 24 April 2023;
- Timetastic Ltd for the 8 month period from its acquisition on 19 May 2023.

In the current year PricewaterhouseCoopers Compliance Services Pty Ltd (subsequently known as Citation Standards Pty Ltd from 22 February 2024), Careskills Academy Ltd, Agendrix Inc. and Flexabee Ltd have been included:

- PricewaterhouseCoopers Compliance Services Pty Ltd (subsequently known as Citation Standards Pty Ltd from 22 February 2024) for the 10 month period from its acquisition on 16 February 2024;
- Careskills Academy Ltd Limited for the 10 month period from its acquisition on 29 February 2024;
- Agendrix Inc. for the 7 month period from its acquisition on 12 June 2024;
- Flexabee Ltd for the 3 month period from its acquisition on 1 October 2024.

In the prior year, following the disposal of The Industrial Diagnostics Company Limited, Occupational Medicals Enterprise Ltd, Sound Advice Health & Safety Limited and ELAS Occupational Health Limited and its subsidiaries S&ASH Ltd and Health and Safety Management Consultants Limited and Education Personnel Management Limited and its dormant subsidiary Avec Partnership Limited, the Group profit and loss account and statement of cash flows include the results and cash flows of:

- The Industrial Diagnostics Company Limited, Occupational Medicals Enterprise Ltd, Sound Advice Health & Safety Limited and ELAS Occupational Health Limited and its subsidiaries S&ASH Ltd and Health and Safety Management Consultants Limited for the 4 month period to disposal on 17 April 2023;
- Education Personnel Management Limited and its dormant subsidiary Avec Partnership Limited for the 12 month period to disposal on 14 December 2023.

In the current year no disposals were made.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

The purchase / sale consideration is allocated to the assets and liabilities on the basis of fair value at the date of acquisition / disposal as applicable.

2.5 Non-controlling interests

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests have a deficit balance.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.6 Going concern

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The Group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The Group restructured its funding arrangements as part of a refinancing exercise undertaken in January 2025, (as set out in Notes 18 and 30), to provide the Group with additional facilities and cash headroom. The Going Concern assessment reflects the new funding structure and revised covenant requirements following the refinance exercise.

In assessing the going concern assumption for these financial statements, the Directors have prepared a base case cash flow and profit forecast to 31 July 2026 to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

As forecasting is inherently difficult in the current environment, and revenues can be potentially impacted by external factors, the Directors have applied sensitivities to the base case, challenging the forecasted values by incorporating severe but plausible downside scenarios which include:

- A 15% reduction in the existing contracted client base including a 20% decrease in take-up on customer renewals; together with
- An average fall of new business across the forecast period of 50% against baseline budgeted growth; and
- A stepped increase up to 5% on the unhedged portion of SONIA charged on the Group's borrowings.

The Group is required to meet certain financial covenants to avoid breaching the terms of its facility agreement. Throughout the review period of its assessment, even after sensitising the forecasts for plausible downside scenarios, the Group maintains sufficient cash reserves to pay its liabilities as they fall due, including interest payments, and complies with its financial covenant.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the Group is able to continue as a going concern to 31 July 2026.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any one sector, making the business more resilient to demand shocks. The Group's business has grown since the outbreak of Covid-19 in the UK, Australia and New Zealand and Canada with new business across all divisions having returned to pre-Covid levels or above before the end of 2021.
- With cash at the end of 2024 of £26,765,000 and a £84,900,000 undrawn revolving credit facility as at the end of May 2025 the Group has sufficient liquidity at the start of the forecast period for the period ahead.
- Only interest repayments are required to be made until the maturity of the bank debt in 2031 and 2032 (as applicable) - see Note 30 for further details.

2.7 Judgements and estimates and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are estimates that have had the most significant effect on amounts recognised in the financial statements:

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Central costs are allocated to each CGU on proportion of either Turnover, headcount or a time spent basis depending on the nature of the cost.

Accrued Income

This represents the difference between invoiced sales and work carried out for which revenue is recognised in line with the contract delivery profile. The balance includes a provision to the extent customers fail to complete their contractual obligations. The estimate used in the calculation for the provision for contract cancellations is based on historical drop off trends adjusted for average settlement income receipts, this blended percentage is then applied to the Total Contract Value to arrive at the provision. For the provision at December 2024 the estimate used is based on the January 2022 to December 2024 period.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.8 Revenue recognition

Revenue is stated net of value-added tax, discounts, rebates and after the elimination of intercompany transactions within the Group. The Group operates a number of different businesses offering a range of products and services and accordingly applies a variety of methods for revenue recognition, based on the principles set out in FRS102. For contractual revenue this is recognised in line with the service delivered to customers across the contract length which can be between 12 months and 10 years depending on the product or service. The cost of service delivery is allocated to the performance obligations in the contract and revenue recognised in line with this cost allocation and at the point these performance obligations are satisfied over the course of the contract. For any non-contract revenue this is recognised at the point the control of goods or services is transferred to the customer.

The Group has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent, as more than one party is involved in providing the goods and services to the customer.

The Group is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Group has in establishing the price for the specified good or service, whether the Group has inventory risk and whether the Group bears responsibility for fulfilling the promise to deliver the service or good. Where the Group is acting as an agent revenue is recorded at a net amount reflecting the margin. The Group acts as a principal if it controls a promised good or service to the customer. Where the Group is acting as a principal, revenue is recorded on a gross basis.

The assessment of control requires some judgement in particular in relation to certain service contracts. An example is the provision of certain employment screening where the Group may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the service being delivered.

To the extent that invoices are raised to a different pattern than the revenue recognition based on service delivery appropriate adjustments are made through accrued and deferred income to account for this.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Profit and loss account over its useful economic life.

Goodwill is being amortised over 7 years.

If a subsidiary is subsequently sold or discontinued any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or discontinuance.

Intangible assets acquired separately from a business are capitalised at cost.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Prior to 1 January 2018, intangible assets acquired as part of an acquisition of a business are recognised separately from goodwill if:

- (a) it was probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and the fair value can be measured reliably; and either
- (b) the intangible asset arises from contractual or legal rights; or
- (c) the intangible asset is separable.

The Triennial Review 2017 amended the requirements of FRS 102 to require entities to recognise intangible assets acquired in a business combination separately from goodwill only where all three conditions (a), (b) and (c) above are met and to allow an accounting policy choice, applied prospectively, to separately recognise additional intangible assets that meet condition (a) and only one of condition (b) or (c) above.

In the year ended 31 December 2017 the company elected to early adopt the revised FRS102 guidance following the Triennial review and recognised intangible assets separately from goodwill only if criteria a, b and c were met.

In the prior and current year this resulted in instances in which intangible assets have been recognised separately to goodwill. See note 11 for details.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

Other intangible assets (development costs)

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets relate to external or internal development, technology, brands or customer contracts. Internal development refers to work carried out internally on specific projects which will deliver future economic benefit over the lifetime of the asset being generated and the costs can be measured reliably. External development refers to purchased intangible assets.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life is three to five years.

Asset class	Amortisation method and rate
Software Development	3 years
Technology	1 to 6 years
Brands and Content	1 to 5 years
Customer contracts	Dependent on the life of the individual contracts ranging from an average of 1 to 3 years

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Asset class	Depreciation method and rate
Short-term leasehold property	over the life of the lease
Motor vehicles	3 to 4 years
Fixtures and fittings	3 to 5 years
Office equipment and computers	3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.11 Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on the available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and discounted at the companies weighted average cost of capital, with a perpetuity calculation being made on the year 5 cash flows to determine each CGUs terminal value. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Further details of the discount rate and growth rate assumptions mentioned above used are given in note 12.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Accrued income

Accrued income represents recognised turnover less amounts invoiced. A provision against accrued income is recognised to the extent customers fail to complete their contractual obligations based on past evidence.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.15 Financial instruments

The Group typically enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. The Group has more recently entered into derivatives, specifically interest rate hedges on the SONIA portion of the Group's Borrowings, being two interest rate swaps during the course of 2022, with subsequent entry into an interest rate cap, and an amendment to one of the interest rate swaps entered into in 2022, during the course of 2023. In 2024 the Group entered into two interest swaps that will come into effect in 2025, replacing the interest rate swaps entered into in 2022 and the interest rate cap entered into in 2023, both of which expire in 2025.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the year end.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative instruments

Derivative financial instruments are not basic financial instruments. The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The Group also uses interest rate swaps to adjust interest rate exposures. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

The Group does not undertake any hedge accounting transactions.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.16 Trade creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Share issue costs

The arrangement costs for the issue of shares are charged to the Consolidated Statement of Comprehensive Income in the period the shares are issued.

2.19 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

2.20 Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.21 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.22 Borrowing costs

The arrangement costs for the bank loans are charged to the Consolidated Statement of Comprehensive Income over the term of the loans.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation and it is probable that it requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Statement of Financial Position date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.24 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date in the countries where the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date.

2.25 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.26 Deferred remuneration

When amounts payable to former owners of businesses are conditional on remaining in employment within the Group these amounts are treated as remuneration and recognised over the remaining service.

2.27 Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all the related conditions will be met, usually on submission of a valid claim for payment.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.28 Preference shares

The preference shares are redeemable on exit or as agreed with the preference shareholders and accrue dividends annually at a 12% coupon rate. As a consequence the preference shares meet the definition of a debt instrument and have been disclosed as debt on the balance sheet.

During the year ending 31 December 2024 the Company bought back preference shares previously issued at which point the shares were immediately cancelled. See Note 23 for further details.

2.29 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the Group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within interest receivable and similar income for gains and finance costs for losses. All other foreign exchange gains and losses are presented in profit or loss within administrative expenses.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.30 Dividends

Equity dividends are recognised when approved by the shareholders at a meeting of the members. Subject to the Shareholders' Agreement, the members may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends or any other distributions in accordance with the Companies Law. The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits of the company justify the payment. A dividend must not be declared unless the directors have made a recommendation as to its amount and must not exceed the amount recommended by the directors.

Dividends on preference shares recognised as liabilities are recognised as expenses and classified within finance costs.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

2 Accounting policies (continued)

2.31 Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by reference to entity-specific observable market data from the most recent transaction in the entity's shares. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than market conditions and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied. Where vesting conditions are dependent on an exit event no expense is recognised until exit is reasonably certain.

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

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

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

The financial effect of awards by the parent company of equity-settled awards to the employees of subsidiary undertakings are recognised by the parent company in its individual financial statements. In particular, the parent company records an increase in its investment in subsidiaries with a credit to equity equivalent to the expense for the equity-settled award recognised in the Group for such awards. There are no recharges to the subsidiary undertakings for such awards

Cash-settled transactions

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount of the liability are recognised in profit or loss for the period.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

3 Analysis of turnover

The analysis of the Group's turnover for the year by market is as follows:

	2024	2023
	£ 000	£ 000
Rendering of services, UK	230,559	228,644
Rendering of services, Canada	19,648	11,004
Rendering of services, Australia and New Zealand	25,207	22,887
	<u>275,414</u>	<u>262,535</u>

4 Operating loss

Arrived at after charging/(crediting)

		2024	2023
	Note	£ 000	£ 000
Depreciation expense	13	1,285	1,312
Amortisation expense	12	68,306	61,402
Foreign exchange losses		-	781
Operating lease expense - property		2,059	2,104
Operating lease expense - plant and machinery		155	230
Operating lease expense - other		342	148
Defined contribution pension cost	21	4,454	3,208
Deferred remuneration		<u>4,620</u>	<u>5,755</u>

Within operating loss are amounts totalling £4,620,000 (2023: £5,755,000) relating to deferred remuneration payments as charged in the current year being: an amount of £2,006,000 in relation to the prior year acquisition of Timetastic Ltd, £60,700 in relation to the prior year acquisition of QMSCS Pty Limited £24,700 in relation to the prior year acquisition of Common Sense Compliance Limited and £2,528,000 in relation to the current year acquisition of Agendrix Inc and are included within Notes 15 and 17 of these financial statements where applicable. Within administrative expenses are £33,456,000 (2023: £500,000) of transaction costs as included in note 5.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

5 Transaction costs

The following transaction costs related to group reorganisation have been included in administrative expenses in the statement of comprehensive income:

	2024 £ 000	2023 £ 000
Professional and legal expenses	12,539	-
Bonuses and incentive plans relating to equity settled share-based payment transactions payable to senior management team on transaction	9,355	-
Bonuses and incentive plans relating to cash settled share-based payment transactions payable to senior management team on transaction	7,612	-
Debt arrangement fees paid to principal owners	3,950	500
	<u>33,456</u>	<u>500</u>

6 Auditors' remuneration

	2024 £ 000	2023 £ 000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>542</u>	<u>475</u>

7 Employees

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2024 £ 000	2023 £ 000
Wages and salaries	90,637	82,713
Social security costs	7,684	7,622
Pension costs, defined contribution scheme	4,454	3,208
	<u>102,775</u>	<u>93,543</u>

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

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

7 Employees (continued)

	2024	2023
	No.	No.
Sales	686	662
Consultants	438	676
Administration	730	485
	<u>1,854</u>	<u>1,823</u>

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2024	2023
	£ 000	£ 000
Remuneration	575	830
Contributions paid to money purchase schemes	20	20
	<u>595</u>	<u>850</u>

During the year retirement benefits were accruing to 2 Directors (2023: 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £340,000 (2023: £490,000) with £Nil (2023: £Nil) company pension contributions to defined contribution schemes.

9 Interest receivable

	2024	2023
	£ 000	£ 000
Interest income on bank deposits	2	13
Interest income on Vendor Loan Notes	1,242	271
	<u>1,244</u>	<u>284</u>

Interest income on vendor loan notes relates to interest received on loan notes issued on disposal of the Group's Occupational Health Division on 17 April 2023 and Education Division on 14 December 2023 respectively.

Interest on the vendor loan note relating to the Occupational Health Division disposal accrues at 7% compounded quarterly for the first 12 months and 8% for the following 12 months. An additional Exit fee accrues at 0% for the first 9 months, 4% for the next 12 months and 8% for the final 3 months. The vendor loan note was repayable in full in April 2025 but was settled early via cash payment on 22 July 2024. See Note 16 for further details.

Interest on the vendor loan note relating to the Education Division disposal accrues at 12% compounded quarterly. The vendor loan note is repayable in full in December 2028.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

10 Finance costs

	2024	2023
	£ 000	£ 000
Bank interest payable	53,921	43,525
Preference share interest payable	62,579	55,690
Amortisation of capitalised facility costs	2,905	2,209
Hedging arrangement costs	-	1,264
Foreign exchange gain on retranslation of AUD loan	(2,551)	(1,778)
Deferred consideration discounting unwind	56	384
Gain on movement in fair value of interest rate swaps	83	2,720
	<u>116,993</u>	<u>104,014</u>

11 Taxation

Tax charged in the consolidated statement of comprehensive income

	2024	2023
	£ 000	£ 000
Corporation tax		
Current tax charge for the year	3,911	3,801
Tax (credit)/charge related to prior year	<u>(1,368)</u>	<u>232</u>
Total corporation tax charge	<u>2,543</u>	<u>4,033</u>
Deferred tax		
Current tax credit for the year	(812)	(2,019)
Tax credit related to prior year	<u>(2,513)</u>	<u>(420)</u>
Total deferred taxation	<u>(3,325)</u>	<u>(2,439)</u>
Tax (receipt)/expense in the income statement	<u>(782)</u>	<u>1,594</u>

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

11 Taxation (continued)

Factors affecting tax charge for the year

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 25% (2023: higher than the standard rate of corporation tax in the UK of 23.5%).

The differences are explained below:

	2024 £ 000	2023 £ 000
Loss before tax	<u>(141,820)</u>	<u>(113,926)</u>
Corporation tax at standard rate	(35,455)	(26,773)
Permanent differences	38,448	28,361
Utilisation of brought forward losses	-	(9)
Adjustments in respect of prior years	(3,882)	(188)
Difference in overseas tax rate	<u>107</u>	<u>203</u>
Total tax (credit)/charge	<u>(782)</u>	<u>1,594</u>

At 31 December 2024, the Group had £Nil (2023: £Nil) of unrecognised tax losses carried forward and £Nil (2023: £16,300,000) of corporate interest deductions not recognised as deferred tax assets.

Within the Group, each of Rocket Topco, Citation Topco and Citation Midco are incorporated in Jersey. The central management and control of each is exercised in the UK and therefore each company is deemed to be tax resident in the UK.

Citation Holdings Pty Ltd, Citation Group Pty Ltd, Citation Legal Pty Ltd, Citation Migration Pty Ltd, enableHR Pty Limited, Citation HR Pty Ltd, Consolidated Compliance Holdings Pty Limited, Citation Certification Pty Ltd, Citation Standards Pty Ltd and Best Practice Certification Pty Limited are incorporated in Australia. enableHR Limited New Zealand and Citation HR Limited New Zealand are incorporated in New Zealand. The central management and control of each is exercised in Australia and therefore each company is deemed a tax resident in Australia.

Citation Canada Inc. and Agendrix Inc. are incorporated in Canada. The central management and control is also exercised in Canada and therefore is deemed a tax resident in Canada.

The remainder of the subsidiaries within the Group as listed in Note 14 of these financial statements, are UK incorporated and therefore subject to UK tax as default.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

12 Intangible assets

Group	Software Development £ 000	Goodwill £ 000	Technology £ 000	Customer Contracts £ 000	Brands £ 000	Total £ 000
Cost or valuation						
At 1 January 2024	35,634	487,809	16,879	5,956	6,852	553,130
Additions	13,251	89,139	-	-	-	102,390
Disposals	(198)	-	-	-	-	(198)
Acquired on business combinations	211	-	3,424	3,222	1,784	8,641
Foreign exchange translation adjustment	(412)	(5,669)	-	-	-	(6,081)
At 31 December 2024	<u>48,486</u>	<u>571,279</u>	<u>20,303</u>	<u>9,178</u>	<u>8,636</u>	<u>657,882</u>
Amortisation						
At 1 January 2024	21,844	274,770	3,644	4,673	3,723	308,654
Charge for the year	<u>7,753</u>	<u>52,228</u>	<u>3,142</u>	<u>2,478</u>	<u>2,705</u>	<u>68,306</u>
At 31 December 2024	<u>29,597</u>	<u>326,998</u>	<u>6,786</u>	<u>7,151</u>	<u>6,428</u>	<u>376,960</u>
Net book value						
At 31 December 2024	<u>18,889</u>	<u>244,281</u>	<u>13,517</u>	<u>2,027</u>	<u>2,208</u>	<u>280,922</u>
At 31 December 2023	<u>13,790</u>	<u>213,039</u>	<u>13,235</u>	<u>1,283</u>	<u>3,129</u>	<u>244,476</u>

Refer note 15 for details of goodwill arising on acquisitions.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

12 Intangible assets (continued)

The Group performed its annual impairment test in December 2024. The Group considers the relationship between value in use and its book value, among other factors, when reviewing for indicators of impairment. The Group has performed an impairment test based on the value in use model in line with the methodology outlined in note 2.11.

The Group has performed an impairment test based on value in use calculation for each CGU and comparing it to the carrying value of the CGUs underlying assets base including its allocated goodwill and other intangibles. The model forecasts discounted cashflows for the next 5 years and uses a perpetuity calculation thereafter to quantify the CGUs value in use.

For all CGUs the key assumptions in the value in use model are forecast EBITDA growth which for the five year period from 2024 to 2029 averages 17% per annum, a discount rate of 10.1% (for all UK and Canada CGU's), 11.0% and 19.28% (for the two Australia CGU's) and has been applied and from year 5 a long-term growth rate of 1% into perpetuity. The calculation of value in use for all CGU's is most sensitive to EBITDA growth rate.

The board acknowledges that there are additional factors that could impact the risk profile of the CGUs, which has been considered by way of sensitivity analysis performed as part of the annual impairment test. Significant headroom exists in the CGUs. The level of headroom may change if different growth rate assumptions or a different pre-tax discount rate were used in the cash flow projections, however there are no reasonably possible changes to these assumptions that would result in an impairment. As a result of this analysis, management has not recognised an impairment.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

13 Tangible assets

Group

	Leasehold improvements £ 000	Fixtures and fittings £ 000	Office equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost or valuation					
At 1 January 2024	2,656	1,154	1,972	(36)	5,746
Additions	89	21	995	-	1,105
Acquired through business combinations	-	5	138	-	143
Disposals	-	(6)	(11)	36	19
Foreign exchange translation adjustment	(83)	(8)	(48)	-	(139)
At 31 December 2024	<u>2,662</u>	<u>1,166</u>	<u>3,046</u>	<u>-</u>	<u>6,874</u>
Depreciation					
At 1 January 2024	326	590	798	(37)	1,677
Charge for the year	316	175	794	-	1,285
Eliminated on disposal	-	-	-	37	37
At 31 December 2024	<u>642</u>	<u>765</u>	<u>1,592</u>	<u>-</u>	<u>2,999</u>
Carrying amount					
At 31 December 2024	<u>2,020</u>	<u>401</u>	<u>1,454</u>	<u>-</u>	<u>3,875</u>
At 31 December 2023	<u>2,330</u>	<u>564</u>	<u>1,174</u>	<u>1</u>	<u>4,069</u>

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

13 Tangible assets (continued)

For all CGUs with exception of Australia and Canada, there are no reasonable possible changes to the assumptions that would result in an impairment.

14 Investments

Group

	2024 £ 000
At 1 January	19
At 31 December	19

Investments include unlisted investments of £19,000 in relation to the EPM Holdings Limited. Unlisted investments are held at cost less impairment as fair value cannot be reliably determined.

Details of undertakings

The following are subsidiary undertakings of Rocket Topco Limited:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Rocket Midco Limited	England and Wales ***	Ordinary shares	100%	Holding company
Rocket Bidco Limited*	England and Wales ***	Ordinary shares	100%	Holding company
Citation Topco Limited*	Jersey **	Ordinary shares	100%	Holding company
Citation Midco Limited*	Jersey **	Ordinary shares	100%	Holding company
Citation Holdings Limited*	England and Wales ****	Ordinary shares	100%	Holding company
Citation Limited*	England and Wales ****	Ordinary shares	100%	Health & Safety and Employment Law services
Citation ISO Certification Limited*	England and Wales ****	Ordinary shares	100%	ISO Certification & Consultancy services
Safety Management Advisory Services Limited*	England and Wales ****	Ordinary shares	100%	SSIP Accreditation services
Citation Fire & Electrical Limited*	England and Wales ****	Ordinary shares	100%	Dormant
Solutionhost Group Limited*	England and Wales *****	Ordinary shares	100%	Dormant
HS Direct Limited*	England and Wales ****	Ordinary shares	100%	Health & Safety and Employment Law services

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

14 Investments (continued)

Solution Host (UK) Limited*	England and Wales *****	Ordinary shares	100%	Dormant
EL Direct Ltd*	England and Wales *****	Ordinary shares	100%	Dormant
Southall Associates Ltd*	England and Wales *****	Ordinary shares	100%	Dormant
Food Alert Limited*	England and Wales ****	Ordinary shares	100%	Food Safety services
NT Assure Limited*	England and Wales *****	Ordinary shares	100%	Dormant
The Xact Group Limited*	Scotland *****	Ordinary shares	100%	Dormant
iHASCO Ltd*	England and Wales ****	Ordinary shares	100%	eLearning services
Employment Law Advisory Services Limited*	England and Wales ****	Ordinary shares	100%	Dormant
Support, Training & Services Limited*	England and Wales ****	Ordinary shares	100%	Dormant
Fire Finco Limited*	England and Wales ****	Ordinary shares	100%	Holding company
Simply Safe Worldwide Limited*	England and Wales *****	Ordinary shares	100%	Dormant
uCheck Limited*	England and Wales ****	Ordinary shares	100%	Criminal Record Bureau Checking services
Citation Cyber Limited*	England and Wales ****	Ordinary shares	100%	Cyber Security services
Surefoot Solutions Limited*	England and Wales ****	Ordinary shares	100%	Dormant
Disclosure Services Ltd*	England and Wales ****	Ordinary shares	100%	Criminal Record Bureau Checking services
Common Sense Compliance Limited*	England and Wales ****	Ordinary shares	100%	Food Safety services
Timetastic Ltd*	England and Wales ****	Ordinary shares	100%	Human Resource services
QuiqSolutions Limited*	England and Wales ****	Ordinary shares	100%	Human Resource services
Citation Hero Limited*	England and Wales ****	Ordinary shares	100%	Holding company
Citation Canada Inc (formerly known as: HRDownloads Inc.)*	Canada *****	Ordinary shares	100%	Human Resource services
Citation Holdings Pty Ltd*	Australia *****	Ordinary shares	75%	Holding company

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

14 Investments (continued)

Citation Group Pty Ltd*	Australia *****	Ordinary shares	75%	Holding company
Citation Legal Pty Limited*	Australia *****	Ordinary shares	75%	Employment Law services
Citation Migration Pty Ltd*	Australia *****	Ordinary shares	75%	Visa Application Administration services
enableHR Pty Limited*	Australia *****	Ordinary shares	75%	Human Resource services
enableHR Pty Limited New Zealand*	New Zealand *****	Ordinary shares	75%	Human Resource services
Citation HR Pty Ltd*	Australia *****	Ordinary shares	75%	Human Resource services
Citation HR Limited*	New Zealand *****	Ordinary shares	75%	Human Resource services
Consolidated Compliance Holdings Pty Limited*	Australia *****	Ordinary shares	75%	Holding company
Citation Certification Pty Limited*	Australia *****	Ordinary shares	75%	ISO Consultancy services
QMS Certification Services International Pte Ltd*	Singapore *****	Ordinary shares	75%	Dormant
Best Practice Certification Pty Limited*	Australia *****	Ordinary shares	75%	ISO Consultancy services
Agendrix Inc.*	Canada *****	Ordinary shares	100%	Human Resource services
Citation Standards Pty Ltd* (formerly known as PricewaterhouseCoopers Compliance Services Pty Ltd)	Australia *****	Ordinary shares	100%	ISO Certification & Consultancy services
Careskills Academy Ltd*	England and Wales ****	Ordinary shares	100%	eLearning services
Be Certified Limited*	England and Wales ****	Ordinary shares	100%	ISO Certification & Consultancy services
Flexebec Ltd*	England and Wales ****	Ordinary shares	100%	eLearning services

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

14 Investments (continued)

* held by a subsidiary undertaking

** registered at 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St. Helier, JE2 3QB, Jersey

*** registered at Duo, Level 6, 280 Bishopsgate, London, United Kingdom, EC2M 4RB

**** registered at Kings Court, Water Lane, Wilmslow, Cheshire, SK9 5AR

***** registered at Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT

***** registered at Teneo Financial Services, 3rd Floor 66 Hanover Street, Edinburgh, EH2 1EL

***** registered at Level 11, 83 Mount Street, North Sydney, NSW 2060

***** registered at 1268 Robert's Line, RD8, Palmerston North, New Zealand, 4478

***** registered at UE Downtown, 6 Shenton Way, #38-01, Postal 068809, Singapore

***** registered at 727 Exeter Road, London, ON, N6E 1L3, Canada

***** registered at 234 Rue Dufferin, Local 303, Sherbrooke, QC, Canada, J1H 4M2, Canada

The Group has made the following acquisitions in the period 1 January 2024 to 31 December 2024:

On 16 February 2024 the Group, via Citation Holdings Pty Ltd, acquired 100% of the shares of PricewaterhouseCoopers Compliance Services Pty Ltd (subsequently known as Citation Standards Pty Ltd from 22 February 2024).

On 29 February 2024 the Group, via Citation Holdings Limited, acquired 100% of the shares of Careskills Academy Ltd.

On 9 May 2024 the Group, via Citation Holdings Limited, subscribed for 100% of the shares of Be Certified Limited.

On 12 June 2024 the Group, via Citation Hero Limited, acquired 100% of the shares of Agendrix Inc.

On 1 October 2024 the Group, via Citation Holdings Limited, acquired 100% of the shares of Flexabee Ltd.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

15 Group acquisitions

Citation Standards Pty Ltd

	2024 Book value	2024 Fair value adjustments	2024 Fair value to Group
	£ 000	£ 000	£ 000
Intangible assets	8	-	8
Debtors	35	-	35
Cash	193	-	193
Creditors	(5)	(49)	(54)
Net Assets	<u>231</u>	<u>(49)</u>	<u>182</u>
 Purchase consideration			117
Costs associated with acquisition			<u>82</u>
			199
Net assets acquired			(182)
Goodwill arising on acquisition			<u>17</u>

On 16 February 2024 the Group, via Fire Finco Limited, acquired Citation Standards Pty Ltd (formerly known as PricewaterhouseCoopers Compliance Services Pty Ltd).

As part of the acquisition 100% of the voting equity was acquired.

No Intangible assets from contractual or other legal rights in relation to internally generated software were identified at the acquisition.

An adjustment of £49,000 was made to the net assets on acquisition. The goodwill generated from the acquisition is to be amortised over 7 years in line with the goodwill already in the Group.

Revenue and loss after tax since date of acquisition amounted to £nil and £9,000 respectively.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

15 Group acquisitions (continued)

Careskills Academy Ltd

	2024 Book value	2024 Fair value adjustments	2024 Fair value to Group
	£ 000	£ 000	£ 000
Tangible assets	3	-	3
Intangible assets	-	2,978	2,978
Debtors	7,480	-	7,480
Cash	242	-	242
Creditors	(1,556)	(1,073)	(2,629)
Provisions	-	(745)	(745)
Net Assets	<u>6,169</u>	<u>1,160</u>	<u>7,329</u>
Purchase consideration			56,980
Costs associated with acquisition			<u>866</u>
			57,846
Net assets acquired			(7,329)
Goodwill arising on acquisition			<u><u>50,517</u></u>

On 29 February 2024 the Group, via Citation Holdings Limited, acquired Careskills Academy Ltd.

As part of the acquisition 100% of the voting equity was acquired.

Intangible assets from contractual or other legal rights in relation to internally generated software were identified at the acquisition and have been recognised as a fair value adjustment to the acquisition balance sheet. The book value of all assets and liabilities acquired were adjusted due to the following fair value adjustments:

- £256,000 in relation to brands with a useful life of 5 years
- £2,289,000 in relation to customer contracts with a useful life of 1.9 years
- £433,000 in relation to content with a useful life of 3 years

An adjustment of £345,000 was made to the brought forward tax provision to true up the tax computation at acquisition date. A fair value adjustment of £745,000 arises in relation to the notional deferred tax provision at 25% of the uplift on the intangible asset values mentioned above. The goodwill generated from the acquisition is to be amortised over 7 years in line with the goodwill already in the Group.

Revenue and profit after tax since date of acquisition amounted to £4,222,000 and £2,271,000 respectively.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

15 Group acquisitions (continued)

Agendrix Inc.

	2024 Book value	2024 Fair value adjustments	2024 Fair value to Group
	£ 000	£ 000	£ 000
Tangible assets	127	-	127
Intangible assets	-	4,117	4,117
Debtors	462	-	462
Cash	440	-	440
Creditors	(1,486)	-	(1,486)
Provisions	-	(1,091)	(1,091)
Net Assets	<u>(457)</u>	<u>3,026</u>	<u>2,569</u>
Purchase consideration			25,602
Costs associated with acquisition			<u>1,174</u>
			26,776
Net assets acquired			(2,569)
Goodwill arising on acquisition			<u><u>24,207</u></u>

On 12 June 2024 the Group, via Citation Hero Limited, acquired Agendrix Inc.

As part of the acquisition 100% of the voting equity was acquired.

Intangible assets from contractual or other legal rights in relation to internally generated software were identified at the acquisition and have been recognised as a fair value adjustment to the acquisition balance sheet. The book value of all assets and liabilities acquired were adjusted due to the following fair value adjustments:

- £3,235,000 in relation to technology with a useful life of 6 years
- £882,000 in relation to brands with a useful life of 5 years

A fair value adjustment of £1,091,000 arises in relation to the notional deferred tax provision at 26.5% of the uplift on the intangible asset values mentioned above. The goodwill generated from the acquisition is to be amortised over 7 years in line with the goodwill already in the Group.

Deferred remuneration of \$5,000,000 CAD in relation to non-breach of restrictive covenants and service related milestones and up to \$10,000,000 CAD in relation to service and performance related milestones is payable in June 2025 and December 2025 respectively for which an accrual of £2,388,000 has been recognised in accruals at 31 December 2024 as detailed in Note 17.

Revenue and profit after tax since date of acquisition amounted to £3,827,000 and £776,000 respectively.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

15 Group acquisitions (continued)

Flexebee Ltd

	2024 Book value	2024 Fair value adjustments	2024 Fair value to Group
	£ 000	£ 000	£ 000
Tangible assets	8	-	8
Intangible assets	265	1,335	1,600
Debtors	130	-	130
Cash	609	-	609
Creditors	(329)	(194)	(523)
Provisions	17	(334)	(317)
Net Assets	<u>700</u>	<u>807</u>	<u>1,507</u>
Purchase consideration			14,447
Costs associated with acquisition			523
Contingent consideration			<u>935</u>
			15,905
Net assets acquired			<u>(1,507)</u>
Goodwill arising on acquisition			<u><u>14,398</u></u>

On 1 October 2024 the Group, via Citation Holdings Limited, acquired Flexebee Ltd.

As part of the acquisition 100% of the voting equity was acquired.

Intangible assets from contractual or other legal rights in relation to internally generated software were identified at the acquisition and have been recognised as a fair value adjustment to the acquisition balance sheet. The book value of all assets and liabilities acquired were adjusted due to the following fair value adjustments:

- £189,000 in relation to technology with a useful life of 1.5 years
- £54,000 in relation to brands with a useful life of 1.5 years
- £933,000 in relation to customer contracts with a useful life of 0.6 years
- £159,000 in relation to content with a useful life of 3 years

An adjustment of £194,000 was made to the brought forward tax provision to true up the tax computation at acquisition date. A fair value adjustment of £334,000 arises in relation to the notional deferred tax provision at 25% of the uplift on the intangible asset values mentioned above. The goodwill generated from the acquisition is to be amortised over 7 years in line with the goodwill already in the Group.

Contingent consideration, which was dependent on the business reaching its earn out target and the seller not breaching restrictive covenants before the consideration date, of £957,935 was paid in March 2025. An accrual of the same amount has been recognised as at 31 December 2024 as detailed in Note 17.

Revenue and profit after tax since date of acquisition amounted to £957,000 and £297,000 respectively.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

16 Debtors

	Note	2024 £ 000	2023 £ 000
Due within one year			
Trade debtors		15,391	12,708
Other debtors and prepayments		5,117	5,594
Fair value of interest rate swaps		2,838	2,920
Accrued income		39,801	37,702
Corporation tax	11	960	2,305
		<u>64,107</u>	<u>61,229</u>
Due after more than one year			
Other debtors		7,633	11,003
Accrued income		7,344	4,940
		<u>14,977</u>	<u>15,943</u>
		<u>79,084</u>	<u>77,172</u>

Included within other debtors are amounts due within one year of £Nil (2023: £1,500,000) and amounts due after more than one year of £Nil (2023: £2,548,000) in relation to the vendor loan notes issued on the disposal of the Occupational Health division in 2023. The Occupational Health vendor loan notes were settled early via cash payment on 22 July 2024 with £3,416,000 received in relation to the outstanding principal, £384,000 received in relation to accumulated interest receivable and £74,000 received in relation to exit fees.

Included within other debtors are amounts due after more than one year of £7,633,000 (2023: £6,955,000) in relation to the disposal of the Education division in 2023.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

17 Creditors

	Note	2024 £ 000	2023 £ 000
Due within one year			
Trade creditors		7,989	6,399
Taxation and social security		9,667	7,646
Other creditors		1,635	856
Accruals and deferred income		68,584	43,830
Contingent consideration		1,087	1,395
Accrued interest on bank loans		(1)	769
		<u>88,961</u>	<u>60,895</u>
Due after one year			
Accrued interest on preference shares	18	220,460	166,374
Preference shares	23	350,722	366,479
Bank loans	18	599,517	487,468
Capitalised facility costs (amortised)		(8,087)	(9,554)
Accruals and deferred income		1,813	1,258
		<u>1,164,425</u>	<u>1,012,025</u>

Within the accruals and deferred income balance are accruals totalling £2,388,000 (2023: £4,122,000) relating to deferred remuneration payments due and are included in Notes 4 and 15 of these financial statements where applicable. This balance is made up of accruals in relation to the acquisition of QMSCS Pty Limited and its subsidiaries of £Nil (2023: £460,000), Surefoot Solutions Limited of £Nil (2023: £100,000), Timetastic Ltd of £Nil (2023: £3,289,000), Common Sense Compliance Limited of £Nil (2023: £273,000) and Agendrix Inc of £2,388,000 (2023: £Nil).

Deferred remuneration payments of £532,056, £5,418,000, £100,000 and £300,000 have been made in 2024 in relation to the prior year acquisitions of QMSCS Pty Limited, Timetastic Ltd, Surefoot Solutions Limited and Common Sense Compliance Limited respectively.

Refer to Notes 18 and 23 for details of settled loan notes, preference shares and bank loans for the prior and current year.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

18 Loans and borrowings

	2024 £ 000	2023 £ 000
Amounts falling due between 2 and 5 years		
Bank loans (net of deferred arrangement costs)	591,430	477,914
Preference shares	350,722	366,479
	<u>942,152</u>	<u>844,393</u>

An amount of £279,939,000 is outstanding in respect of the unitranche loan with HPS Investment Partners, KKR Corporate Lending and Cliffwater. This is repayable on 15 September 2027 or will be repaid in the event of a sale of the Group. Interest was charged at Margin + SONIA in the financial year ending 31 December 2024. Margin is determined via a sliding scale and was 5.25% for the whole of the year.

An amount of £230,061,000 (£226,838,000 when accounting for forex conversion on historical drawdowns made in AUD) is outstanding in respect of the £230,061,000 acquisition credit facility with HPS Investment Partners, KKR Corporate Lending, Cliffwater and Global Atlantic Financial Company. This is repayable on 15 September 2027 or will be repaid in the event of a sale of the Group. Interest is charged in line with the unitranche loan above. Commencing 9 March 2023 a commitment fee of 1.00% was charged for undrawn amounts on this facility. A drawdown fee of 2.50% is paid to lenders on drawdowns made on this facility.

The following drawdowns were made on this facility during the year ending 31 December 2024:

- A drawdown of £25,885,000 on 29 February 2024.

An amount of £63,275,000 is outstanding in respect of the £100,000,000 2023 acquisition credit facility with Hayfin Capital Management LLP. This is repayable on 15 September 2027 or will be repaid in the event of a sale of the Group. Interest is charged at Margin + SONIA. Margin is determined via a sliding scale and was 6.25% for the whole of the year. Commencing 30 August 2023 a commitment fee of 1.50% was charged for undrawn amounts on this facility. A drawdown fee of 1.25% is paid to lenders on drawdowns made on this facility.

The following drawdowns were made on this facility during the year ending 31 December 2024:

- A drawdown of £26,118,000 on 29 February 2024;
- A drawdown of £24,557,000 on 1 July 2024;
- A drawdown of £12,600,000 on 1 October 2024.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

18 Loans and borrowings (continued)

An amount of £29,478,000 is outstanding in respect of the £50,000,000 revolving credit facility with National Westminster Bank Plc and Credit Agricole. Amounts drawn are repayable on 23 April 2027 or will be repaid in the event of a sale of the Group. Interest was charged at Margin + SONIA in the financial year ending 31 December 2024. A commitment fee set at 35% of Margin is charged for undrawn amounts on this facility. Margin is determined via a sliding scale and was 3.00% per annum for the duration of the year ending 31 December 2024.

The following drawdowns were made on this facility during the year ending 31 December 2024:

- A drawdown of £21,059,000 on 6 June 2024;
- A drawdown of £4,418,000 on 27 December 2024.

On 5 December 2024 the \$1,700,000 AUD Australian loan facility with Westpac was cancelled having remained undrawn from the start of the year to the date of cancellation.

On 26 November 2024 the \$500,000 CAD Canadian loan facility with The Toronto-Dominion Bank was cancelled having remained undrawn from the start of the year to the date of cancellation.

The following floating to fixed swap arrangements entered into during the years ending 31 December 2022 and 31 December 2023 remained in place for the duration of the year ending 31 December 2024:

- A floating to fixed swap arrangement entered into on 5 May 2022 on a £130,000,000 portion of the Group's borrowings which fixed the SONIA portion of the interest at 2.3232% per annum on £70,000,000 and 2.3200% per annum on £60,000,000 effective from 31 March 2022 for 3 years.
- An interest rate cap arrangement entered into on 16 March 2023 on a £100,000,000 portion of the Group's borrowings. The arrangement capped the SONIA portion of the interest at 4.2500% per annum effective from 31 March 2023 for 2 years.
- A floating to fixed swap arrangement entered into on 5 December 2023 on a £96,000,000 portion of the Group's borrowings which fixed the SONIA portion of the interest at 4.266% per annum effective from 30 September 2023 for 3 years.

On 9 August 2024 the Group entered into a floating to fixed swap arrangement on a £115,000,000 portion of the Groups' borrowings. The arrangement fixed the SONIA portion of the interest at 3.7215% per annum effective from 31 March 2025 until 18 February 2027.

On 9 August 2024 the Group entered into a floating to fixed swap arrangement on a £115,000,000 portion of the Group's borrowings. The arrangement fixed the SONIA portion of the interest at 3.5551% per annum effective from 31 March 2025 until 18 February 2027.

See Note 30 for details of subsequent events regarding repayment and refinancing.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

19 Financial instruments

Categorisation of financial instruments

	2024	2023
	£ 000	£ 000
Financial assets that are debt instruments measured at amortised cost	15,391	12,708
Financial liabilities that are measured at fair value through profit and loss	2,838	2,920
Financial liabilities that are measured at amortised cost	1,241,907	1,065,274

Financial assets that are debt instruments measured at amortised cost comprise trade debtors.

Financial assets that are measured at fair value through profit and loss comprise derivatives entered into in the form of interest rate swaps and interest rate caps.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, accruals and loan notes.

20 Provision for liabilities

Group

Deferred taxation

	2024	2023
	£ 000	£ 000
At beginning of period	(4,543)	(2,532)
Credited in profit or loss	812	2,019
Arising on business combinations	(2,169)	(4,473)
Prior year adjustment	2,513	420
Other adjustments	(52)	23
At end of period	<u>(3,439)</u>	<u>(4,543)</u>

	2024	2023
	£ 000	£ 000
Difference between accumulated depreciation and amortisation and capital allowances	(4,771)	(4,979)
Tax rate changes	1,075	-
Other timing differences	257	436
	<u>(3,439)</u>	<u>(4,543)</u>

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £4,454,000 (2023: £3,208,000).

Contributions totalling £513,000 (2023: £493,000) were payable to the scheme at the end of the year and are included in creditors.

22 Share-based payments

Beneficial shares

Beneficial shares are granted to employees of the Company. These shares are held in an Employee Benefit Trust (EBT) and the EBT holds the legal title of the shares for the benefit of the beneficial shareholder. The vesting of these shares to the benefit of the employee is dependent on the successful sale of the Group and the employee is entitled to the final proceeds on sale of the group. In the event the employee ceases employment with the group, the shares entitlement lapses.

During the current year, on the basis of a future recapitalisation of the group in 2025 being agreed, the shares were vested. As the group is not obligated to settle this arrangement in cash, and the same is done through the change in shareholding and related exchange of consideration, these qualify as equity-settled share-based transactions and have been measured at the fair value on the grant date. The fair value was determined with reference to the enterprise value based on an observable transaction with the shareholders.

Assigned shares rights

Certain of the Group's employees are granted assigned share rights, settled in cash. These shares are held in an Employee Benefit Trust (EBT) and the EBT holds the legal title of the shares for the benefit of the assigned shareholder. The vesting of these shares to the benefit of the employee is dependent on the successful sale of the Group and the employee is entitled to the final proceeds on sale of the group. In the event the employee ceases employment with the group, the shares entitlement lapses. The liability for the assigned share appreciation rights is measured, initially on entitlement and at the end of each reporting period until settled. The liability is recognised at the fair value of the share rights which is based on the recapitalisation of the group, taking into account the terms and conditions on which the assigned share rights were granted, and the extent to which the employees have rendered services to date. The carrying value of the liability related to the assigned share rights was £7,612,363 (2023: £Nil).

The expense recognised for employee services received is as below:

	2024 £ 000	2023 £ 000
Expense arising from equity settled share-based payment transactions	9,355	-
Expense arising from cash settled share-based payment transactions	7,612	-
Total expense arising from share-based payment transactions	16,967	-

The total shares (other than assigned share rights) granted and outstanding at the beginning and end of the year in 2024 and 2023 was 55,500. There were no cancellations or modifications to the awards in 2024 or 2023.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

23 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary B shares of £1 each	927	927	927	927
Ordinary C shares of £1 each	123	123	123	123
	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>

850,000 B Ordinary shares, 127,000 C Ordinary shares with aggregate nominal value of £977,000 were issued upon incorporation of the company.

The company holds 27,000 unallocated C shares in an EBT.

On 15 September 2020, the Company issued 335,971,500 A preference shares which have been treated as debt in line with Note 2.28. Each share has a par value of £1 and carry a dividend of 12% per annum.

On 24 April 2023 the Company approved a written resolution which increased its authorised share capital to:

- 489,000,000 shares designated as A preference shares with a par value of £1 each;
- 10,000,000 shares designated as B Ordinary shares with a par value of £1 each; and
- 1,000,000 shares designated as C Ordinary shares with a par value of £1 each.

On 24 April 2023 the Company issued 77,081 B Ordinary shares at a price of £150.162 per share. On 3 July 2023, the Company issued a further 102 B Ordinary shares at a price of £150.162 per share.

On 24 April 2023 the Company issued 30,507,538 A preference shares which have been treated as debt in line with Note 2.25. Each share has a par value of £1 and was subscribed to at £1.336 per share with the additional £0.336 relating to the equivalent associated accumulated interest as at 31 March 2023 attached to the original A preference shares issued on 15 September 2020. Each share carries a dividend of 12% per annum. On 3 July 2023 the Company issued a further 40,317 A preference shares with the same subscription price and characteristics as those issued on 24 April 2023.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

23 Share capital (continued)

On 1 July 2024 the Company bought back 15,757,272 A preference shares previously issued on 15 September 2020 and held by Hg via HGC Capital 8 Nominees Limited. The total value paid for the shares was £24,250,000 with a price paid per share of £1.539 with each share having a par value of £1 and with associated accumulated interest of £0.539. Following the buy-back the shares were immediately cancelled.

On 29 October 2024 the following shares held by certain employees were transferred to Rocket Manco Limited:

- 11,496,774 of the 15 September 2020 preference shares with associated accumulated interest of £7,586,860;
- 981,757 of the 24 April 2023 preference shares with associated accumulated interest of £637,347;
- 3,322 Ordinary B shares;
- 37,303 Ordinary C shares of which 31,103 were not held directly but via the EBT.

See Note 30 for details of subsequent events regarding changes in shareholdings.

Authorised shares

	2024		2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary B shares of £1 each	10,000	10,000	850	850
Ordinary C shares of £1 each	1,000	1,000	150	150
	<u>11,000</u>	<u>11,000</u>	<u>1,000</u>	<u>1,000</u>

	2024		2023	
	No 000	£ 000	No 000	£ 000
Preference shares	<u>489,000</u>	<u>489,000</u>	<u>489,000</u>	<u>489,000</u>

24 Share premium account

The share premium account represents the amount above the nominal value received for shares sold, less transaction costs.

25 Merger reserve

The merger reserve arose on a prior year group reorganisation and represents the difference in the cash paid to shareholders for the acquisition of the Citation group formerly headed by Citation Topco Limited, and the original share capital of the Citation group formerly headed by Citation Topco Limited.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

26 Non-controlling interests

The non-controlling interest arose on the acquisition of 75% of Citation Holdings Pty Limited on 1 October 2021. Subsequent 100% acquisitions of Citation Group Pty Limited and its subsidiaries, Consolidated Compliance Holdings Pty Limited and its subsidiaries, and Best Practice Certification Pty Limited by Citation Holdings Pty Limited, have subsequently contributed to the non-controlling interest. See Note 30 for details of subsequent events regarding changes in the non-controlling interest.

27 Controlling party

The Group has no ultimate controlling party. However, the Group is jointly owned by KKR via Rocket Aggregator LP, incorporated in Canada and HGC Capital 8 Nominees Limited, incorporated in England. See Note 30 for details of subsequent events regarding changes in the controlling party.

28 Commitments under operating leases

Operating leases

The total of future minimum lease payments is as follows:

	2024	2023
	£ 000	£ 000
Not later than one year	2,419	2,342
Later than one year and not later than five years	3,406	3,430
Later than five years	617	231
	<u>6,442</u>	<u>6,003</u>

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

29 Related party transactions

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £2,891,000 (2023: £3,696,000).

	2024 £ 000	2023 £ 000
Amounts due to key management personnel		
Preference shares	20,825	20,825
Accumulated interest on preference shares	13,090	9,458
	<u>33,915</u>	<u>30,283</u>

Parent and connected companies

On 1 July 2024 the Company bought back 15,757,272 A preference shares previously issued on 15 September 2020 and held by Hg via HGC Capital 8 Nominees Limited. The total value paid for the shares was £24,250,000 with a price paid per share of £1.539 with each share having a par value of £1 and with associated accumulated interest of £0.539. Following the buy-back the shares were immediately cancelled.

During the year the company entered into transactions with related parties, in the ordinary course of business. Transactions entered, and trading balances outstanding at 31 December, are as follows:

	2024 £ 000	2023 £ 000
Preference shares	329,897	345,654
Interest on preference shares	207,369	156,916
Transaction fee on share issue to principal owners	-	1,500
Debt arrangement fees paid to principal owners	3,950	500
	<u>541,216</u>	<u>504,570</u>

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

30 Non adjusting events after the financial period

The group has undertaken a group reorganisation exercise which completed on 28 February 2025. As part of the reorganisation KKR (40.84%), Hg (40.84%), a new minority investor HarbourVest (14.98%), and certain members of the Group's management team (3.34%), via the newly formed Broom Topco Limited together acquired 100% of the share capital of Rocket Topco Limited. KKR and Hg have joint control of Broom Topco Limited and consequently continue to have joint control of Rocket Topco Limited. Broom Topco Limited is the newly formed joint venture company, incorporated on 11 December 2024 due to the group reorganisation. On 28 February 2025, on closing of the group reorganisation, the preference shares and associated accumulated interest outstanding as at 31 December 2024, as detailed in Notes 18 and 23, were repaid, and all of the share classes issued by the Company, as detailed in Note 23, were redesignated as one class of Ordinary shares.

On 18 December 2024 the Group signed an agreement to undertake an exercise to refinance the outstanding amounts relating to each of the unitranche loan facility, the acquisition credit facility, the 2023 acquisition credit facility and the revolving credit facility. This exercise completed on 16 January 2025 with all outstanding amounts on each facility as at 31 December 2024, as detailed in Note 18, being repaid on completion, with the repayment being funded via drawdown on the new facilities secured at the Rocket Bidco Limited level as listed below, with the exception of \$62,924,000 AUD outstanding on the acquisition credit facility, for which repayment was instead funded by an equivalent drawdown on the new rolling credit facility, as referenced below, upon completion. All hedging arrangements in place as at the point of the refinancing exercise remained in place post completion.

The new facilities entered into on 16 January 2025 were as follows:

- £590,000,000 relating to a new unitranche loan with various lenders. This is repayable on 15 January 2032 or will be repaid in the event of a sale of the Group. Interest is charged at Margin + SONIA and Margin is determined via a sliding scale and was 4.75% per annum at the point of completion. £590,000,000 was drawn on this facility at the point of completion.
- £100,000,000 relating to a new Delayed Draw Term Loan (DDTL) facility with various lenders. This is repayable on 15 January 2032 or will be repaid in the event of a sale of the Group. Interest is charged in line with the new unitranche loan above. Commencing 15 January 2026 a commitment fee of 1.00% per annum will be charged for undrawn amounts on this facility. A drawdown fee of 1.00% is paid to lenders on drawdowns made on this facility. The DDTL facility remained undrawn at the point of completion.
- £100,000,000 relating to a new revolving credit facility with various lenders. This is repayable on 15 July 2031 or will be repaid in the event of a sale of the Group. Interest is charged at Margin + SONIA and Margin is determined via a sliding scale and was 4.00% per annum at the point of completion. A commitment fee set at 30% of Margin is charged for undrawn amounts on this facility. At the point of completion \$62,924,000 AUD was drawn on this facility.

Rocket Topco Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

30 Non adjusting events after the financial period (continued)

On 7 March 2025 a repayment of \$62,924,000 was made on the new revolving credit facility.

On 18 March 2025 a drawdown of £24,016,000 was made on the new revolving credit facility.

On 19 March 2025 the Group acquired the final 25% of Citation Holdings Pty Ltd. The cash purchase price was \$41,000,000 AUD.

On 19 March 2025 the Group acquired TrustID Limited and its subsidiary Red and White Solutions Limited, a provider of Digital ID Checking Services. The initial cash purchase price was £21,178,000 with up to a further £5,000,000 of deferred remuneration dependent on service and performance milestones.

On 22 April 2025 a drawdown of £24,470,000 was made on the DDTL facility and a repayment of £24,016,000 was made on the new revolving credit facility.

On 1 May 2025 a drawdown of \$30,904,000 AUD was made on the new revolving credit facility.

On 1 May 2025 the Company issued 25,000,000 Ordinary shares at a price of £1.00 per share and with an aggregate value of £25,000,000.

On 7 May 2025 the Group extended the ceiling of the DTTL facility by £100,000,000 from £100,000,000 to £200,000,000.

On 13 May 2025 the Group acquired foundU Holdings Ltd, a provider of Payroll Services. The initial cash purchase price was \$71,726,000 AUD with up to a further \$2,000,000 AUD of deferred remuneration dependent on service and integration related milestones.

On 28 July 2025 a drawdown of \$31,425,000 AUD was made on the DDTL facility and a repayment of \$30,904,000 AUD was made on the new revolving credit facility.