Civica Election Services Limited

Annual report and financial statements
Registered number 02263092
30 September 2022

Contents

Directors' Report and Strategic Report

The directors present their report and the audited financial statements for the year ended 30 September 2022.

Principal activities

Civica Election Services Limited is the UK's leading ballot services provider and expert in the administration of digital and postal voting, offering a choice of online, postal, telephone and SMS voting, available in multiple languages from anywhere in the world.

Strategic Report

Business review

While the extraordinary events of the last three years continued to bring rapid upheaval and enormous challenges for all, the Company continued to deliver a high performance across the 2022 financial year. This was driven by the capability of our software to deliver critical activities for the public sector and supported by our exceptional team, cloud technology and strong infrastructure.

Our people and our values

In a working world that's now quite different, we've embraced new approaches that give the Civica team the flexibility and autonomy they need, to perform at their best and grow as people. With our deep sector and software expertise and depth of leadership, we build durable long-term relationships based on a shared purpose and commitment.

Guided by our Civica Way framework, we continue to strategically invest in our global team. We aim to recruit diverse colleagues from all backgrounds who share our strong purpose and values – offering continual training and development while empowering everyone to feel able to bring their true selves to work.

Our core values:

- **Knowledge**: With a deep understanding of our customers and of software, we are committed to developing and sharing our insight and expertise to help customers and colleagues achieve their goals.
- **Integrity**: Reinforced by our culture, we maintain consistently high standards as a trusted partner, delivering what we promise and remaining open, straightforward and fair at all times.
- **Action**: We focus on delivering timely and effective results, always looking to do more and go further with a desire to help customers and colleagues make a positive difference and fulfil their potential.

A leading employer

We work hard to ensure Civica remains a great place to work, with a leading brand to attract and retain diverse talent from across the globe. Re-accredited with Investors in People 'Gold' in 2022, we continuously invest in our people and business through sustained programmes for engagement, learning and development via our Civica Academy.

This dedicated focus on employee wellbeing, supporting diversity and effective leadership continues to be recognised. This was shown by an excellent 2022 Employee Net Promoter index of +45. We maintained our position as one of the top companies in the 2023 global Financial Times Diversity Leaders list, named as a top ten UK-based IT and software business.

An agile approach in the workplace

Flexibility has always been a differentiator for the Company. Under our blended working approach, everyone can be accountable for what they deliver regardless of when and where they are working. We empower our people to manage their own wellbeing and work life intelligently. This provides significant benefits for colleagues and the business as a whole and is allowing us to attract and retain the best talent.

Operating a 'blended working' model has required a greater emphasis on blended learning; combining both virtual and face-to-face delivery. We believe that in-person learning is still very important to help with wider networking and to retain our distinctive culture.

Directors' Report and Strategic Report *(continued)*

Our people and our values ***(continued)***

An agile approach in the workplace *(continued)*

We've made great strides, making the most of technology for all-important collaboration and innovation and opting for face-to-face interaction where it adds the most value.

We offer all our managers the tailored training needed to support remote/blended teams and maintain collaboration and innovative ways of working. This is backed by our focus on positive health, with even greater access to support and advice, providing practical health and wellbeing support through programmes such as our Employee Assistance Programme and wellbeing initiatives.

We also have over 60 Mental Health Champions globally, offering both virtual and in-person support for those looking for confidential help at work. All are trained in Mental Health First Aid. We run regular Health and Wellbeing virtual 1:1's with our partner provider Sander's Fitness, focused on improving mental and physical health and new resolutions sessions.

We've been making sure that we really embed the right behaviours and that our people's health and wellbeing remains a priority. We are encouraging our leaders across the business to lead by example, motivating everyone to build reflection and down time into their day.

Growth and skills

During the period, we welcomed new colleagues both through organic growth and via acquisition, supported by the Group's consistent approach to workforce planning and talent development, including our First Impressions on-boarding programme.

We encourage everyone to grow their skill set throughout their career and to reach their full potential. Through our global Civica Academy, we delivered a record 320,000 hours of learning in 2022, including formal facilitated training, social and experiential learning.

Alongside structured coaching, mentoring, regular check-ins and personal development planning, we also encourage people to take ownership to drive their own careers and be their own 'Chief Learning Officers'.

We continue to develop our blended training and self-directed e-learning, continuously reviewing our current training, investing in new and improved modules and maximising our Civica Agylia learning management system.

Succession planning is a vital and consistent area of focus across our business. During the period, we've continued to build our online learning catalogue. We launched new senior leadership training and enhanced our current programmes for effective blended learning while meeting new business demands.

During the period, we expanded our Sales Excellence Programme to help all our teams perform to their best and provided optimum support for our customers. This included a new pathway from our pre-sales and bids community. We also grew our coaching programme with a new formal qualification available for people across the Company. Our successful mentoring programme continues to help people reach their full potential, find the best internal opportunities and feel even more supported in the workplace.

Focus on diversity, equity and inclusion

We encourage everyone to bring their true selves to work. During the year we took further steps to improve inclusivity to ensure a supportive work environment for our diverse community, including regular virtual diversity and inclusion training.

We grew momentum in our Diversity, Equity and Inclusion (DE&I) strategy with continuous activity from our global affinity groups: these offer a safe space for everyone to hold discussions across a wide range of areas from menopause to the LGBTQIA community, accessibility, race and ethnicity, early careers and parents and guardians.

We continue to champion women in technology, increasing the number of female employees through development, promotion and recruitment. In 2022, we launched our MenoHub to provide all employees with more information and support on the menopause and hosted a series of roundtables on this important topic. We celebrated Pride Month, Black History Month and for the first time, South Asian Heritage Month, and were proud to share inspirational stories from around the business.

Directors' Report and Strategic Report *(continued)*

Our people and our values *(continued)*

Focus on diversity, equity and inclusion *(continued)*

A signatory to the Tech Talent Charter since 2019, we're committed to inclusive recruitment and benchmarking our progress against industry best practice. We were delighted to maintain our position as a Financial Times Diversity Leader in 2022/23.

We work with Young Enterprise with employees mentoring young people to consider a career in technology.

Engaging our people

We pride ourselves on keeping our people informed and engaged, and deliver an intentional and consistent rhythm of the Company, regional and divisional communications to bring our purpose and 'Civica story' to life.

We recognise the importance of ensuring our people understand how their roles not only contribute to our strategy, but also make a genuine difference to the world around them. We run a comprehensive programme of activity across multiple channels, so our people always feel connected, focussed and included in the conversation; and we empower them to have a voice and share their feedback and ideas throughout the year.

Our annual employee engagement and Employer Net Promoter Score surveys allow us to effectively track employee engagement and gain anonymous feedback so we can swiftly make positive improvements to their employee experience.

We also continue to build on all our employee support networks such as Yammer groups, all-hands calls and Connection Days - all of which are regularly promoted through internal communications such as our weekly Take Five e-newsletter and Intranet.

Charity at work

The Civica Foundation creates social value and helps make a difference to people and communities around the world. We encourage everyone to take their annual 'Donate-a-day' for a worthwhile cause and support nationwide and local charitable events throughout the year.

Reward and recognition

The Company provides a highly competitive benefits package, including flexible elements which people can tailor to their needs such as extra holiday and cycle-to-work schemes. During 2022, we have further extended our wellbeing programs to provide Financial Education sessions to employees to provide support and awareness into a range of financial wellbeing topics. We have also added menopause support into our private medical plan as part of our commitment to D&I and employee wellbeing.

Civica is committed to ensuring that all entry positions are paid at least the rate recommended by the Real Living Foundation which is above the statutory minimum wage.

We recognise the immense efforts of our colleagues and their contribution to our performance – and always say thank you for a job well done. Our 'Praise' scheme allows people to share their gratitude for colleagues online and our Civica Special Thanks and Recognition (CSTAR) programme rewards employees who have gone the extra mile.

Anti-corruption and human rights

We are fully committed to sound and fair business practices including zero tolerance on anti-corruption. Prevention, deterrence and detection of fraud or bribery is the responsibility of all, and the company encourages employees to report any suspicions in confidence.

We recognise that work is crucial to a person's dignity, well-being and development. We are therefore committed to the creation of jobs and working conditions in which people can work in freedom, safety and dignity. Wherever they are based. We expect the same from all contractors, suppliers and other business partners across our global supply chain. We are committed to identifying and assessing any potential risks and eliminating the possibility of modern slavery and human trafficking in our business.

We also pledge to provide a workplace environment where colleagues are recognised as the most valuable asset, treated with respect, dignity, and consideration. This commitment is built upon a framework of policies and procedures designed to ensure fairness throughout a colleague's employment lifecycle.

Directors' Report and Strategic Report *(continued)*

Our people and our values *(continued)*

Anti-corruption and human rights *(continued)*

We embrace differences across all parts of the organisation. We will not tolerate any discriminatory practices in talent attraction, compensation, access to learning and development, promotion nor exit practices, based on gender (including gender reassignment and pregnancy), marital status, family status, religious belief, disability, age, racial grounds, sexual orientation or any other area which could give rise to discrimination.

Key performance indicators

Management use various key performance indicators (KPIs) to routinely monitor the company's performance and development. Those KPIs include:

- Turnover;
- Gross profit;
- Operating profit before exceptional charges;
- Operating profit before depreciation and exceptional charges (EBITDE), as disclosed in the Profit and Loss Account and note 3 to the financial statements;

These KPIs for the year ended 30 September 2022 and for the previous 2 financial periods were:

		Year ended 30 September 2022	Year ended 30 September Reclassified* 2021	Period ended ended 30 September Reclassified* 2020
Turnover	£000	**28,325**	34,741	26,108
Gross profit	£000	**7,238**	7,809*	6.137*
%		**25.5%**	22.5%	23.5%
Operating profit before exceptional charges	£000	**4,224**	4,607	3,092
%		**14.9%**	13.3%	11.8%
EBITDE	£000	**4,526**	4,856	3,333
%		**16.0%**	14.0%	12.8%

* In the year ended 30 September 2022 the Company changed the methodology in how cost of sales and administrative expenses are categorised. As a result, the gross profit above has been reclassified for the prior 2 years to bring in line with the current year methodology. There is no change to the Company's operating profit, the only change is between cost of sales and administrative expenses.

Environmental policy

The Company is aware that operating its business has a potential impact on the environment. We believe that it is important to work with our customers, suppliers, partners and employees to follow sound sustainability practices to prevent pollution, reduce the negative and enhance the positive environmental and social impacts of its business activities.

To this end, the Company is committed to the following goals:

1. To identify and understand the direct and indirect impact Civica's facilities, operations, business practices, products and services may have on the environment in line with Civica's context. To operate our business in a manner that is sensitive to the needs and concerns of all stakeholders and the surrounding environment.

Directors' Report and Strategic Report *(continued)*

Environmental policy *(continued)*

2. Where practical, to use the latest technology to develop environmentally conscious ways of providing our products and services.
3. To consider environmental issues in our decision making, whilst recognising that business concerns might affect the course of action.
4. To minimise the creation of waste and pollution in our operations and business activities. We will dispose of waste conscientiously and creatively by encouraging a "reduce/reuse/recycle" culture.
5. To educate and train our employees in environmentally conscious practices, recognising that no matter what their roles are, employees are also responsible for protecting the environment.
6. To increase employee contribution to environmental initiatives.
7. To ensure compliance with relevant environmental legislation, ISO 14001 and other requirements related to our operations.
8. To set and achieve environmental objectives and targets at all appropriate levels and in line with the company goals as part of an on-going programme of continuous improvement.
9. To have local, facility-based, environmental initiatives.

Principal risks and uncertainties

The board is responsible for the Company's approach to assessing risk and accepts that in creating value for the Company, the Company must take on and accept some risk. The executive directors are responsible for implementing the board's policies on risk and control and monitoring compliance with these policies. This system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The company's revenues are increasingly derived from long term contracts, but a proportion remains project oriented and can be unpredictable.

Much of the company's work is high profile and subject to very strict delivery deadlines, such that any quality failures would carry a significant risk of reputational damage. To mitigate this risk the company maintains strict quality control procedures which are ISO 9001 and ISO 27001 accredited; the result is that the company has never suffered such reputational damage in its entire history.

Credit risk

The Company offers standard market credit terms to customers, typically 30 days, and regularly assesses the credit risk of new and existing customers to the Company.

The Company operates predominantly in the Public Sector, where customers are seen as very low risk of default, and this is further mitigated by payment from customers being a key requirement of continuing to be licensed to use our business critical software applications.

Future developments

The Company continues to increase its profile and is valued for its combination of people, technology and business process expertise. With a resilient business and well developed strategy, we believe the Company is extremely well placed as a strong and stable partner for our customers as they continue to respond to rapid and significant change.

Directors' Report and Strategic Report *(continued)*

Dividends

Dividends paid in the year amounted to £nil *(2021: £nil).*

The directors do not recommend the payment of a dividend *(2021: £nil).*

Directors

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

Sian Roberts	
Robert Goemans	
Wayne Story	(Resigned 31 December 2022)
Phillip Rowland	(Resigned 28 February 2022)
Lee Perkins	(Appointed 25 November 2022)
Gavin Leigh	
Martin Franks	(Appointed 18 January 2022)

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Martin Franks
Director

South Bank Central
30 Stamford Street
London
SE1 9LQ

28 June 2023

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Civica Election Services Limited

Opinion

We have audited the financial statements of Civica Election Services Limited ("the company") for the year ended 30 September 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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

Independent auditor's report to the members of Civica Election Services Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Company management may be in a position to make inappropriate accounting entries; and
- the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account pairings with revenue, cash and borrowings.
- Evaluated the business purpose of significant unusual transactions.
- Tested specific invoices relating to the period prior to 30 September 2022 to determine whether revenue was recognised in the correct accounting period.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

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

Independent auditor's report to the members of Civica Election Services Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

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

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

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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 accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of Civica Election Services Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

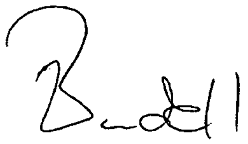
Auditor's responsibilities

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

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Mike Barradell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
29 June 2023

Profit and loss account

For the year ended 30 September 2022

	Note	Year ended 2022 £000	Year ended Reclassified 2021 * £000
Turnover	2	**28,325**	34,741
Cost of sales		**(21,087)**	(26,932)
Gross profit		**7,238**	7,809
Administrative expenses		**(3,014)**	(3,202)
Operating profit before exceptional charges		**4,224**	4,607
Exceptional costs	3	**-**	-
Operating profit	3	**4,224**	4,607
Interest payable and similar expenses	6	**(1)**	-
Profit before tax		**4,223**	4,607
Tax on profit on ordinary activities	7	**(812)**	(876)
Profit for the financial year		**3,411**	3,731

* In the year ended 30 September 2022 the Company changed the methodology of how cost of sales and administrative expenses are categorised. This relates to reclassifying staff costs that are directly involved in generating turnover to cost of sales to improve the quality of information for users. We have applied this change in presentation retrospectively and as a result the cost of sales and administrative expenses are comparable to the prior year. There is no change to the Company's operating profit. There were no recognised gains or losses other than the profit for the period. As such no Statement of Other Comprehensive Income has been presented.

The notes on pages 15 to 26 form part of the financial statements.

All turnover and results are derived from continuing activities.

Balance sheet
At 30 September 2022

	Note	2022 £000	2021 Restated * £000
Fixed assets			
Tangible assets	*8*	**1,733**	1,416
Investments	*9*	**2,583**	2,583
		4,316	3,999
Current assets			
Stock	*10*	**183**	131
Debtors (including £12,963,000 *(2021: £11,738,000)* due after more than one year)	*11*	**22,793**	19,866
Cash at bank and in hand		**1,345**	1,088
		24,321	21,085
Creditors: amounts falling due within one year	*12*	**(6,688)**	(6,712)
Net current assets		**17,633**	14,373
Total assets less current liabilities		**21,949**	18,372
Creditors: amounts falling due after more than one year		**-**	-
Provisions for liabilities	*13*	**(177)**	(11)
Net Assets		**21,772**	18,361
Capital and reserves			
Called up share capital	*15*	**1**	1
Profit and loss account		**21,771**	18,360
Shareholders' funds		**21,772**	18,361

* See Note 20 for details of the restatement

The notes on pages 15 to 26 form part of the financial statements.

These financial statements were approved by the board of directors on 28 June 2023 and were signed on its behalf by:

Martin Franks
Director

Statement of Changes in Equity

For the year ended 30 September 2022

	Share capital £000	Profit and loss £000	Total equity £000
Balance at 1 October 2020	1	14,629	14,630
Total comprehensive income for the year			
Profit for the year	-	3,731	3,731
Total comprehensive income for the year	-	3,731	3,731
Balance at 30 September 2021	**1**	**18,360**	**18,361**

	Share capital £000	Profit and loss £000	Total equity £000
Balance at 1 October 2021	1	18,360	18,361
Total comprehensive income for the year			
Profit for the year	-	3,411	3,411
Total comprehensive income for the year	-	3,411	3,411
Balance at 30 September 2022	**1**	**21,771**	**21,772**

The notes on pages 15 to 26 form part of the financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Civica Election Services Limited (the "Company") is a Company limited by shares and incorporated and domiciled in the UK.

These Company financial statements were prepared in accordance with Financial Reporting Standard 102 (September 2015) *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*. The amendments to FRS 102 issued in January 2022 have been applied. The presentation currency of these financial statements is sterling, which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise stated.

The Company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included;
- No separate Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

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

The company is a subsidiary of the Group headed by Camelia Investment 1 Limited (the Group) and provides business-critical software and digital solutions which are integral to the Group's business model. The Company is not reliant on financial support from the Group, however the Company's assets form part of the security arrangements for the Group's debt facilities. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern. The Directors of the Company have reviewed Group management's cashflow forecasts which include severe but plausible downsides and do not believe the Group will default on their debt facilities within the forecast period.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows for a period of at least 12 months from the date of signing. For the purposes of their assessment of the appropriateness of the preparation of the Group's accounts on a going concern basis, the directors have considered the principal areas of uncertainty within the forecasts and the underlying assumptions, in particular those relating to market and customer risks, cost management and working capital management.

The Group forecasts have been stress-tested to consider the sensitivity to severe but plausible downside scenarios, including the following potential circumstances: decrease in expected revenue by 6%, which is assessed with reference to unsecured revenue and pipeline data, which would result in a total decrease of EBITDA by 24% ignoring any cost savings and decrease in cash conversion by 10%. In assessing this sensitivity on revenues, the Group has had regard to its order book and the amount of revenues in the forecast which are already subject to contract, but the forecasts are nonetheless contingent on the Group attracting new customers and retaining existing ones. The ability to do this has been demonstrated historically, including during the COVID-19 pandemic and previous economic downturns. The downside scenarios are considered before any potential costs mitigations which are in the Group's control.

The Group has significant liquidity available. The Group's forecasts indicate that even in the severe but plausible downside scenarios it would have sufficient funds to operate within the financial covenants on its loan facilities and to continue to meet its liabilities as they fall due for payment for the forecast period. This includes the availability of the revolving credit facility under existing banking agreements, of which £28m was available at year end. However, the Group's debt facilities begin falling due from September 2024 onwards, and the Group is currently in discussions with lenders to restructure the debt portfolio. The Group Directors have no reason to believe the re-finance will not be achieved; they Group have a strong relationship with the lender. have met covenant requirements, and as part of these discissions with the same lender, the repayment date of the RCF has been extended from April 2024 to October 2024. Group expects to finalise changes to the debt portfolio by the summer of 2023 and

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern (concerned)

therefore do not consider the maturity of its loans to be a factor that would cause a significant doubt on the Group's and Company's ability to continue as a going concern. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

1.4 Turnover

Revenue represents amounts due under contracts for goods and services and is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for their performance under these contracts. It is derived entirely from the company's principal activities. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue for services is recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to customers is included within accrued income in debtors and amounts received on account in excess of the relevant amount of revenue are included in creditors.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated
- with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.7 Foreign currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.8 Investments

Investments in subsidiaries are held at cost less impairment.

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Lease payments are accounted for as described at 1.5 above.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- computer equipment and fixtures and fittings 3 to 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.11 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable provisions. Trade and other creditors are recognised at transaction price. Subsequent to initial recognition they are measured at cost, less provisions according to any perceived risks. Amounts recoverable on contracts represent accrued income balances that have not currently been billed to customers.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Employee benefits

Defined contribution pension plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.14 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

2 Analysis of turnover

	2022 £000	2021 £000
Rendering of services	**28,325**	34,741

Substantially all the Company's turnover arises from trade within the United Kingdom.

3 Expenses and auditor's remuneration

	2022 £000	2021 £000
Included in profit/loss are the following;		
Depreciation and other amounts written off owned tangible fixed assets	**303**	249
Exceptional costs – included in administrative expenses	**-**	-
Amounts charged under operating leases	**40**	36

	2022	2021
Auditor remuneration		
Fees payable for the audit of the Company's financial statements	**35**	32

4 Emoluments of directors

The emoluments of the directors for the period in which they served in such a capacity are stated below:

	2022 £000	2021 £000
Aggregate emoluments	**665**	584
Pension contributions – defined contribution schemes	**12**	12
	677	596
In respect of the highest paid director:		
Remuneration	**502**	442
Company pension contributions to defined contribution schemes	**-**	-
	502	442
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	**1**	1

Notes *(continued)*

5 Staff numbers and costs

The average number of people employed by the Company during the year was 126 *(2021: 122)*.

The aggregate payroll costs of these people were as follows:

	2022	2021
	£000	£000
Wages and salaries	5,978	5,949
Social security costs	494	595
Other pension costs	528	432
	7,000	6,976

6 Interest payable and similar expenses

	2022	2021
	£000	£000
Other interest	1	-

Notes *(continued)*

7 Taxation

	2022		2021	
	£000	**£000**	£000	£000
Current tax				
Corporation tax on income for the period	**670**		849	
Corporation tax adjustment in respect of prior periods	**(25)**		16	
Total current tax		**645**		865
Deferred tax (see note 13)				
Origination and reversal of timing differences	**129**		21	
Deferred tax change in rate	**-**		3	
Adjustments in respect of previous periods	**38**		(13)	
Total deferred tax		**167**		11
Total tax		**812**		876

Reconciliation of effective tax rate

	2022	2021
	£000	£000
Profit for the year	**3,411**	3,731
Total tax expense recognised in profit and loss	**812**	876
Profit excluding taxation	**4,223**	4,607
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	**802**	875
Non-taxable (income)/expense	**1**	1
Deductions for items not in P&L account	**(35)**	-
Capital allowances super deduction	**-**	(6)
Deferred tax change in rate	**31**	3
Under/(over) provided in prior years	**13**	3
Movement on deferred tax	**-**	-
Total tax expense included in profit or loss	**812**	876

In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase from 19% to 25%. This new rate was substantively enacted in the Finance Bill 2021 and received Royal Assent on 10 June 2021. The deferred tax assets and liabilities at 30 September 2022 have been calculated using the appropriate tax rate based on when the underlying balance is expected to crystallise.

Notes *(continued)*

8 Tangible fixed assets

	Plant and equipment £000
Cost	
At beginning of year	4,944
Additions	620
At end of year	5,564
Depreciation	
At beginning of year	3,528
Charge for the year	303
At end of year	3,831
Net book value	
At 30 September 2022	**1,733**
At 30 September 2021	1,416

9 Investments in subsidiary companies

	£000
Balance at the start and end of the year	**2,583**

Details of the company's subsidiaries at 30 September 2022 are given below:

Company	Country of incorporation	Principal activities	Class and % of shares held
Active companies:			
Shaw & Sons Limited *	United Kingdom	Trading **	Ordinary 100%
Dormant companies:			
Electoral Reform (Market Research) Limited *	United Kingdom	Inactive	Ordinary 100%
Electoral Services Limited *	United Kingdom	Inactive	Ordinary 100%
The Election Centre Limited *	United Kingdom	Inactive	Ordinary 100%
Membership Engagement Services Limited *	United Kingdom	Inactive	Ordinary 100%
Modern Mindset Limited	United Kingdom	Inactive	Ordinary 100%
Xpress Software Solutions Limited *	United Kingdom	Inactive	Ordinary 100%

* Interest held directly.

** Principal activity of the company is local government, legal and professional publishers and suppliers.

Registered office address

United Kingdom: South Bank Central, 30 Stamford Street, London, SE1 9LQ.

Notes *(continued)*

10 Stock

	2022 £000	2021 £000
Raw materials and consumables	**183**	131

11 Debtors

	2022 £000	2021 £000
Trade debtors	**2,881**	3,076
Amounts owed by group undertakings	**12,963**	11,738
Prepayments and accrued income	**6,949**	5,052
	22,793	19,866

Debtors include amounts owed by group undertakings of £12,963,000 (*2021: £11,738,000)* due after more than one year. Recoverability of this debtor is reviewed annually and the intention of the Company not to recall it within less than one year is communicated to the relevant group undertaking. No interest is accrued, and the fair value is not materially different to the book value.

12 Creditors: amounts falling due within one year

	2022 £000	2021 Restated * £000
Trade creditors	**1,464**	1,602
Corporation tax	**767**	923
Other taxation and social security	**314**	529
Accruals and deferred income	**1,148**	1,699
Amounts owed to group undertakings	**2,995**	1,959
	6,688	6,712

* See Note 20 for details of restatement

13 Deferred taxation

Deferred tax asset and liabilities are attributable to the following:

	Liabilities	
	2022 £000	2021 £000
Accelerated capital allowances	**177**	11

Notes *(continued)*

14 Retirement benefits

	2022 £000	2021 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	**528**	432

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
5 A shares of £1 each	**5**	5
6 B shares of £1 each	**6**	6
4,941,671 C shares of 0.01p each	**494**	494
	505	505

16 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2022 £000	2021 £000
Within one year	**32**	16
Between one and five years	**104**	-
	136	16

17 Intermediate and ultimate parent company

The Company's immediate parent company is Civica UK Limited. The Company's ultimate parent company at the balance sheet date is Camelia Investment 1 Limited. Both companies are incorporated in the United Kingdom, and their registered office is South Bank Central, 30 Stamford Street, London, SE1 9LQ.

The smallest and largest group in which the results of the Company were consolidated was that headed by Camelia Investment 1 Limited. The consolidated accounts of this company are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

18 Related parties

The Company has taken advantage of the exemptions available in FRS 102 not to disclose related party transactions with wholly owned subsidiaries of the Group headed by Camelia Investment 1 Limited. There are no transactions with any other related parties.

Notes *(continued)*

19 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the reported values of assets and liabilities, profits and losses, and associated disclosures. Estimates and judgements are continually evaluated based on historical experience and other factors such as expected future events. Actual values may differ to management estimates, and those estimates may be revised in the future either positively or negatively depending upon actual outcomes or changes in expectations.

Key assumptions and other sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year are as follows:

Revenue recognition

Accounting judgements are applied to recognition of revenue, in particular the assessment of work in progress and stage of completion.

A range of acceptable outcomes are possible. Therefore, it is important that the approach and methodologies adopted are appropriate and consistently applied.

Recoverability of debtors

Debtors are stated in the balance sheet at their nominal value less any appropriate provision for irrecoverable amounts. In determining whether provision is required against any debtors, the Directors are required to make a judgement regarding the overall recoverability of the debtor. In exercising this judgement, consideration is given to both the overall economic environment in which a debtor operates as well as specific indicators that the recovery of the nominal balance may be in doubt.

Calculating the appropriate level of provision against debtors involves a key source of estimation uncertainty, namely estimating the quantum of balances irrecoverable.

20 Prior year adjustment

In the prior year creditors owed to group undertakings were classified as due after more than one year. Although it is not the company's directors' intention to call them in within 12 months following the balance sheet date, there are no formal legal agreements for certain balances, and therefore the creditors are considered repayable on demand as the company does not have the unconditional right to defer payment for 12 months. The financial statements for the year ended 30 September 2021 have therefore been restated to move those creditors owed to group undertakings to creditors due within one year. This has no impact on the net assets, however creditors: amounts falling due within one year have increased by £1,959,000.

	As at and for the period ended 30 September 2021 as previously reported	**Restatement**	**As at and for the period ended 30 September 2021 as restated**
	£000	**£000**	**£000**
Amounts recognised in Balance sheet			
Creditors: amounts falling due within one year	(4,753)	(1,959)	**(6,712)**
Net current assets / (liabilities)	16,332	(1,959)	**14,373**
Total assets less current liabilities	20,331	(1,959)	**18,372**
Creditors: amounts falling due after more than one year	(1,959)	1,959	**-**
Net assets / (liabilities)	18,361	-	**18,361**