Northcoders

Empowering tomorrow's tech leaders

Delivering on promise. Building for the future.

Northcoders Group PLC
| Annual report and financial statements 2024
Company no. 13378742

About us

We are one of the **UK's leading technology training specialists**, challenging the tech consultancy market. Through our brands we can provide businesses with the most diverse and comprehensive pool of tech experts through hiring and consultancy to hire.

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Our corporate solutions brand

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> northcodersgroup.com

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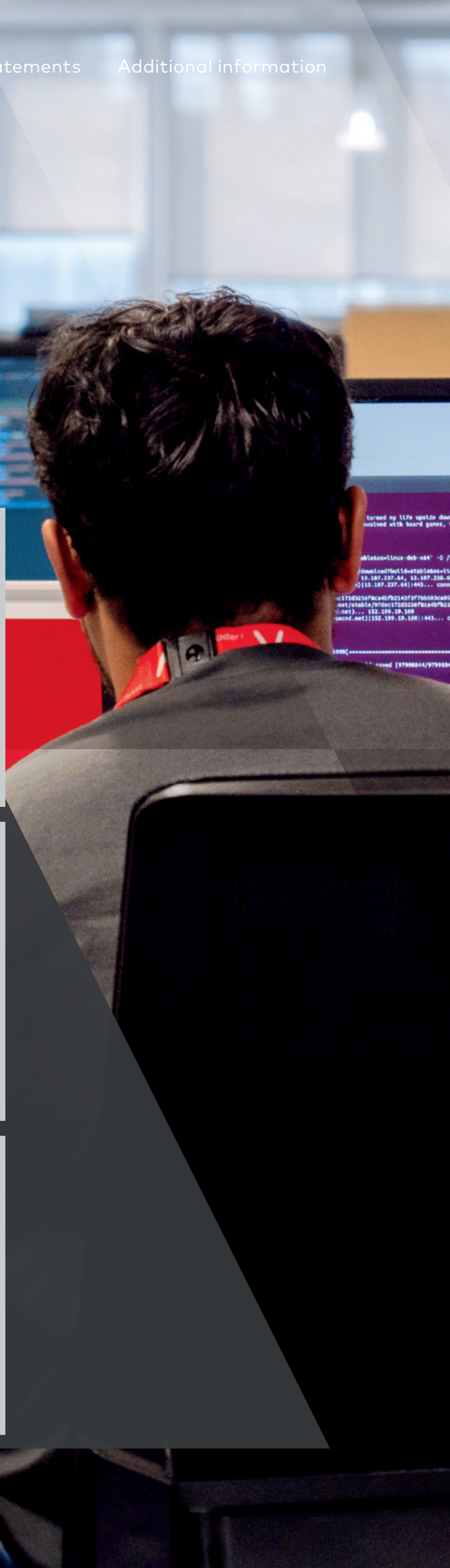
Highlights

Our results are testament to the national reputation of Northcoders.

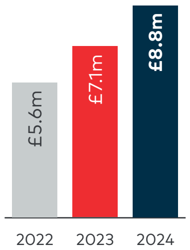


Financial

Revenue

£8.8m

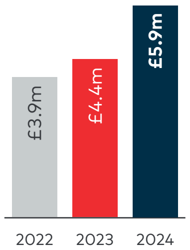
2023: £7.1m



Gross profit

£5.9m

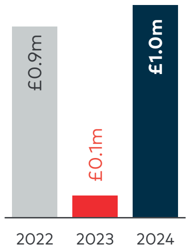
2023: £4.4m



Adjusted EBITDA

£1.0m

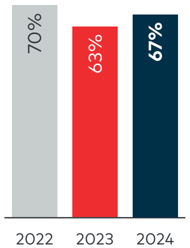
2023: £0.1m



Gross profit margin

67%

2023: 63%



Cash

£1.2m

2023: £1.6m

Net assets

£5.3m

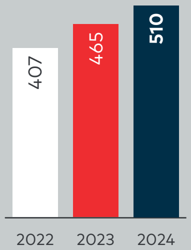
2023: £4.8m

Operational

Hiring partners to date

510

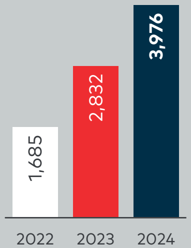
2023: 465



Number of students trained to date

3,976

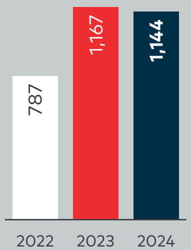
2023: 2,832



Students enrolled in 2024

1,144

2023: 1,167



At a glance

Making our mark by ensuring our lead technology experts come from **diverse backgrounds bringing unique perspectives.**

Our purpose:

To deliver life-changing opportunities for people from all walks of life and provide the UK tech industry with the skills it needs.

Delivered through our strategic priorities:

To drive

To drive sustainable growth in revenue and profit

To champion

To champion excellence across our brands

To create

To create a rewarding workplace through improved operational efficiency

Supported by our values:

We put people first

With empathy and humility, we strive to do the right thing for everyone, even when it's not the easiest path to take.

We champion inclusion

And we actually do it. Diversity is our foundation and our future. Whatever your background, we stand for you.

We strive for excellence

That goes for us as well as our students. So, we get every detail right and take pride in everything we do.

We evolve and adapt

We believe in the power of education to transform lives and futures: our courses continually evolve to embrace new tech.

For the benefit of all our stakeholders:

Our customers

See more on page 17

Our partner organisations

See more on page 17

Our people

See more on page 18

Our communities

See more on page 17

Our shareholders

See more on page 18

Our scalable business model

Scalable business model with a **significant and reliable growth strategy** for both Training and Counter® divisions.

Resource/relationships

Customer experience

Partnering great qualified tech juniors with employers and organisations who need their digital skills.

Products and services

Delivering excellence in training for learners and employers and providing corporates with an alternative to traditional consultancy.

Great people committed to others' development

Working as one team, with a common goal, to enable all our learners to achieve their potential and career ambitions and provide the labour market with diverse technical experts.

Enabling people to learn

Attracting and training people, internally and externally, who have the passion to teach, learn and grow.

Source of revenue

Training bootcamps (B2C & B2B)

Bootcamp Graduates Northcoders

- Software development
- Data engineering
- Cloud engineering
- Corporate academies

- Learner attraction pool
- Pre-training assessment process
- Bootcamp
- Career and recruitment pool

Consultancy (B2B)

Bootcamp Graduates Northcoders

Tech Returners

Counter.

Our revenue is funded by consumers (upfront and via student loans), corporations and the UK Government.

Our strategic priorities

1 To **drive** sustainable growth in revenue and profit

2 To **champion excellence** across our brands

3 To create a **rewarding workplace** through improved operational efficiency

Outcomes

We provide life-changing opportunities for people from all walks of life...

Average starting salary of graduates

£28,380

Percentage of graduates into work

67%

Students trained to date

3,976

...which in turn benefits the wider economy

Our scalable business model continued
Training (B2C & B2B)

Training bootcamps

Training is in our DNA. Since 2015, Northcoders has helped over **c.4,000 people change their lives** by launching new careers in tech.

Our immersive, full-time bootcamps are designed to transform complete beginners into job-ready software developers in just 13 weeks.

We don't just teach coding – we teach problem-solving, collaboration and the mindset needed to thrive in the tech industry. Our bootcamps are led by expert instructors, supported by a team that truly cares, and constantly updated to reflect what employers actually want.

Northcoders has built a reputation for excellence, with a trailblazing alumni network now working at companies such as the Octopus, Disney Streaming and Money Supermarket. Whether you're switching careers or starting fresh, we're here to help you take that first confident step into tech.

Average starting salary for students
£28,380

Percentage of graduates into work
67%

Number of students trained to date
3,976

Number of hiring partners
510

The bootcamp journey

1 Learner attraction pool
We reach diverse learners through marketing, outreach, referrals and partnerships to build a strong, nationwide applicant pool.

2 Pre-training assessment process
Applicants complete a rigorous entry challenge, with only 10% succeeding – ensuring readiness and commitment before joining the bootcamp.

3 Bootcamp
An intensive, instructor-led programme that builds real-world coding skills, teamwork and confidence in 13 to 20 weeks.

4 Career and recruitment pool
Graduates enter our recruitment network, connecting with over 500 employer partners seeking job-ready tech talent across the UK.

Our scalable business model continued

Corporate solutions (B2B)

Counter.

Counter® is Northcoders' business arm, created to challenge the **traditional consultancy model**.

Instead of parachuting in short-term advisers, we embed UK-based teams of problem-solvers who actively choose to work with the organisations they support.

Each Counter® team is led by an experienced tech lead and made up of associate consultants, many of whom are graduates of Northcoders or Tech Returners. They are rigorously trained, culturally aligned and invested in each organisation's long-term success. They don't just advise; they build, collaborate and deliver.

Our approach is grounded in incremental, sustainable change. We help organisations modernise systems, strengthen internal capabilities and tackle complex technical challenges with confidence.

A key advantage of our model is that, at the end of an engagement, clients can choose to hire any member of the team at no additional cost, retaining talent, knowledge and continuity.

We're pragmatic, people-first and proudly UK-based. Counter® is consultancy designed to work for everyone involved.

"Counter's skills, experience, collaborative approach and the time they dedicate to truly understanding our culture make them an ideal fit for Skipton."

June Powell
Engineering Enablement Lead
Skipton Building Society

Key areas the Counter® team is trained in:

- **Software Engineering**
- **Mobile Computing**
- **Artificial Intelligence**
- **Data Engineering**
- **Cloud Computing**
- **Low Code Development**

The Counter® journey

1. Consultants cherry-picked in collaboration with your business
2. Teams are assembled on a project basis, meaning 100% utilisation rate
3. Other expertise and specialisms can be sourced through Tech Returners
4. Returners and Counter® consultants become FTEs post contract completion

Our competitive advantage

1 One of the UK's leading B2C and B2B technology training specialists

- We are widely regarded as one of the industry's highest quality operators, with student excellence attracting 600+ blue-chip corporates and public sector partners
- We have successfully built expertise across a wide and dynamic suite of training products including software development, data engineering and cloud engineering (DevOps)
- A purpose-driven organisation, we are focused on making an immediate impact on diversity and accessibility in the UK technology industry
- Creating meaningful change through collaborating with employers to create life-changing opportunities for individuals from all walks of life

2 Scalable business model with clear growth strategy for B2C and B2B divisions

- Further ambitious B2C strategy with multiple, diversified growth levers: geographic expansion, increasing student lifetime value, increasing technology training specialisms and new training formats
- We will leverage blue-chip relationships and our market-leading reputation in B2C to launch B2B products – we are well positioned for the upturn in corporate spending as wider macroeconomic volatility improves

3 Delivering significant and reliable topline growth

- Focused on increasing profitability with FY22/23 investment in core digital platforms (NCore) and Company infrastructure driving efficiencies to support investment in future growth
- Rolling Government bid wins are creating strong dependable cash flow
- Healthy balance sheet providing Northcoders with a robust financial base

4 Vast market opportunity with the global skills challenge increasing by the continuous introduction of emerging technologies

- We have long-term funding commitments to upskill both private and public sectors
- Digital transformation and looming AI implementation is at the top of private and public sector agendas

5 Building a track record of successful delivery executed by a young, ambitious and entrepreneurial management team whilst supported by leading sector specialist advisers

- Northcoders' executive Board is made up of a young entrepreneurial founding team with a high level of experience and knowledge within the bootcamp space. We have acknowledged that in order to grow as we envision we need the help of industry experts and leading sector specialist advisers. We have been able to attract great talent into these roles and are excited about the level of knowledge they will bring

Chair's statement

"Shaping the future through our commitment to developing tomorrow's tech talent. A successful year despite challenging market and economic conditions."

Angela Williams
Non-Executive Chair

Empowering individuals through high-quality education, equipping them with the technology skills needed to thrive.

Introduction

FY24 has seen Northcoders once again successfully grow revenue to record levels, achieve record student applications, and invest into new training products and platforms despite a period of macroeconomic uncertainty in the UK. The technology hiring market in particular has remained challenging, with organisations experiencing headcount reductions and budget constraints as a result of the wider uncertainty.

Despite these challenges, Northcoders achieved 1,144 student enrolments and 67% have gone into jobs within six months of completing the bootcamp. The number of our students winning roles post-course demonstrates the quality of our offering and consolidates our sector-leading reputation. Furthermore, the Group has increased profitability driven by our focus on efficiency, maximising the use of the new technology platform and virtual learning, whilst keeping our core values at the heart of everything we do.

Whilst the hiring market has been challenging, the consumer demand for training has never been stronger, reflecting the attractions of working in technology. We have now helped to change the lives of over 4,000 people from different walks of life and will continue in a sustainable manner to ensure that all of our graduates have the chance at gaining employment. We continue to scale geographically in many UK regions outside of our original Northern homelands, including new areas such as Scotland.

2024 saw the introduction of two new iterations of the Software Engineering course, Java and C#. Both enterprise languages, Java is a widely used, high-level programming language designed for portability across different platforms and C# is a modern, object-oriented programming language developed by Microsoft. The latter is a great choice for people interested in the gaming industry.

The introduction of these two courses widens job prospects for our graduates and diversifies roles. Rollout has been supported by our NCore platform which has enabled us to scale efficiently and provide an excellent learning experience for all our students.

Our mission to create life-changing opportunities for individuals and help to close the UK's digital skills gap remains consistent, and our flexible training solutions ensure we stay the go-to choice for individuals and businesses, regardless of economic conditions. Backed by a highly capable team of industry experts and efficient processes, we are set up for continued success.

We are proud that we are making a genuine difference to individual learners and to our corporate customers who can grow their own talent, supported by, and in partnership with, Northcoders. This is where we add significant value to our corporate customers.

Chair's statement continued

Strategic growth

FY24 was a year of strategic progress and one of the key milestones was securing a new Department for Education contract in January 2024, providing a significant funding boost to our core bootcamp training programmes and reinforcing our position as a trusted provider of high-quality technology education. This contract not only supported our growth in FY24 but also strengthens our financial stability moving into H1 2025.

We launched our part-time coding bootcamp in July 2024, enabling more individuals to train for a career in technology while balancing work and personal commitments. Designed in direct response to demand for more flexible learning options, the 20-week virtual programme provides full-stack development skills without needing to study full-time. This initiative aligns with Northcoders' mission to drive inclusivity in digital skills training, ensuring that anyone, regardless of their background or schedule, can pursue a career in technology. The curriculum and teaching model is being received well, with students receiving job offers before the end of the course. This new offering being well received reflects our ability to innovate in response to market needs.

Alongside our Training Bootcamp growth, our Business Solutions division, now operating under the Counter® brand, has expanded its reach. We have strengthened relationships with corporate clients with contracts successfully extended, helping them to achieve their technology roadmaps through talented consultancy teams. Furthermore, in November 2024 we were accepted onto the G-Cloud 14 framework, the UK Government's public sector digital marketplace. This significant achievement broadens Counter®'s accessibility and visibility, simplifying how public sector organisations identify the Group's industry-leading expertise and solutions. This diversification of revenue streams is a critical part of our long-term strategy.

Growth, resilience and quality profitable earnings remain our focus. 2024 has shown that Northcoders can achieve growth and profitable earnings whilst diversifying the offering for resilience. Following the investments made in FY23, we also now have the infrastructure in place to deliver our services at scale, whilst creating efficiencies within our teaching model and therefore increasing profitability.

Outlook

FY25 trading has started promisingly. Training Bootcamp applications and registrations continue strongly, and we are seeing an increase in the Counter® pipeline.

As anticipated, the new UK Government is resulting in some changes to the timing and structure of funding for our training bootcamps. Whilst processes will be different, we are confident that funding will continue. We continue to communicate directly with both regional and national funding bodies so that the Group can quickly embrace the new structure once announced. Alongside this, the team continues to take market share in our consultancy division, diversifying revenues to ensure our strategic aim of resilience is achieved. The additional courses in AI and Machine Learning launched this year further expand the appeal of our training solutions.

I want to take a moment to recognise and thank our employees for their hard work this year. They have consistently innovated and created exceptional experiences, learning opportunities and partnerships that our customers value, while also receiving great feedback. All of this has been accomplished while navigating constantly evolving economic and market conditions.

Northcoders is on the front foot and I am confident that as the market returns, as one unified Northcoders team, we will successfully execute our strategy and plans while seizing the exciting opportunities that lie ahead.

Angela Williams
Non-Executive Chair

01 May 2025

Chief Executive Officer's review

"2024 saw further growth in the Group's core Training Bootcamp division."

Chris Hill
Founder and Chief Executive Officer

Our Counter® consultancy division is well positioned to support our clients as market conditions become more favourable.

Introduction

2024 has been a year of growth, challenge and transformation. While the technology industry has faced uncertainty – with hiring freezes, budget constraints and shifting employer demands – Northcoders has remained focused on what we do best: equipping people with the skills to build successful careers in technology.

This year tested us in new ways, and the agility we have shown has reinforced our strengths. We adapted quickly to market conditions, diversified our training programmes and continued to expand our impact. Our record-high student numbers, strong employer engagement, and strategic investments in automation and operational efficiency have set us up for long-term success.

Evolving our business for the future

At Northcoders, we are constantly evolving. In 2024, we made key strategic decisions to ensure we continue delivering high-quality, outcome-driven training while future-proofing our business model. Some of the biggest developments this year include:

- A more diverse training model: We introduced our part-time coding bootcamp, opening the door for those who need flexible learning options to transition into technology careers
- New Software Engineering courses: We expanded our technical course portfolio to include two new Software Engineering iterations, Java and C#, complementing our well-established JavaScript and Data Engineering programmes
- Growth in Business Solutions (now Counter®): We refined our consultancy offerings, making them more accessible to businesses looking to achieve internal tech roadmaps and develop their in-house tech talent
- Post period end, the Group launched its new B2C Training Bootcamp course focusing on AI and Machine Learning which will start in June 2025

Operational review

In FY24 a total of 1,144 Northcoders students embarked on a life-changing journey through one of our training bootcamps. Our online business model continued to be the preferred delivery method for learners and remains the most effective approach for our teaching team to uphold excellence as our student numbers grow. Applications from prospective students stood at 17,159 (FY23: 13,878).

Chief Executive Officer's review continued

Operational review continued

In January 2024 the Group successfully secured a £10m Department for Education Skills Bootcamps bid for the 18-month period to June 2025. Further to the new funding, in February 2024, we received a monitoring visit from Ofsted, which yielded a positive result, comparable with a 'Good in all areas' result should Ofsted's recent visit have been a full inspection. The full report is hosted online and can be found on Ofsted's website, but importantly this ongoing demonstration of best-in-class education supports Northcoders' ongoing relationship with private and public funding providers.

New student applications

17,159

(2023: 13,878)

Permanent staff at Northcoders

129

(2023: 124)

Northcoders ended 2024 with a permanent headcount of 129 FTE staff members compared to the 128 FTE staff members at the start of the year. The Group has worked hard to create efficiencies within the Training Bootcamps division with the help of NCore, and future staff increases will be generated from growth of the Consultancy division.

NCore's main business benefit is the ability to substantially decrease our student-to-tutor ratio whilst improving excellence in our courses by increasing the contact time offered to current and potential bootcamp students.

In FY24 Northcoders introduced two new technical disciplines to our course offering: Java and C#; feedback from learners and hiring partners has been positive. We have also added a part-time version of our JavaScript course. Our Data Engineering bootcamps division continues to grow, with excellent feedback from students and hiring partners.

Training bootcamps

Training bootcamps have been at the core of Northcoders' business since inception and continue to form an important part of our operations as we evolve. Our B2C bootcamp courses cater to individuals of all ages and backgrounds aspiring to build careers in the technology sector, delivered full-time over a 13-week period and part-time over a 20-week period, ensuring comprehensive skills development. The training bootcamps are either funded by consumers upfront, with third-party finance, or through Department for Education funding.

For over three years, Northcoders has been utilising Government Skills Bootcamp funding to offer scholarships, ensuring that individuals facing financial constraints can access our transformative training bootcamps and enhance their career prospects. Despite recent changes in Government, we have received strong signals that Skills Bootcamps continue to be viewed as an essential part of the UK's skills and employment agenda.

A key focus in the period has been expanding our network of hiring partners, with over 510 partners now working with us to offer life-changing opportunities for Northcoders' graduates (FY23: 465). Despite the more challenging end market, the average starting salary has been resilient and, within three years, graduates typically see substantial salary growth as they move into more senior positions, highlighting the value of our training programmes.

Northcoders continues its mission to enhance diversity within the technology industry, with our data showing 30% representation of women and 39% of students without university degrees in our cohorts. As AI and large language models (LLMs) become increasingly prevalent, it is more important than ever to ensure that coding is driven by a diverse group of engineers.

Counter®

Our challenger consultancy brand, Counter®, delivers a corporate consultancy service by assembling teams of advanced technology engineers from Northcoders' alumni and the Group's Tech Returners business to support in-house technology programmes. Upon the completion of the initial contract, while the technology lead rejoins Northcoders, the associate consultants are offered the opportunity to transition into permanent roles within the client's business at no extra cost.

This arrangement provides both immediate and long-term solutions for businesses, ensuring continuity and retention of expertise beyond the contract term. In a bid to diversify our service offerings, these teams are available both as autonomous 'incubated' groups and in collaboration with established consultancy firms. This strategy aims to enhance the Counter® service range while reducing dependency on higher-cost consulting services.

FY24 has seen the division build further momentum, as corporations emerge from hiring freezes, with budget constraints now allowing for the use of consultants. A number of pilot contracts have been won, including HMRC and Proven EA, as well as new contracts with Skipton Building Society, one of the leading UK-based mutual financial services groups, and Manchester Airports Group, announced post period end. The pipeline for new business continues to grow despite the challenging backdrop and we believe this growth is partially attributed to our nearshore pricing model for onshore consultants.

Chief Executive Officer's review continued

Financial review

FY24 has seen Northcoders deliver record growth with a 24% increase in revenue to £8.8m from £7.1m in 2023. This marks our highest ever revenue year and provides further evidence of Northcoders' strong momentum, giving a positive indicator for future growth.

In addition, the Group has increased gross profit margins to 67%, reflecting a balance between the efficiencies achieved by NCore and the economic challenges of inflation and rising operational costs.

Revenue for Training Bootcamps reached £7.9m and Counter® £0.9m gross profit for the year was £5.9m (2023: £4.4m) with a reported gross profit margin (GPM) of 67% (2023: 63%).

Adjusted EBITDA increased significantly to £1.0m (2023: £0.1m). Our disciplined financial management and strategic investments in recent years have positioned us for long-term profitability and the impact of these efforts is already being seen, with efficiency gains across our delivery model and an enhanced ability to scale operations effectively when the opportunities present.

The increase in adjusted EBITDA in 2024 shows a more accurate view of trading following a year of investments in FY23, although we have continued to innovate with new courses and platform alterations within that margin.

B2B: Counter.

This year we introduced Counter®, offering customers a dedicated team that has chosen to work with them.

Based on an in-depth discovery of their business challenges, we offer a team of diverse problem-solvers who are carefully selected, trained in the latest practices, and mentored by our experienced tech leads. They seamlessly integrate into the client's team, bringing fresh perspectives and new capabilities.

Read more on page 5

The profit for the year before tax was £0.4m (2023: £1.0m loss). Basic earnings per share was 5.16p per share (2023: loss 12.62p per share). Net assets as at 31 December 2024 were £5.4m (2023: £4.8m) of which cash was £1.2m (2023: £1.6m).

The cash balance at the year end of £1.2m will enable the Group to continue with its growth plans, whilst remaining prudent as appropriate with wider costs. Cash investment into internal infrastructure is expected to decrease in the year ahead as NCore investment has come to an end.

Current trading and outlook

In the latter part of FY24 and into Q1 FY25, we have observed a positive shift in corporate engagement, with more of our hiring partners taking on junior engineers. Additionally, we have seen encouraging progress in our Counter® pipeline, signalling an improvement in the tech industry economy. This momentum boosts our confidence to keep investing in Counter® and expanding the reach of our offerings.

The Group's current Department for Education contract provides visibility until June 2025. Alongside this, there are a number of local frameworks with open regional bids which offer funding opportunities for Northcoders and the Group has begun these bidding processes.

Our growth initiatives within the Training Bootcamp division include the introduction of additional technical service lines to ensure that we are ahead of the industry, providing the skills it needs. We have released a Data & AI course and continue to ensure that our courses are at the leading edge of what is being used in industry.

Our strategic progress is supported by the successful office move in Manchester that provides lower costs and more flexibility to the business.

We have started FY25 stronger, more efficient, and with clearer market positioning. Our Department for Education-funded Skills Bootcamps, growing Counter® pipeline and diversified training models give us confidence in sustained growth. The steps we took in 2024 to streamline operations and expand our course offerings will enable us to scale effectively while maintaining the high standards that set us apart.

We know that the tech industry will continue to evolve, and so will we. By staying agile, innovative and laser-focused on learner outcomes, we will continue to drive meaningful change in the sector.

Chris Hill
Founder and Chief Executive Officer

01 May 2025

The Directors have used adjusted EBITDA as an Alternative Performance Measure (APM) in the preparation of these financial statements. EBITDA represents earnings before interest, tax, depreciation and amortisation. The adjusted element removes non-recurring items which are not relevant to the underlying performance and cash generation of the business; in 2024 this comprised of share-based payment expenses.

Chief Executive Officer's review continued

Northcoders' history

Q3 2021
- IPO on AIM of LSE raised £3.5m

Q1 2022
- Reached landmark of over 1,000 students trained to date

Q3 2022
- Released new Data Engineering course

Q4 2022
- Oversubscribed placing raised £2.1m

Q1 2023
- Acquisition of Tech Returners

Tech Returners

- Released new Cloud Engineering course

Q3 2023
- Record applications of over 10,000 in the period

Q4 2023
- Enrolled over 1,000 students in one year

Q1 2024
- Largest ever DfE bid win – £10m
- Released news of new part-time course

Q2 2024
- Corporate solutions rebranded as Counter®

Counter.

- New course offerings: Expanded curriculum with Java and C# courses to cater to large enterprises
- Record Training Bootcamp registrations reaching 4,703
- Record revenue growth: Reported a 27% increase in annual revenue, reaching £7.1m, driven by geographic expansion and new disciplines

Q4 2024
- Counter® named supplier on G-Cloud 14
- Manchester office moved to smaller, more suitable space

Market opportunity

Significant market opportunity with the **global skills challenge increasing** by the continuous introduction of emerging technologies.

Software engineers in high demand

"The demand for software engineers continues to surge with each new ground-breaking technological advancement. Aspiring software engineers should pay attention to these trends, while employers need to adapt to meet this rising demand."

| **Employernews.co.uk**

How we're responding

We are continuing to enhance our courses and increase our course offering to ensure that we are getting in front of trends and producing the most in-demand developers.

Cyber security, cloud and AI skills in high demand

"A 2024 report by Hyve Managed Hosting revealed that 80% of UK businesses struggled to find qualified IT and tech professionals, with cybersecurity and cloud computing skills being the most sought after, closely followed by AI and Machine Learning. This shortage was attributed to factors such as academic institutions not keeping pace with industry needs."

| **VM Blog**

How we're responding

Our curriculum is designed in close collaboration with industry to ensure we're closing the skills gap in real time, delivering talent with the practical, job-ready expertise that businesses need most, including our new courses in cloud computing, AI and Machine Learning.

Python, Java and data skills now essential for tech success

"Mastery of programming languages such as Python, JavaScript and Java is crucial. Data science, algorithms and Machine Learning are also in high demand. With the continuous growth of cloud computing and data-driven decision-making, these skills are essential for success."

| **Employernews.co.uk**

How we're responding

We specialise in teaching the most in-demand skills – Python, JavaScript, Java, data science, Machine Learning and cloud computing – so our graduates leave ready to make an immediate impact in a data-driven world.

Tech jobs make up 6.4% of UK workforce

"CompTIA's 'State of the Tech Workforce UK 2024' report further underscored this issue, noting that net tech employment accounted for approximately 6.4% of the overall UK workforce in 2023."

| **CompTIA**

How we're responding

With tech making up a growing share of the UK workforce, we're committed to equipping people with the skills to thrive in this high-growth sector, supporting both career changers and employers alike.

Key performance indicators (KPIs)

Financial

Revenue

KPI: Revenue per financial year.

Goal/target: We aim to continue materially growing revenue each year.

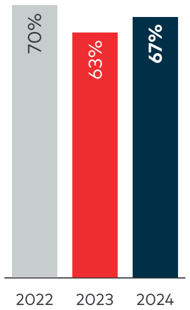
£8.8m

2023: £7.1m

Gross profit margin

KPI: Gross profit margin (GPM).

Goal/target: We have targeted a GPM of around 70% each year but aim to keep this margin as high as possible whilst understanding that consultancy work will lower this.



67%

2023: 63%

Adjusted EBITDA

KPI: Adjusted EBITDA per financial year.

Goal/target: We had a target of £0.9m EBITDA for 2024. 2023 has seen investments above the EBITDA line and we forecast growth going forward.

£1.0m

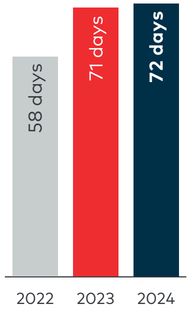
2023: £0.1m

Organisation

Placement rates

KPI: Time taken for students to find jobs after the bootcamp.

Goal/target: We want to keep the time taken for students to find jobs in line with previous years, even when we are increasing the number of graduates per cohort.



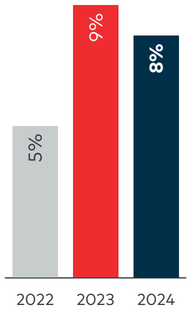
72 days

2023: 71 days

Drop-off rate

KPI: A measurement of how many students drop off the course part-way through.

Goal/target: We want this number to be as low as possible but understand that this will increase due to more students not paying for the course.



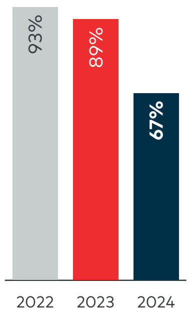
8%

2023: 9%

Percentage of students into jobs

KPI: A measurement of how many graduates, who are looking, go into jobs in digital after the course.

Goal/target: To maintain a high percentage.



67%

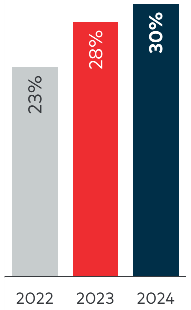
2023: 89%

Society

Women into tech

KPI: The percentage of women and gender minorities choosing to do our course and have a career in the tech industry.

Goal/target: To increase the number of women and gender minorities that are moving into tech.



30%

2023: 28%

Average starting salary

KPI: The average starting salary a graduate goes on to earn.

Goal/target: To incrementally improve starting salaries of graduates.

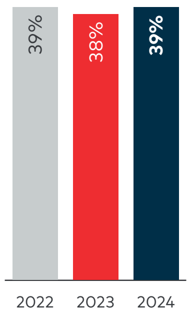
£28,380

2023: £29,303

Non-university educated

KPI: To improve social diversity, we want to increase the number of students who can enter our industry without having to go to university.

Goal/target: To increase this proportion year on year.



39%

2023: 38%

Environmental, social and governance

Our mission is to create **life-changing opportunities within the tech sector** for people from all walks of life. If tech and AI is going to change the way that we all live, then we need to make sure that it is being programmed by people from all backgrounds and walks of life.

Our mission goes beyond teaching code; we are committed to creating real opportunities for people from all backgrounds to build successful careers in technology. As the influence of AI and digital transformation continues to grow, it is essential that the future of tech is shaped by diverse voices and perspectives.

We believe that technology should be built for everyone, by everyone. That's why we are focused on breaking down barriers to entry, ensuring that individuals from underrepresented groups have the skills, confidence and support to thrive in the industry. Diversity of thought isn't just a goal, it's what drives innovation, ensures ethical AI development and makes technology work for society as a whole.

Our role is to make tech careers more accessible, inclusive and sustainable, ensuring an industry that reflects the world it serves.

Inclusion is who we are. Every day, we work to improve diversity in tech, ensuring the industry reflects the world it serves. As technology shapes our future, it's vital that people from all backgrounds have a role in building it.

A more diverse workforce is a better workforce and we create this for our partners.

Women and gender minorities

30%

(2023: 28%)

Identified as non-White British

56%

(2023: 40%)

Environmental, social and governance continued

In 2024, we have seen an increasing number of women and individuals from diverse backgrounds enter the tech industry. This progress has been driven by several key initiatives:

- Fully funded DfE scholarships, removing financial barriers for aspiring tech professionals
- Gender-specific drop-in sessions and taster courses, providing tailored support and encouragement
- The launch of our own JS Basics practice platform, helping learners build foundational skills
- The introduction of a new part-time course, making tech education more accessible for those unable to commit to full-time study
- Offering free places on our part-time Software Development bootcamp, ensuring more opportunities for aspiring developers
- The successful launch of our first C# and Java Software Development cohorts, expanding our course offerings to meet industry demand
- Providing coaching and communication training, equipping learners and employees with the professional skills needed to thrive in the workplace

Through these initiatives, we continue to empower a new wave of tech talent, making the industry more inclusive and accessible than ever.

Social impact

Our staff members are passionate about ensuring that everyone feels welcome and have what they need to enter the tech industry. We have an internal committee called 'We Code' who are dedicated to overcoming any boundaries or issues that may arise surrounding inclusivity. In 2024 We Code has developed educational workshops for staff and students to ensure that Northcoders is a supportive and safe place; they have organised sessions to allow gender minorities to feel comfortable learning more about the course and have started a podcast called 'Queer Coded'.

JS Basics

In April 2023, we launched JS Basics: an internally built course designed to teach people the basics of coding and therefore help them through the initial stages of their learning journey, preparing for our Entry Challenge.

Previously, we relied on and sent applicants to third-party free courses to instil the absolute basics, but we noticed large drop-offs from applicants during this part of our onboarding journey.

These drop-offs were even more pronounced within women and gender minority groups. Realising that we needed to understand why women and gender minorities were dropping out of our platform at this stage, we developed our own: JS Basics.

"I came across Northcoders almost by chance through an advert. After looking into the support they offer and the inclusive environment they've created, I knew it was the right place for me. It didn't matter what my background was, they made it clear that tech is for everyone, and that gave me the confidence to start."

Aaron Kelly

"The skills and experience I gained during the course were invaluable. But more than that, the diversity of the cohort and the inclusive culture made it a safe space to learn. I felt supported and seen throughout the journey, something I never expected from a tech course."

Tiah Hind

"I looked at other bootcamps, but none of them compared to Northcoders. From the start, they made it clear that people like me – who don't fit the usual tech stereotype – are not just welcome, but wanted. That mindset made all the difference, and in the end, the decision was easy."

Jeremy Davis

Other key social and environmental achievements

- We are committed to achieving net zero emissions by 2030
- We plant a tree for every new staff member and graduate
- We have a carbon offset policy
- We train all staff in mental health understanding and approach
- 50% male, 50% female and non-binary people
- Pay parity at Board and leadership level
- Pay parity overall

Stakeholders and section 172

Strong stakeholder relationships are essential to Northcoders' success, forming the foundation of our business. The Board and leadership team are fully committed to transparent, meaningful engagement with all stakeholders, ensuring alignment with our mission and long-term strategy.

Our customers (empowering learners)

We are creating life-changing outcomes and opportunities for the individual learners we work with. Our 'Northcoders' are the reason that we do what we do.

Current engagement

We regularly engage with our students and alumni, actively seeking feedback throughout their journey. Students have access to help centres and anonymous whistleblowing helplines, which we remind them of weekly.

Our connection doesn't end at graduation; we host alumni events, stay in touch on social media, and encourage graduates to share their experiences as they progress in the industry. We believe 'Once a Northcoder, always a Northcoder', and we value the insights of our community to help us continuously improve.

During the year, we have considered our customers when making decisions about the technical disciplines we teach, doing everything we can to ensure our Training Bootcamp graduates are best equipped to embark on their technology careers. We also considered our students when deciding to change our funding options with our provider StepEx. StepEx enabled us to offer more accessible funding to our students from all walks of life.

What we hope our key stakeholders will say

Joining Northcoders was the best decision I have made. I am now in a secure and well-paid role because of NC. I thoroughly enjoyed my experience on the course and it has set me up well for the world of work.

Our partner organisations

We connect organisations with highly skilled tech talent to help build and strengthen their teams. Supporting all levels, to meet a variety of business needs.

Current engagement

We collaborate with over 510 hiring partners, providing businesses with access to our graduates at no recruitment cost. Companies can showcase their job opportunities on our jobs board and introduce roles directly to our students as they prepare to graduate. Throughout the year, we host 'Match Me If You Can' events – our speed-recruitment sessions designed to connect employers with emerging tech talent.

We also work with our partner organisations to ensure that the material we are teaching is relevant to the world of industry.

We considered our partner organisations and their digital roadmaps when making the decision to expand our curriculum offerings into areas such as data, cloud and, more recently, Java and C#.

What we hope our key stakeholders will say

Northcoders graduates are well prepared for Junior Developer roles, bringing the skills and expertise needed to hit the ground running. Their jobs board is user-friendly, and the recruitment process is seamless. I'd definitely consider Northcoders for future junior hires and recommend them to others.

Our communities

We cultivate deep and long-term connections with the groups we engage with, from charities and government bodies to local tech gatherings. We value promoting inclusivity and opening doors for marginalised communities in tech.

Current engagement

We work with local charities and businesses who align with our values and mission. We work with them through sponsorships, through allowing them to use our premises and through time spent advising them on various governors boards etc. Some of these organisations include Innovate Her, Code and Stuff.

What we hope our key stakeholders will say

Northcoders consistently brings fresh ideas and a forward-thinking approach. Their commitment to making a real impact is evident, and working with them feels like a true collaboration built on trust and shared goals.

Stakeholders and section 172 continued

Our people

We create the right environment for everybody to be at their best, together as one Northcoders team.

Current engagement

At Northcoders, our people are at the centre of everything we do. In 2024, we focused on strengthening employee engagement, well-being and professional development. Our Employee Engagement Survey, The Voice, saw a 79% participation rate, a 12% increase from last year. Results show strong engagement across the business, with improvements in support teams and communication, reflecting our continued efforts to improve transparency and collaboration. To strengthen engagement, we launched The BIG (Business Improvement Group), a space for employees to share ideas, raise concerns and shape the future of Northcoders.

In addition to enhancing engagement, we have introduced new benefits to support our team's well-being, including a Healthcare Cashback Scheme to assist with medical costs and a Savings Scheme with a Credit Union to promote financial stability. We have also invested in learning and development, providing Company-wide training such as Safeguarding Training, Professional Teaching Qualifications, and Leadership Communication Training to equip employees with essential skills. To improve accessibility, we launched The People Hub, a centralised platform offering easy access to policies, standard documents and performance review templates, enhancing efficiency and transparency.

As we move forward, the People team will continue working closely with employees and leadership to build on these initiatives, ensuring Northcoders remains a great place to work. Our focus will be on further improving career development, benefits and engagement strategies to support our people in achieving their best, creating a workplace that prioritises inclusion, well-being and continuous learning.

What we hope our key stakeholders will say

At Northcoders, I'm in an environment where I can learn, grow and have a real say in my future. There are plenty of opportunities within the Northcoders Group, and I feel fully supported to show up as myself and thrive.

Our shareholders

We create value for our shareholders and aim to instil confidence in our investors and maintain their trust in our business. We will always consider this major stakeholder when making decisions.

Current engagement

Shareholders can contact the Company at any time using the Investor Relations email and on the website. The CEO and CFO offer presentations and meeting opportunities at interim and full-year results.

Shareholder value is considered when deciding on key strategic investments that require capital investment, such as our internal learner management and teaching automation platform, NCore, and the brand, sales and marketing investments being made into our Counter® division.

What we hope our key stakeholders will say

Northcoders is a trusted partner that delivers real value and impact. They are committed to innovation, inclusivity and growth while maintaining transparency and integrity. Their dedication to developing talent and strengthening the tech industry makes them a forward-thinking and reliable organisation to work with.

The UK Government (empowering skills and education)

Northcoders are the pioneers of a brand new form of education, skills bootcamps, funded by the UK Government. Skills bootcamps are designed to equip individuals with the skills needed to fill the skills gaps that are restricting the growth of the UK economy.

Current engagement

We frequently engage with the Education and Skills Funding Agency to shape the future of educational provision and ensure that the needs of learners and employers are met efficiently for the UK taxpayer.

During the year, we have considered the UK Government, more specifically the Education and Skills Funding Agency, when making decisions about the delivery of our education provision and investment into critical areas such as individual learning plans and our duties to safeguard our students and raising awareness to prevent radicalisation.

What we hope our key stakeholders will say

Northcoders is leading the charge in supplying the essential skills required for economic growth and making life-changing careers in the difficult-to-access technology sector a reality for British people from any background.

Risks and uncertainties

Financial risks

Revenue and profitability

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:

If the Group is unable to achieve or sustain profitability, the business could be severely harmed.

Operating results may fluctuate as a result of a number of factors, many of which are beyond its control.

If results fall below expectations, the trading price of the ordinary shares may decline significantly.

If the Group does not realise sufficient revenue levels, it may require additional working capital, which may not be available on attractive terms, if at all.

Mitigation:

Management constantly reviews the budget analysis and forecasts are flexed monthly in line with market expectations. All financials are reviewed in monthly Board and operating board meetings. Sales teams hold weekly KPI meetings.

Dependence on key contracts/government funding

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:

In previous years the group has had a high concentration of revenue through government funded skills bootcamp contracts.

A change in government means new policies and could result in the removal of funding completely. Although unlikely, if this happens, the Group would have to grow substantially in other areas to maintain revenue and profit levels.

The new government have also moved to a new regionalised way of funding courses, which is a change for the Group.

Mitigation:

The Group will work to continue to bid for regionalised funding whilst diversifying revenues group wide. If there was a drop in revenue the Group will reduce costs to mitigate any affect on profit and cash.

Risks and uncertainties continued

Operational risks

ESFA and Ofsted inspections

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:

Northcoders' DfE revenue is monitored via inspections from Ofsted and the Education and Skills Funding Agency (ESFA). If the Company receives a bad Ofsted rating, this could tarnish the reputation of the bootcamp and could even cause removal of future funding.

Mitigation:

The team works hard to ensure we are fully compliant with all requirements. We have hired a quality lead to ensure that the whole provision meets regulatory standards. The Group has a strategy to diversify revenue streams to ensure that removal of future funding would not cause the business to shut down.

Economic conditions

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:

Economic uncertainty and high interest rates may lead to reduced consumer spending and hiring slowdowns or freezes among our partner businesses. The current economic conditions could also make it harder for individuals to afford taking three months off work to complete the course.

Mitigation:

The Group tries to diversify revenue streams as much as possible. Consumer paying, Government funded and corporate revenue streams all remain in place to ensure a resilient mix. We will explore the possibility of trading outside of the UK.

Ability to recruit and retain skilled personnel

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:

There is a huge digital skills gap in the industry, which could cause issues when wanting to grow the tech team. If the Group cannot recruit the right people, it will struggle to grow in line with forecasts.

Mitigation:

Northcoders offers a very attractive employment package, with a 4.5-day working week, pension and holidays above the national average, employee assistance programmes and private healthcare insurance. We strive to ensure that our staff members are looked after while at work, and also provide a continuing professional development budget for all employees. We employ tutors directly off the bootcamp and have made sure our classroom teaching model relies more on high-level lecturers who have share-options agreements in place.

Risks and uncertainties continued

Operational risks continued

Privacy or data protection failure

Risk level:

Low Medium High

Risk movement:

No movement

Principal risk:
The Group collects, maintains, transmits and stores data about its customers and employees, including personally identifiable information. However, the Group's security measures may not detect or prevent all attempts to breach such security measures and protocols. A breach of such security measures and protocols could result in third parties gaining unauthorised access to customer and/or employee data stored by the Group, which could expose the Group to litigation, regulatory action and other potential issues.

Mitigation:
The Group has a dedicated data protection officer who ensures that systems are in place to prevent a breach. The whole Northcoders team also has yearly data protection and General Data Protection Regulation training. A Head of IT has also been recruited to ensure cyber security compliance and the Group has the Cyber Essentials Plus accreditation in place.

Strategic risks

Competition

Risk level:

Low Medium High

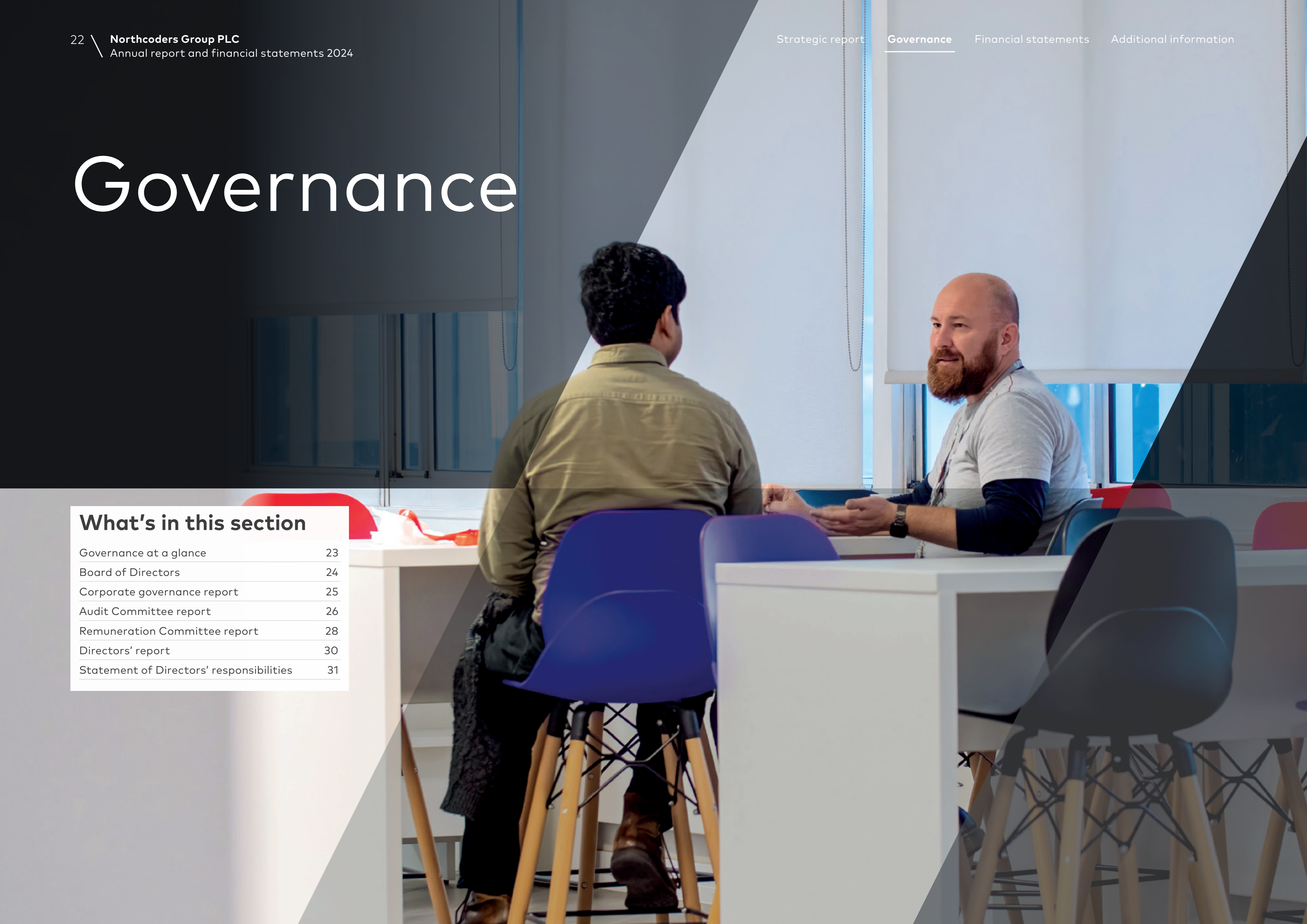
Risk movement:

No movement

Principal risk:
Another coding bootcamp could replicate what we are providing in a better way. This would cause customers to choose the competition and we would struggle for sales.

Mitigation:
Northcoders ensures its product is the market leader by constantly reviewing the course curriculum and changing what we teach in line with changes in the industry. We also make sure we continue to develop our offerings and maintain good legal control of IP.

Governance



What's in this section

Governance at a glance

Our Board brings **a broad range of expertise and experience** to deliver our strategic objectives.

Board and committee attendance

Board member	Board meetings	Audit Committee meetings[1]	Remuneration Committee meetings[2]
Angela Williams	●●●●●	●●	●●
Chris Hill	●●●●●	●●	●●
Amul Batra	●●●●●	○○	○○
Charlotte Prior	●●●●●	●●	○○
Nick Parker	●●●●●	●●	●●

1. As Executive Directors, Chris Hill, Amul Batra and Charlotte Prior are not members of the Audit Committee but were invited to attend the meetings in order to assist with the matters for discussion.
2. Chris Hill is invited to attend meetings but is not present when his own remuneration is being discussed.

"We believe diverse boards make better decisions. That's why we actively recruit across different experiences, backgrounds and identities."

Angela Williams, Chair

40% of our Board identifies as female or non-binary, surpassing the FTSE AIM average of 34% – a result of our intentional focus on inclusive leadership.

Board diversity

Board composition

Executive Director	**3** | 60%
Independent Non-Executive Director	**2** | 40%

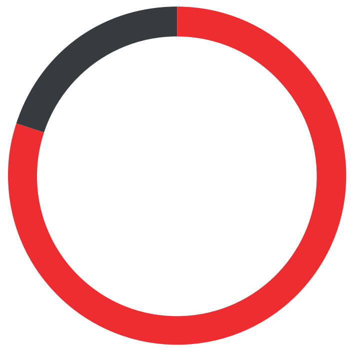
Board tenure

<5 years	**3** | 60%
>5 years	**2** | 40%

Board gender

Female	**2** | 40%
Male	**3** | 60%

Board ethnicity



White British (or other White)	**4** | 80%
Asian/Asian British	**1** | 20%

Board of Directors

Angela Williams

A R

Non-Executive Chair

Appointed to the Board: 2022

Angela is an experienced Non-Executive Director with both UK and international plc experience, working with both business-to-business and business-to-consumer companies across a range of sectors throughout her 30-year career. She has held senior executive roles for companies such as British Airways, Sodexo, Centrica and Land Securities plc, and is the Chief People Officer for Corsearch Inc., offering her transformation, strategy, technology and people change expertise. Angela is also a Non-Executive Director with AND Digital and BMJ.

Key strengths:

- Leadership
- Governance
- People change and transformation

Chris Hill

Co-Founder &
Chief Executive Officer

Appointed to the Board: 2016

Chris founded Northcoders in 2016 after experiencing first-hand the challenges businesses have in hiring competent, work-ready software engineers in his previous role at Sky.

Prior to Northcoders, Chris was a software developer working for companies of various sizes and across various business sectors.

Chris's commercial experience in software development helps to shape Northcoders' curriculum and to understand the high-level requirements of Northcoders' most-innovative programmes.

Key strengths:

- Hands-on leadership
- Visionary
- Passionate

Amul Batra

Co-Founder &
Chief Partnerships Officer

Appointed to the Board: 2018

Prior to joining Northcoders as a Director in 2018, Amul spent 20 years in the music industry, latterly as Managing Director of Fwinki Music, a music management and consultancy company. He left music to set up a tech start-up and elected to sign up to Northcoders' first-ever cohort as part of that process. During his time as a student on Cohort 1, Amul was attracted by the wider Northcoders business proposition and became an early investor and co-founder of Northcoders. He is responsible for critical-account business development and has played a vital role in securing many of Northcoders' contracts with businesses.

Key strengths:

- Confident
- Enthusiastic
- Creative

Charlotte Prior

Chief Financial Officer

Appointed to the Board: 2021

Charlotte joined Northcoders in August 2018. She has over ten years' experience in finance roles ranging from the construction industry to a registered charity. Charlotte is a Fellow of the Chartered Institute of Management Accountants (CIMA). She is responsible for managing the Finance, HR and Legal functions of the Group and ensures that management and the Board have all the information that they need to plan and make informed strategic decisions. With a focus on risk profiles and competition, she enjoys strategy analysis and scenario planning.

Key strengths:

- Financial modelling and forecasting
- Risk management and planning
- Financial reporting

Nick Parker

A R

Non-Executive Director

Appointed to the Board: 2021

Nick is a qualified chartered accountant and experienced public company director with over 40 years of financial leadership across public and private companies. He has held senior roles including CEO of Sheffield Wednesday Football Club PLC and CFO of Dyson Group PLC, Volex PLC, Yu Group PLC and Wandisco PLC – all during times of significant change. In addition to his executive roles, Nick sits on two investment committees at the University of Sheffield and is a Non-Executive Director and Chair of the Risk Committee at One Health Group PLC, a listed healthcare business.

Key strengths:

- Fundraising
- Mergers and acquisitions
- Risk management

A Audit Committee | R Remuneration Committee | ● Committee Chair

Corporate governance report

"Effective corporate governance is the foundation upon which trust, transparency, and sustainability thrive."

Angela Williams
Non-Executive Chair

Northcoders sticks by its belief that culture is key to creating a sustainable, growing business.

We expect all our Directors, employees and suppliers to act with honesty, integrity and fairness. Our business principles set out the standards we set ourselves to ensure we operate lawfully, with integrity and with respect for others.

Legislative overview

As an AIM listed company, we are required to provide details of a recognised corporate governance code that the Board has decided to apply, together with an explanation of how the Company complies with that code, and where it departs from its chosen code and an explanation for the reasons for doing so. The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code. Our report sets out in broad terms how we comply at this point in time. We have set out how we follow the ten principles on **investors.northcodersgroup.com/investors/corporate-governance**.

Northcoders sticks by its belief that culture is key to creating a sustainable, growing business. This culture supports the Company's core mission of closing the digital skills gap whilst creating life-changing opportunities for individuals. We have a clear business model and growth strategy to expand our business and offering. It is the Board's job to ensure that Northcoders is managed for the long-term benefit of all our clients, staff, shareholders and our other key stakeholders. Sensible corporate governance is an important part of that job, reducing risk and adding value to our business. The Board considers that it does not depart from any of the principles of the QCA Code.

Audit Committee report

"2024 has again seen an improvement in internal controls and risk management which in turn provides assurance over Group reporting."

Nick Parker
Chair of the Audit Committee

On behalf of the Audit Committee, I am pleased to present the Audit Committee report for Northcoders Group PLC.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and monitored, through the internal control systems and the external auditor. During the year the Committee focused on the identification and management of the risks of the Group and the internal audit process to give assurance over the Group's internal controls and processes.

As Executive Directors, Chris Hill, Amul Batra and Charlotte Prior are not members of the Audit Committee but were invited to attend the meetings in order to assist with the matters for discussion.

Committee meetings

The Audit Committee comprises of the Non-Executive Directors of the Company and is chaired by Nick Parker. Nick is a member of the Institute of Chartered Accountants in England and Wales. The Committee is required to meet at least twice a year and the table on page 23 sets out the number of Committee meetings each member attended during the year.

Roles and responsibilities

The role of the Committee is to:

- monitor the integrity of the financial statements and activities of the Group, including formal announcements relating to its financial performance, and any significant financial reporting judgements;
- review and monitor the effectiveness of the Group's internal controls, financial and risk management systems and processes;
- review and monitor the effectiveness of the Group's internal audit function including the approval of the annual internal audit plan;
- consider and review all internal audit reports; and
- make recommendations to the Board in relation to the appointment, independence, objectivity and effectiveness of the external audit process.

Activities of the Committee

During the year the Committee undertook the following:

- reviewed the external auditor and appointed a new firm, Gerald Edelman LLP;
- reviewed and discussed with the external auditor the Group's results for the financial year ended 31 December 2024;
- reviewed the Group's financial policies and procedures;
- reviewed reports from management covering various aspects of the Company's operations, controls and procedures, and agreed actions for management to take from findings in the reports;
- reviewed the Group's risk management framework and internal controls;
- reviewed the auditor's fees for the year 2024 and appointed a new firm; and
- reviewed and agreed the external auditor's plan, in advance of their audit for the financial year ended 31 December 2024.

Audit Committee report continued

Risk management

The Board has delegated responsibility for monitoring the financial reporting process and reviewing the effectiveness of the Group's internal controls to the Audit Committee with a sub-group of the CEO and CFO. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives and the Board can only provide reasonable, and not absolute, assurance against material loss, errors or fraud.

The Audit Committee reviews the risk register at each meeting and reports its findings to the Board. The Board reviews the risk profile of the organisation on a regular basis at every Board meeting.

When analysing risk we consider the likelihood and impact on the Group after taking into account appropriate mitigating controls. The risk registers for each business are used to update the Group risk register. The Executive Directors review the Group risk register at each Board meeting, which is analysed by the Risk Committee on a monthly basis. Risk appetite and tolerance are also reviewed and discussed at Board and Audit Committee meetings on a regular basis/twice per year or as market changes or pressures evolve.

Significant accounting matters

The significant issues considered by the Committee during the year were:

- revenue recognition, specifically the timing of recognising revenue, given both the length of the contracts and future contractual obligations; and
- intangible asset classification, along with ensuring sufficient timesheet records.

External auditor

The Group's external auditor is currently Gerald Edelman LLP. The independence of the external auditor is essential to ensure the integrity of the Group's published financial information. During the year, the Committee reviewed and approved the audit plan. The auditor's assessment of materiality and financial reporting risk areas was discussed and challenged if necessary. The Company also reviewed the audit fee before commencing with Gerald Edelman LLP for FY24. The Audit Committee found the fees to be competitive.

Non-audit services

The award of non-audit services to the external auditor is subject to controls agreed by the Audit Committee. The Audit Committee recognises that the auditor may be best placed to provide some non-audit services and these are subject to formal approval by the Audit Committee. Details of fees incurred are disclosed in note 8 to the financial statements. There were no, non-audit services carried out by Gerald Edelman LLP in the period.

Nick Parker
Chair of the Audit Committee

01 May 2025

Remuneration Committee report

"Balancing excellence with equity, our Remuneration Committee crafts a framework that not only rewards performance but fosters a culture of fairness and alignment with our values."

Angela Williams
Chair of the Remuneration Committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing base compensation and all remuneration arrangements for the Executive Directors and Chair of the Company. The Remuneration Committee comprises Angela Williams (Chair) and Nick Parker.

Introduction

The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis and is guided by an approved remuneration policy and considers relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. The Remuneration Committee additionally links part of key management remuneration to the Company's financial and operational performance. It also reviews the overall remuneration approach for all employees.

Components of the remuneration package of Executive Directors

The principal components of the Executive Directors' remuneration packages are base salary, a potential performance-related bonus in the form of cash and medium and long-term incentives in the form of share options, pension contributions and other benefits (such as private medical insurance).

Performance-related bonus

The Remuneration Committee, in discussion with the Executive Directors, establishes performance criteria at the beginning of each financial year that are aligned with the Company's strategic objectives and are designed to be an incentive for delivery while also being challenging. Annual bonuses are payable at the discretion of the Remuneration Committee.

Pension arrangements

Pension eligibility is provided to Executive Directors via a cash contribution to the individuals' personal pension schemes.

Other benefits

Other benefits for Executive Directors include private medical insurance and Group life insurance which is provided by an external provider (currently Vitality Health).

Remuneration of the Chair and Non-Executive Directors

It is the Company's policy to provide fees that attract and retain skilled individuals with the appropriate experience who can add value to the Board. Fees are reviewed on an annual basis to ensure they remain competitive and adequately reflect the time commitments and overall contribution to the role. The Remuneration Committee is responsible for making recommendations to the Board on the fees payable to the Chair and the Non-Executive Directors. To ensure independence, any proposed changes are reviewed by the Executive Board members and aligned with the market rates for equivalent Non-Executive Director roles.

Remuneration Committee report continued

Emoluments of Directors

Details of the nature and amount of each element of the emoluments of each Director who served during the year ended 31 December 2024 are as follows:

	Salary £	Share option £	Benefits in kind £	Pension £	**Total 2024 £**	Total 2023 £
A Batra	130,000	—	1,782	10,400	**142,182**	155,365
C Hill	176,667	—	845	14,133	**191,645**	184,467
C Prior	138,615	—	391	11,169	**150,175**	206,675
A Parker	35,000	—	—	—	**35,000**	35,000
A Williams	55,000	—	—	—	**55,000**	55,687
Total	535,282	—	3,018	35,702	**574,002**	637,194

Directors' interests

The interests of the Directors holding office at 31 December 2024 in the shares of the Company are set out below:

Ordinary shares of £0.01 each	**31 December 2024**
A Batra	**919,413**
C Hill	**1,314,080**
C Prior	**—**
A Parker	**62,778**
A Williams	**2,710**

The Company's shares were admitted to trading on AIM on 27 July 2021. The market price of the Company's shares at 31 December 2024 was 182.5p and the range during the period was 135p-295p per share.

On behalf of the Board.

Angela Williams
Chair of the Remuneration Committee

01 May 2025

Directors' report

Directors

Those who served as Directors during the financial year 2024 are:

Angela Williams;
Chris Hill;
Amul Batra;
Charlotte Prior; and
Nick Parker.

Results and dividends

The profit after taxation for the year ended 31 December 2024 was £0.4m. The Board is not recommending the payment of a final dividend in respect of the year ended 31 December 2024.

Directors' interests

Directors' interests at 31 December 2024 in the shares and share options of the Group are shown in the Remuneration Committee report on page 28.

Financial instruments

The Group's principal financial instruments comprise cash balances and other payables and receivables that arise in the normal course of business. The risks associated with these financial instruments are disclosed in note 25 to the financial statements.

Future developments

Further information regarding the future developments of the Group is contained in the strategic report, which forms part of this annual report.

Directors' liabilities

Subject to the conditions set out in the Companies Act 2006, the Group has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

Disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he/she ought to have taken as a Director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment and Re-appointment of the auditor

During the year Gerald Edelman LLP were appointed as auditors and in accordance with section 489 of the Companies Act 2006 a resolution to re-appoint them will be proposed at the next annual general meeting.

Board committees

Information on the Audit and Remuneration Committees is included in the governance section of the annual report on pages 22 to 31.

Annual general meeting

The annual general meeting will be held on 26 June 2025 as stated in the notice that accompanies this annual report. Certain matters required to be disclosed in the Directors' report have been omitted as they are included in the Chief Executive Officer's review, the strategic report and within the notes to the financial statements.

Going concern

In preparing the financial statements, the Directors have considered the principal risks and uncertainties facing the business, along with the Group's objectives, policies and processes for managing its exposure to financial risk. In making this assessment the Directors have prepared cash flow forecasts for the foreseeable future, being a period of at least eighteen months from the date of approval of the financial statements.

Forecasts are adjusted for reasonable stress cases that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge. One of these potential scenarios is the removal of Skills Bootcamp funding from the UK government, although unlikely as regional funding is being rolled out, this has been tested, and with the mitigation of removal of costs, concludes no issues to going concern. The sensitivities were then also grouped and cashflow was tested to ensure that, with mitigation, reserves were suitable. Even under the worst-case scenario identified, the Directors do not believe this to cause a material uncertainty around going concern.

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Payment of suppliers

The Group has set processes in place within the accounts department to ensure that suppliers are paid on time.

Directors' and Officers' liability insurance

The Group maintains a Directors' and Officers' liability insurance policy.

Diversity

Northcoders is committed to encouraging diversity and promoting a diverse culture where every employee is treated with respect. We strive to create an environment where every member is valued for their individual contribution, an environment free of bullying, harassment, victimisation and unlawful discrimination. We have a Diversity & Inclusion Policy in place to ensure that the Company remains a welcoming place to work and safer recruitment training to ensure that this is reflected in our recruitment processes. It is a key objective to ensure that all employees are helped and encouraged to fulfil their potential and to ensure that Northcoders remains a safe and welcoming place to work.

By order of the Board.

Charlotte Prior
Chief Financial Officer

01 May 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and 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, the Directors have elected to prepare the financial statements in accordance with UK Adopted International Accounting Standards and applicable law.

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 the Group and of the profit or loss of the Company and the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's and the Group's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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

They are further responsible for ensuring that the strategic report and Directors' report, and other information included in the annual report and financial statements, are prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Northcoders Group PLC website is the responsibility of the Directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts when they are presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Financial statements

What's in this section

Auditor's report

To the members of Northcoders Group PLC

Opinion

We have audited the financial statements of Northcoders Group Plc (the 'company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows, the notes to the Group financial statements including significant accounting policies, the Company Statement of Financial Position, the Company Statement of Changes in Equity, and the notes to the Company financial statements including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Adopted International Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We remain independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included reviews of cash reserves and critical review of forecasts for a period of at least 12 months from when the financial statements are authorised for issue.

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 and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Coverage	100% of Group profit before tax 99% of Group total assets
Key Audit Matters	Revenue recognition Impairment, capitalisation and useful economic life of intangible assets.

In addition to those KAMs, in the prior year the "Acquisition accounting and acquisition balance sheet of Tech Returners Limited (Group)" was deemed a KAM as it was a one-off transaction that occurred during the year ended 31 December 2023.

The materiality for the Group financial statements as a whole was £132,000 (2023: £92,000) based on 1.5% of the Group's Revenue (2023: 7.5% of Group loss before tax). For the company's financial statements materiality as a whole was £79,200 (2023: £51,000) based on 2.5% of Net Assets (2023: 7.5% of loss before tax capped to Group materiality).

Auditor's report continued

To the members of Northcoders Group PLC

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Company and Northcoders Limited are significant components and were subject to full scope audit procedures by the Group audit team. Our scope on the non-significant components was the performance of analytical review procedures by the Group audit team. We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on, the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Group) We are required to consider fraud risk in revenue recognition as a presumed significant risk under ISA 240. There is a risk that the revenue recognised does not meet the revenue recognition criteria under IFRS 15. In the current year, material revenue particularly from Future Earning Agreements is recognised, an area subject to significant management estimates and judgements which also involved application of complex accounting rules with regards to variable consideration and significant financing component assessment. There is therefore a risk of completeness and accuracy of revenue recognition.	**We performed the following procedures:** • We enquired with management and assessed the design and implementation of key processes and controls around revenue recognition. • For each material revenue stream, we have challenged the application of IFRS 15, 5 step revenue recognition process. We substantively selected a sample to review the contracts and verified those for compliance with IFRS 15. • We specifically challenged management's assessment of IFRS 15 with regards to future earning agreements, verifying the accuracy and completeness of variable consideration and conclusion ruling out the significant financing component for appropriateness. • We substantively tested a sample of revenue from the original signed contracts to the amounts invoiced during the year confirming completeness of revenue and deferred income. • We reviewed the appropriateness of disclosures in the financial statement in this regard. **Key observations:** Based on the audit work performed, we are satisfied that the revenue recognition under IFRS 15 is appropriate.

Auditor's report continued

To the members of Northcoders Group PLC

Key audit matter continued

Impairment, capitalisation and useful economic life of intangible assets

The Group has a number of intangible assets namely goodwill, software, development costs, licences, brands and customer relationships and contracts.

Development costs is the most significant item. The capitalisation of development costs is an area exposed to complex accounting. There is a risk that the development costs are not capitalised appropriately in line with IAS 38 requirements. The carrying value will also need to be assessed for impairment.

Goodwill needs to be assessed annually for impairment which is a significant accounting estimate. The discounted cash flow model used to support that value will be based on future forecasts that will need to be assessed and agreed to supporting evidence.

Software, brands and customer relationships and contracts will all need to be assessed for impairment, ensuring that there are no indicators in existence.

The useful economic life of the intangible assets is also a key accounting estimate and could result in material misstatement if not appropriate.

How our audit addressed the key audit matter continued

We performed the following procedures:

- We challenged the capitalisation of intangible assets (development costs) and whether these are capitalised in line with IAS 38. We verified supporting evidence based on a sample in line with our audit methodology confirming appropriateness of capitalization against supporting evidence.
- We substantively tested a sample of the capex additions confirming that the total employee cost agree to their monthly cost and the allocation to eligible development activities under IAS 38 is reasonable.
- We challenged management on whether or not the carrying value of assets is assessed for any impairment indicators and where applicable, challenged the full impairment review based on the impairment review model – we challenged the CGU assessment, underlying key forecast assumptions (specifically revenue and operating costs) used in the impairment assessment verified against supporting evidence and comparison with actuals to date for appropriateness.
- We challenged management on use of UEL if appropriate under IFRS.
- We reviewed the appropriateness of disclosures in the financial statement in this regard.

Key observations:

Based on the audit work performed, we are satisfied that intangible assets are correctly accounted in accordance with IAS 38.

Auditor's report continued

To the members of Northcoders Group PLC

Our application of materiality

Materiality is assessed as the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality provides a basis for determining the nature and extent of our audit procedures. Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£132,000 (PY: £92,000)	£79,200 (PY: £51,000)
How we determined it	Based on 1.5% (PY: 7.5% of Group loss before tax) of revenue. The percentage used was at the lower end of the firm's methodology due to it being the first year of our engagement and the additional risks associated with the Group being AIM listed.	Based on 2.5% of Net assets (PY: 7.5% of Group loss before tax) in line with our methodology.
Rationale for benchmark applied	We considered revenue to be the most appropriate due to this metric being the most important for the Group in assessing the performance of the Group in its current growth phase.	We considered net assets being the most appropriate metric due to its main activities being that of a holding company
Performance materiality	£85,800 (PY: £64,400)	£51,500 (PY: £35,700)
Basis for determining performance materiality	65% (PY: 70%) of materiality. In reaching our conclusion on the level of performance materiality to be applied we considered that due to FY24 audit being out first involvement in the Group's audit, a lower percentage should be used.	65% (PY: 70%) of materiality. In reaching our conclusion on the level of performance materiality to be applied we considered that due to FY24 audit being out first involvement in the Group's audit, a lower percentage should be used

Auditor's report continued

To the members of Northcoders Group PLC

Component materiality

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components is ranged from £92,400 to £118,800. We set materiality for each significant component of the Group based on a percentage of between 60% and 90% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £6,600 (2023: £4,600) for the Group and £4,000 (2023: £2,550) for the Company audit as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Group and Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and Company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities statement set out on page 31, 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's responsibilities for the audit of the financial statements

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the period ended 31 December 2024.

Auditor's report continued

To the members of Northcoders Group PLC

Auditor's responsibilities for the audit of the financial statements continued

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, employment law, Health and Safety, Data Protection Act, Education Skills Funding Agency, Ofsted, Anti-Bribery Act, Money Laundering Act and AIM listing rules.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness.
- Investigated the rationale behind significant or unusual transactions.
- Performed testing on capitalisation and the impairment assessment of development asset and carrying value of investments, which are the accounting estimates requiring judgement from management.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing legal and professional fees for indications of non-compliance with laws and regulations.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of this report

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

Talha Farrukh FCCA ACA
(Senior Statutory Auditor)

For and on behalf of Gerald Edelman LLP
Statutory Auditors

73 Cornhill
London
EC3V 3QQ

Date: 01 May 2025

Group statement of comprehensive income

For the year ended 31 December 2024

	Notes	**2024 £**	2023 £
Revenue	4	**8,819,083**	7,102,319
Cost of sales		**(2,916,871)**	(2,658,650)
Gross profit		**5,902,212**	4,443,669
Other operating income		**1,000**	—
Expenditure		**(4,922,462)**	(4,364,300)
Adjusted EBITDA		**980,750**	79,369
Depreciation		**(131,838)**	(172,582)
Amortisation and impairment		**(265,716)**	(234,225)
Share-based payments		**(138,446)**	(186,542)
Total administrative expenses		**(5,458,462)**	(4,957,649)
Non-recurring items	5	**—**	(562,603)
Operating profit/(loss)	7	**444,750**	(1,076,583)
Investment revenues	11	**29,957**	14,170
Finance costs	12	**(85,843)**	(163,260)
Profit/(loss) before taxation		**388,864**	(1,225,673)
Income tax (expense)/income	13	**9**	218,745
Profit/(loss) for the year		**388,855**	(1,006,928)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Tax adjustment on share-based payments		**(32,746)**	(3,725)
Total items that will not be reclassified to profit or loss		**(32,746)**	(3,725)
Total other comprehensive income for the year		**(32,746)**	(3,725)
Total comprehensive income for the year		**356,109**	(1,010,653)

Profit for the financial year is all attributable to the owners of the Parent Company.

Total comprehensive income for the year is all attributable to the owners of the Parent Company.

	Notes	**2024 Pence per share**	2023 Pence per share
Pence per share	14		
Basic		**4.85**	(12.62)
Diluted		**4.85**	(12.62)
Adjusted		**6.58**	(3.23)

The notes on pages 43 to 67 form part of these Group financial statements.

Group statement of financial position

As at 31 December 2024

	Notes	2024 £	2023 £
Non-current assets			
Goodwill	16	**1,310,086**	1,310,086
Intangible assets	16	**2,054,942**	1,747,400
Property, plant and equipment	17	**222,149**	316,986
Deferred tax asset	28	**127,807**	158,837
		3,714,984	3,533,309
Current assets			
Contract assets	19	**1,624,485**	1,398,018
Trade and other receivables	20	**456,363**	671,724
Current tax recoverable		**4,900**	43,945
Cash and cash equivalents		**1,185,780**	1,617,172
		3,271,528	3,730,859
Current liabilities			
Trade and other payables	23	**978,219**	1,101,275
Contract liabilities	19	**73,557**	206,500
Current tax liabilities		**–**	4,937
Borrowings	22	**258,276**	293,355
Lease liabilities	24	**47,583**	212,112
		1,357,635	1,818,179
Net current assets		**1,913,893**	1,912,680
Non-current liabilities			
Borrowings	22	**216,859**	474,300
Lease liabilities	24	**99,844**	154,070
		316,703	628,370
Net assets		**5,312,174**	4,817,619

	Notes	2024 £	2023 £
Equity			
Called up share capital	31	**80,115**	80,115
Share premium account	32	**4,801,444**	4,801,444
Share option reserve	34	**371,663**	401,714
Merger reserve		**500**	500
Other reserve	33	**946,774**	946,774
Retained earnings		**(888,322)**	(1,412,928)
Total equity		**5,312,174**	4,817,619

The notes on pages 43 to 67 form part of these Group financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 01 May 2025 and are signed on its behalf by:

Mr C D Hill
Director

Company registration number 13378742 (England and Wales)

Group statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £	Share premium account £	Other reserves £	Share option reserve £	Merger reserve £	Retained earnings £	Total £
Balance at 1 January 2023		76,889	4,801,444	(50,000)	228,480	500	(415,583)	4,641,730
Year ended 31 December 2023:								
Loss		—	—	—	—	—	(1,006,928)	(1,006,928)
Other comprehensive income:								
Deferred tax on share-based payment transactions		—	—	—	—	—	(3,725)	(3,725)
Total comprehensive income		—	—	—	—	—	(1,010,653)	(1,010,653)
Transactions with owners:								
Issue of share capital	31	3,226	—	—	—	—	—	3,226
Share options expense		—	—	—	186,542	—	—	186,542
Merger relief	31	—	—	996,774	—	—	—	996,774
Cancellation of share options		—	—	—	(13,308)	—	13,308	—
Balance at 31 December 2023		80,115	4,801,444	946,774	401,714	500	(1,412,928)	4,817,619
Year ended 31 December 2024:								
Loss and total comprehensive income		**—**	**—**	**—**	**—**	**—**	**388,855**	**388,855**
Transactions with owners:								
Share options expense		**—**	**—**	**—**	**138,446**	**—**	**—**	**138,446**
Deferred tax on share-based payment transactions		**—**	**—**	**—**	**—**	**—**	**(32,746)**	**(32,746)**
Cancellation of share options		**—**	**—**	**—**	**(168,497)**	**—**	**168,497**	**—**
Balance at 31 December 2024		**80,115**	**4,801,444**	**946,774**	**371,663**	**500**	**(888,322)**	**5,312,174**

The notes on pages 43 to 67 form part of these Group financial statements.

Group statement of cash flows

For the year ended 31 December 2024

	2024		2023	
	£	£	£	£
Profit/(loss) for the year after tax		**388,855**		(1,006,928)
Adjustments for:				
Taxation charged		**9**		(218,745)
Finance costs		**85,843**		163,260
Investment income		**(29,957)**		(14,170)
Loss on disposal of property, plant and equipment		**(246)**		(83)
Amortisation of intangible assets		**263,842**		234,225
Depreciation of property, plant and equipment		**131,838**		172,582
Equity-settled share-based payment expense		**138,446**		186,542
		978,630		(483,317)
Movements in working capital:				
(Increase)/decrease in contract assets		**(226,467)**		549,904
Decrease in trade and other receivables		**215,361**		341,517
(Decrease)/increase in contract liabilities		**(132,943)**		201,261
Increase/(decrease) in trade and other payables		**109,014**		(71,390)
Cash generated from operations		**943,595**		537,975
Income taxes refunded		**32,383**		113,461
Net cash inflow from operating activities		**975,978**		651,436
Investing activities				
Purchase of intangible assets	**(571,384)**		(751,400)	
Purchase of property, plant and equipment	**(38,411)**		(86,110)	
Proceeds from disposal of property, plant and equipment	**1,656**		339	
Purchase of subsidiaries, net of cash acquired	**—**		(173,758)	
Payment of deferred consideration	**(240,902)**		—	
Interest received	**29,957**		14,170	
Net cash used in investing activities		**(819,084)**		(996,759)
Financing activities				
Repayment of borrowings	**(292,520)**		(418,177)	
Payment of lease liabilities	**(218,755)**		(279,826)	
Interest paid	**(77,011)**		(116,775)	
Net cash used in financing activities		**(588,286)**		(814,778)
Net decrease in cash and cash equivalents		**(431,392)**		(1,160,101)
Cash and cash equivalents at beginning of year		**1,617,172**		2,777,273
Cash and cash equivalents at end of year		**1,185,780**		1,617,172

The notes on pages 43 to 67 form part of these Group financial statements.

Notes to the Group financial statements

For the year ended 31 December 2024

1 Accounting policies

Company information

Northcoders Group PLC is a public company limited by shares incorporated in England and Wales. The registered office is Bloc, 17 Marble Street, Manchester, United Kingdom, M2 3AW. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

The Group consists of Northcoders Group PLC and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with UK-adopted international accounting standards, as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under UK-adopted IAS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies are set out below.

The individual Parent Company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';

(b) the requirements within IAS 1 relating to the presentation of certain comparative information;

(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period was £145,201 (2023: £87,306).

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the twelve months following the acquisition date.

1.3 Basis of consolidation

The consolidated Group financial statements consist of the financial statements of the Parent Company Northcoders Group PLC together with all entities controlled by the Parent Company (its subsidiaries) as detailed in note 18 and the Group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries (as laid out in note 18) are consolidated in the Group's financial statements from the date that control commences until the date that control ceases.

The Group applied the principles of merger accounting as part of the historic acquisition of Northcoders Limited. Northcoders Group PLC was incorporated on 6 May 2021 and attained control of Northcoders Limited by means of a share-for-share exchange on 24 June 2021. Merger accounting requires that the results of the Group are presented as if the Group has always been in its present form, and does not require a re-evaluation of fair values as at the point of acquisition. Accordingly, as a result of this merger accounting, a merger reserve is recognised within equity which represents the difference between the net assets of the Group and the retained profits recognised by the Group as at 24 June 2021.

During the prior year, 100% of the share capital of Tech Returners Limited was acquired by Northcoders Limited. Acquisition accounting applies to this transaction.

Notes to the Group financial statements continued

For the year ended 31 December 2024

1 Accounting policies continued

1.4 Going concern

In preparing the financial statements, the Directors have considered the principal risks and uncertainties facing the business, along with the Group's objectives, policies and processes for managing its exposure to financial risk. In making this assessment the Directors have prepared cash flow forecasts for the foreseeable future, being a period of at least eighteen months from the date of approval of the financial statements.

Forecasts are adjusted for reasonable stress cases that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge. One of these potential scenarios is the removal of Skills Bootcamp funding from the UK Government, although unlikely as regional funding is being rolled out, this has been tested, and with the mitigation of removal of costs, concludes no issues to going concern. The sensitivities were then also grouped and cash flow was tested to ensure that, with mitigation, reserves were suitable. Even under the worst-case scenario identified, the Directors do not believe this to cause a material uncertainty around going concern.

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Revenue from providing services is recognised in the accounting period in which the services are rendered. Services are typically provided over short periods of time, spanning typically a few months at most. However, for fixed-price contracts that span accounting periods, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Where the Group has contracts where the period between the transfer of the promised services to the customer and payment exceeds one year, the Group adjusts transaction price for the time value of money.

Revenue is determined and recognised over time as follows:

- For consumer bootcamps, incoming resources received in advance of the service being provided are recognised on a pro-rata basis across the course delivery, based on delivery dates for those courses. Any incoming resource received in advance is recognised as deferred revenue. Apprenticeship income is a funding mechanism for the consumer revenue stream. The Group receives lump-sum drawdowns at regular intervals, which typically are billed in arrears resulting in accrued income where course delivery and/or attendance is completed prior to the reporting end date. In addition, the Group receives a contingent success fee, payable at the end. The Group makes an assessment of the probability of success and accrues this on a percentage of completion basis as the course progresses.
- For corporate solutions, amounts are invoiced in arrears for development work performed along with any associated costs, based on the number of hours spent on each contract at agreed contractual rates for those delivering the course. Where appropriate, any amounts to be invoiced based on the stage of completion of development work in the year are recognised as accrued revenue, and any amounts invoiced in advanced for development work are recognised as deferred revenue, in line with performance obligations per contracts with customers.
- For consultancy contracts, amounts are recognised on a pro-rata basis throughout the length of the contract unless a performance obligation states otherwise, where a performance obligation is determined in accordance with IFRS 15.
- For conference events, income is recognised once the event has taken place. Any income received in advance is recognised as a contract liability until the performance obligation has been satisfied.
- For training funded by StepEx future earnings agreements, income is recognised when the training takes place at the amount of consideration expected to be received.

Determining the transaction price

The Group's revenue on over-time sales is generally based on fixed price contracts but these are subject to more variability as a result of the nature of the contract. Any variable consideration is constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the final amounts of any variations has been determined.

Allocating amounts to performance obligations

Where the contracts include multiple performance obligations, which are determined to be separate performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

1.6 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of the subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Group financial statements continued

For the year ended 31 December 2024

1 Accounting policies continued

1.7 Intangible assets other than goodwill

The Group's other intangible assets are stated at cost less accumulated amortisation and impairment losses. Where assets are acquired through business combinations, the Group uses an appropriate fair value technique in order to determine cost. Intangible assets are tested annually for impairment or otherwise when circumstances change. Amortisation begins when an asset is acquired or becomes available for use and is calculated on a straight-line basis to allocate the cost of assets over their estimated useful lives as follows:

Licence	four years straight line
Technology	five years straight line
Development costs	four – ten years straight line
Brand	six years straight line
Customer relationships	six years straight line
Customer contracts	six years straight line

Development costs includes improvement spend on the Group's website, which incorporates internal and external spend, as well as internally generated intangibles representing courses, internally used technologies, similar assets. Both variants are amortised on the same basis.

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the term of the lease
Fixtures and fittings	25% straight line
Computers	33% straight line
Right-of-use assets	over the term of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Parent Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit or loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit or loss are initially measured at fair value plus transaction costs.

Notes to the Group financial statements continued

For the year ended 31 December 2024

1 Accounting policies continued

1.12 Financial assets continued

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The Parent Company has made an irrevocable election to recognise changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognised initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Group recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for facts that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast director of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Notes to the Group financial statements continued

For the year ended 31 December 2024

1 Accounting policies continued

1.14 Equity instruments

Equity instruments issued by the Parent Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the Company.

Share capital represents the nominal value of shares that have been issued.

Share premium represents the excess of the subscription price over the par value of shares issued.

Share option reserve relates to amounts recognised for the fair value of share options and warrants granted in accordance with IFRS 2.

Other reserve represents the nominal value of the share-for-share exchange, as explained further in note 33.

Merger reserve represents the carrying value of the investment in the subsidiary undertaking at the point of the share-for-share exchange, as explained further in note 33.

Retained earnings include all current and prior period retained earnings.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately where applicable. Where employees forfeit options (for example on resignation) no further charge is accrued and the amounts recognised in the share option reserve to date are transferred to retained earnings. As the obligation to settle the reward is held by the Parent Company, Northcoders Group PLC there are no modifications in these Company accounts for employees leaving during the vesting period.

The cumulative expense over the vesting period is recognised within the Capital Contribution Reserve.

Notes to the Group financial statements continued

For the year ended 31 December 2024

1 Accounting policies continued

1.19 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control and direct the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease. In doing so the Group assesses expectations for the period of use based on break clauses and intention to retain, based on best estimates at inception and at each reporting end date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of twelve months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.21 Non-recurring items

Items which are material either because of their size or nature, and which are non-recurring, are presented within their relevant consolidated income statement category, but highlighted through separate disclosure. The separate reporting of non-recurring items helps provide a better picture of the Group and Company's underlying performance. Items which are included within the non-recurring category include (but are not limited to):

- costs incurred in relation to the integration of significant acquisitions and other major restructuring programmes;
- significant goodwill or other asset impairments relating to specific market events;
- revenue clawback due to the inability to claim for job outcomes after the period. The reason for this being the shift in outcomes rate due to the post-Covid-19 tech economy crash;
- incorrect estimate of variable consideration in the previous year due to an in inflation of jobs post pandemic; and
- other particularly significant or unusual items.

Notes to the Group financial statements continued

For the year ended 31 December 2024

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the Group but have had no effect on the current period or a prior period and are not expected to have an effect on future periods:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1) and Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The adoption of these standards has not had any effect on the reported financial position or results of the Group.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS21) effective 1 January 2025
- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9) effective 1 January 2026
- Annual Improvements to IFRS Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) effective 1 January 2026
- Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 7 and IFRS 9) effective 1 January 2026
- IFRS 18 'Presentation and Disclosure in Financial Statements' effective 1 January 2027
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' effective 1 January 2027

The Group is not expecting to change its reported profits or net asset position as a result of these disclosures, although it is expected to change the presentation of these results as a consequence of the disclosure requirements of IFRS 18.

3 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Capitalisation of development costs

The Group recognises as intangible fixed assets development costs that are considered to meet the relevant capitalisation criteria. The measurement of such costs and assessment of their eligibility in line with the appropriate capitalisation criteria requires judgement and estimation around the time spent by eligible staff on development, expectations around the ability to generate future economic benefit in excess of cost and the point at which technical feasibility is established.

Useful lives and impairment of non-current assets (including right-of-use assets)

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Group's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten/increase then depreciation charges in the financial statements would increase/decrease and carrying amounts of tangible assets would change accordingly.

The Group also assesses the useful life of intangible development assets based on experience of past use of those assets, and likely renewal periods to maintain and replace and renew aspects such as coding. Based on this the useful life is ten years, which reflects management's expectation of consumption of the assets.

The Group is required to consider, on an annual basis, whether indications of impairment relating to such assets exist and, if so, perform an impairment test. The recoverable amount is determined based on the higher of value-in-use calculations or fair value less costs to sell. The use of the value-in-use method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The Directors are satisfied that all recorded assets will be fully recovered from expected future cash flows. Details of the inputs to this are provided in note 16.

Deferred tax

The Group makes provision for anticipated tax consequences based on the likelihood of whether additional taxes may arise. The Group recognises deferred tax assets to the extent to which it expects to be able to utilise the balances against future taxable profits.

Notes to the Group financial statements continued

For the year ended 31 December 2024

3 Critical accounting estimates and judgements continued

Key sources of estimation uncertainty

Incremental borrowing rates applied to calculate lease liabilities

The Group has used the incremental borrowing rate to calculate the value of the lease liabilities relating to its property lease liabilities recognised under IFRS 16. The discount rate used reflects the estimated risks associated with borrowing against similar assets by the Group, incorporating assumptions for similar terms, security and funds at that time.

The carrying amounts of such liabilities are disclosed within note 24.

Share-based payments

The determination of the fair values of EMI options and warrants has been made by reference to the Black-Scholes model; the input with the greatest amount of estimation being the volatility of the Company's share price which has been derived via benchmarking against similar companies in the industry. Other key inputs are set out in note 30.

Expected credit losses

The amount recognised as a provision is the best estimate of the expected credit loss that the Group is projected to incur on receivables. At each year end the Directors assess the risks and uncertainties surrounding receivable balances and use expected loss rates based on the historical credit losses experienced by the Group. Further details on the assumptions made are disclosed in note 21.

Revenue provision

An estimate of variable consideration is recognised against DfE income due to the performance-based nature of the contract. The measurement of the consideration requires judgement and estimation around the expectation of what percentage of students who finish the DfE course go into a relevant job within the timescales of the contract. Job outcomes are regularly reviewed by management and the consideration is flexed as necessary.

StepEx revenue

Estimation of StepEx revenue is entirely contingent on the future earnings of students over a fixed period of time. It is calculated on a portfolio basis, looking at expectations of the amounts repayable from all students based on the stage of completion of the course. Variable revenues are not discounted to present value, and are not subject to expected credit loss calculations; instead, the amount is adjusted as each student reaches completion of their contractual earnings period and the final amounts are known because, it is assessed that there is no significant financing component involved.

4 Revenue

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors.

The results of the Group are allocated to the single operating segments consistent with the requirements of IFRS 8. All assets, liabilities and revenues are located in, or derived from, the United Kingdom.

	2024 £	2023 £
Revenue	**8,819,083**	7,102,319
Cost of sales	**(2,916,871)**	(2,658,650)
Gross profit	**5,902,212**	4,443,669
Operating costs	**(5,458,462)**	(4,957,649)
Other operating income	**1,000**	—
Non-recurring costs	**—**	(562,603)
Operating profit	**444,750**	(1,076,583)
Net finance costs	**(55,886)**	(149,090)
Profit/(loss) before taxation	**388,864**	(1,225,673)

Revenue analysed by geographical market

	2024 £	2023 £
United Kingdom	**8,819,083**	7,102,319

Revenue includes undiscounted EdAid sales of £nil (2023: £7,542) of which some of these contain a financing element. EdAid sales are governed by a formal credit agreement facilitated by a third party. An adjustment of £nil (2023: £nil) has been recognised in finance income to reflect the discounted element based on expected repayment profiles inherent in the agreement at date of invoice.

Also included within revenue are StepEx sales of £177,361 (2023: £29,924). StepEx sales are governed by a formal credit agreement facilitated by a third party. The revenues are not discounted as the amount receivable represents variable consideration, with no significant financing component involved, which is recognised on a portfolio basis using the expectation of a typical amount received per person.

Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £7,259,267 (2023: £5,778,001) from one customer (2023: one customer).

All revenue is recognised over time as the services are delivered. All revenue has fixed consideration except for the StepEx sales disclosed above.

Notes to the Group financial statements continued

For the year ended 31 December 2024

4 Revenue continued

Contract assets

	2024 £	2023 £
At 1 January	**1,398,018**	1,947,922
Transfers from contract assets to trade receivables	**(1,293,905)**	(1,595,005)
Non-recurring item: irrecoverable amounts written off	**(104,113)**	(352,917)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	**1,624,485**	1,398,018
At 31 December	**1,624,485**	1,398,018

Contract liabilities

	2024 £	2023 £
At 1 January	**206,500**	5,239
Amounts recognised as revenue	**(206,500)**	(5,239)
Amounts received in advance of performance	**73,557**	206,500
At 31 December	**73,557**	206,500

Contract assets and contract liabilities are both shown on the face of the statement of financial position. They arise from the Group's contracts because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

5 Exceptional items

	2024 £	2023 £
Expenditure		
Irrecoverable amounts	**–**	485,770
Acquisition costs	**–**	57,269
Business restructuring costs	**–**	19,564
	–	562,603

Irrecoverable amounts

Having reviewed the recoverability of contract assets in 2023, management have assessed that a portion of income accrued during 2022, amounting to £458,770, is irrecoverable and has therefore been written off as a non-recurring item in 2023. The Group recognises revenue in accordance with IFRS 15 and the specific provisions relating to variable consideration. At the time of recognising the contract asset, the Group had every expectation that the amounts would be recoverable. The contracts are performance-based and external factors and conditions arising during 2023, which could not be foreseen, had a detrimental impact to the recoverability of these contract assets. In particular, following the Covid-19 pandemic, the number of job opportunities for course participants diminished, resulting in reduced performance-based revenue. Such factors and conditions have been taken into account in recognising revenue as at 31 December 2023 and 2024.

Acquisition costs

Acquisition costs pertain to legal and professional fees incurred as part of the acquisition of Tech Returners Limited during the prior year. Such costs are non-recurring and hence deemed non-recurring.

Business restructuring costs

Non-recurring restructuring costs in the form of redundancy and severance payments were incurred by the Group as part of its retreat from the apprenticeship market.

6 Adjusted EBITDA

The Directors have used an Alternative Performance Measure (APM) in the preparation of these financial statements. The consolidated income statement has presented adjusted EBITDA, where EBITDA represents earnings before interest, tax, depreciation and amortisation. The adjusted element removes non-recurring items which are not relevant to the underlying performance and cash generation of the business. Non-recurring items for the prior year are disclosed in note 5. There are no non-recurring costs for the current year.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business and will allow an ongoing trend analysis of this performance based on current plans for the business.

Notes to the Group financial statements continued

For the year ended 31 December 2024

7 Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging/(crediting):	**2024 £**	2023 £
Exchange losses	**1,851**	896
Depreciation of property, plant and equipment	**131,838**	172,582
Profit on disposal of property, plant and equipment	**(246)**	(83)
Amortisation of intangible assets (included within administrative expenses)	**263,842**	208,751
Impairment of intangible assets (included within administrative expenses)	**–**	25,474
Share-based payments	**138,446**	186,542

8 Auditor's remuneration

Fees payable to the Group's auditor and associates:	**2024 £**	2023 £
For audit services		
Audit of the financial statements of the Group and Company	**60,000**	75,000
Audit of the financial statements of the Company's subsidiaries	**47,500**	40,000
	107,500	115,000

9 Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2024 Number	2023 Number
Executive Directors	**3**	3
Non-Executive Directors	**2**	2
Administration and operations	**55**	44
Client service delivery	**69**	75
Total	**129**	124

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	**5,184,932**	4,294,730
Social security costs	**518,987**	441,671
Pension costs	**245,703**	446,996
	5,949,622	5,183,397

In addition to the above, further employee costs have been incurred as part of the development costs, as disclosed in note 16. The total employment costs which have been capitalised as development are £546,403 (2023: £715,716).

10 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	**539,268**	555,322
Amounts receivable under long-term incentive schemes	**43,339**	43,383
Company pension contributions to defined contribution schemes	**35,705**	38,489
	618,309	637,194

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2024 £	2023 £
Remuneration for qualifying services	**183,313**	194,575
Company pension contributions to defined contribution schemes	**11,169**	12,100

Notes to the Group financial statements continued

For the year ended 31 December 2024

10 Directors' remuneration continued

During the year the Directors received remuneration as follows:

	Salary £	Share options £	Benefits in kind £	Pension £	Total £
Mr A Batra	**130,000**	**—**	**1,782**	**10,400**	**142,182**
Mr C D Hill	**176,667**	**—**	**845**	**14,133**	**191,645**
Ms C Prior	**139,615**	**43,339**	**359**	**11,169**	**194,482**
Mr A N Parker	**35,000**	**—**	**—**	**—**	**35,000**
Mrs A M Williams	**55,000**	**—**	**—**	**—**	**55,000**
	536,282	**43,339**	**2,986**	**35,705**	**618,309**

During the previous year the Directors received remuneration as follows:

	Salary £	Share options £	Benefits in kind £	Pension £	Total £
Mr A Batra	142,361	—	1,615	11,389	155,365
Mr C D Hill	170,312	—	530	13,625	184,467
Ms C Prior	150,833	43,383	359	12,100	206,675
Mr A N Parker	35,000	—	—	—	35,000
Mrs A M Williams	54,312	—	—	1,375	55,687
	552,818	43,383	2,504	38,489	637,194

The Directors of the Group control 28.68% (2023: 30.66%) of the voting shares of the Group, and hold 175,000 (2023: 175,000) share options. No Directors exercised share options during the current or comparative year.

Notes to the Group financial statements continued

For the year ended 31 December 2024

11 Investment income

Interest income	2024 £	2023 £
Financial instruments measured at amortised cost:		
Bank interest received	**19**	55
Unwinding of discount on revenue	**29,938**	14,115
Total interest revenue	**29,957**	14,170

12 Finance costs

	2024 £	2023 £
Interest on bank overdrafts and loans	**65,713**	108,036
Interest on lease liabilities	**11,298**	25,601
Other interest payable	**—**	589
Total interest expense	**77,011**	134,226
Unwinding of discount on deferred consideration	**8,832**	29,034
	85,843	163,260

13 Income tax expense

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	**—**	(39,045)
Adjustments in respect of prior periods	**1,725**	(31,151)
Total UK current tax	**1,725**	(70,196)
Deferred tax		
Origination and reversal of temporary differences	**25,993**	(148,549)
Changes in tax rates	**2,587**	—
Adjustment in respect of prior periods	**(30,296)**	—
	(1,716)	(148,549)
Total tax charge/(credit)	**9**	(218,745)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2024 £	2023 £
Profit/(loss) before taxation	**388,864**	(1,225,673)
Expected tax charge/(credit) based on a corporation tax rate of 25.00% (2023: 23.59%)	**97,216**	(289,136)
Effect of expenses not deductible in determining taxable profit	**3,584**	67,762
Change in unrecognised deferred tax assets	**54,436**	(10,387)
Adjustment in respect of prior years	**1,725**	(31,151)
Effect of change in UK corporation tax rate	**—**	(6,244)
Research and development tax credit	**(126,498)**	2,254
Other permanent differences	**(2,745)**	4,777
Share-based payment charge	**—**	43,380
Deferred tax adjustments in respect of prior years	**(30,296)**	—
Tax at marginal rate	**2,587**	—
Taxation charge/(credit) for the year	**9**	(218,745)

In addition to the amount charged to the income statement and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:

	2024 £	2023 £
Current tax:		
Expected tax deductions related to share-based payments on exercised options	**32,746**	3,725

Notes to the Group financial statements continued
For the year ended 31 December 2024

14 Earnings per share

	2024 Number	2023 Number
Weighted average number of ordinary shares for basic earnings per share	**8,011,469**	7,977,002
Effect of dilutive potential ordinary shares:		
– Weighted average number of outstanding share options	**7,945**	34,692
Weighted average number of ordinary shares for diluted earnings per share	**8,019,414**	8,011,694

Earnings (all attributable to equity shareholders of the Company)	2024 £	2023 £
Profit/(loss) for the period from continued operations	**388,855**	(1,006,928)

Earnings per share for continuing operations	2024 Pence per share	2023 Pence per share
Basic earnings per share	**4.85**	(12.62)
Diluted earnings per share	**4.85**	(12.62)

In the prior year the Group incurred losses and, as such, did not present any dilutive shares in accordance with IAS 33 'Earnings Per Share'. The diluted earnings per share is therefore the same as the basic earnings per share.

The Group does have a number of share options (and, in the prior year, warrants) which have been taken into consideration for the diluted earnings per share in the current year. Details of these are given in note 30.

Adjusted earnings per share

The Directors use adjusted earnings before non-recurring costs and share-based payment expenses. This creates an Alternative Performance Measure which the Directors believe reflects a fair estimate of ongoing profitability and performance. The calculated adjusted earnings for the current period is as follows:

Adjusted earnings	2024 £	2023 £
Profit/(loss) for the period	**388,855**	(1,006,928)
Adjusted for:		
Non-recurring costs	**–**	562,603
Share-based payment expense	**138,446**	186,542
Adjusted earnings for basic and diluted earnings per share	**527,301**	(257,783)

The number of shares is unchanged by the definition of adjusted earnings.

Adjusted earnings per share	2024 Pence per share	2023 Pence per share
Basic earnings per share	**6.58**	(3.23)
Diluted earnings per share	**6.58**	(3.23)

15 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2024 £	2023 £
In respect of:		
Intangible assets	**–**	25,474
Recognised in:		
Administrative expenses	**–**	25,474

Notes to the Group financial statements continued

For the year ended 31 December 2024

16 Intangible assets

	Goodwill £	Software £	Development costs £	Licence £	Brand £	Customer relationships and contracts £	Total £
Cost							
At 1 January 2023	—	—	1,055,530	101,899	—	—	1,157,429
Additions – internally generated	—	—	751,401	—	—	—	751,401
Additions – purchased	1,310,086	164,706	—	—	140,160	53,513	1,668,465
At 31 December 2023	1,310,086	164,706	1,806,931	101,899	140,160	53,513	3,577,295
Additions – internally generated	**—**	**—**	**571,384**	**—**	**—**	**—**	**571,384**
Disposals	**—**	**—**	**—**	**(101,899)**	**—**	**—**	**(101,899)**
At 31 December 2024	**1,310,086**	**164,706**	**2,378,315**	**—**	**140,160**	**53,513**	**4,046,780**
Amortisation and impairment							
At 1 January 2023	—	—	234,634	50,950	—	—	285,584
Charge for the year	—	30,196	123,491	25,475	21,413	8,176	208,751
Impairment loss	—	—	—	25,474	—	—	25,474
At 31 December 2023	—	30,196	358,125	101,899	21,413	8,176	519,809
Charge for the year	**—**	**32,941**	**198,622**	**—**	**23,360**	**8,919**	**263,842**
Eliminated on disposals	**—**	**—**	**—**	**(101,899)**	**—**	**—**	**(101,899)**
At 31 December 2024	**—**	**63,137**	**556,747**	**—**	**44,773**	**17,095**	**681,752**
Carrying amount							
At 31 December 2024	**1,310,086**	**101,569**	**1,821,568**	**—**	**95,387**	**36,418**	**3,365,028**
At 31 December 2023	1,310,086	134,510	1,448,806	—	118,747	45,337	3,057,486
At 31 December 2022	—	—	820,896	50,949	—	—	871,845

Development costs consist of employee costs and software development consultancy costs.

The Group tests intangible assets for impairment annually. Assets are assessed for impairment by comparing the carrying values with the value-in-use, which is determined by calculating the net present value of cash flows arising. The net present value is based on budgets and forecasts to 2027 using growth rates based on projections, which are based on market expectations. A post-tax discount rate of 16.4% (2023: 15%) has been used based on the Group's cost of capital and varied based on the risk profile of the underlying assets.

The Company has no intangible assets at 31 December 2024 or 31 December 2023.

Notes to the Group financial statements continued

For the year ended 31 December 2024

17 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computers £	Right-of-use assets £	Total £
Cost					
At 1 January 2023	108,878	140,878	185,920	1,172,496	1,608,172
Additions	—	10,416	75,694	47,257	133,367
Business combinations	—	2,054	—	—	2,054
Disposals	—	—	(698)	—	(698)
Modification	—	—	—	(62,324)	(62,324)
At 31 December 2023	108,878	153,348	260,916	1,157,429	1,680,571
Additions	**—**	**—**	**38,411**	**—**	**38,411**
Disposals	**(105,598)**	**(4,437)**	**(1,450)**	**(784,200)**	**(895,685)**
At 31 December 2024	**3,280**	**148,911**	**297,877**	**373,229**	**823,297**
Accumulated depreciation and impairment					
At 1 January 2023	94,611	125,817	111,998	859,019	1,191,445
Charge for the year	6,313	13,470	51,961	100,838	172,582
Eliminated on disposal	—	—	(442)	—	(442)
At 31 December 2023	100,924	139,287	163,517	959,857	1,363,585
Charge for the year	**6,313**	**5,125**	**60,420**	**59,980**	**131,838**
Eliminated on disposal	**(105,598)**	**(4,437)**	**(40)**	**(784,200)**	**(894,275)**
At 31 December 2024	**1,639**	**139,975**	**223,897**	**235,637**	**601,148**
Carrying amount					
At 31 December 2024	**1,641**	**8,936**	**73,980**	**137,592**	**222,149**
At 31 December 2023	7,954	14,061	97,399	197,572	316,986

Payments in respect of short-term and low-value leases (where leases have a value of less than £5,000 or term less than twelve months) continue to be charged to the income statement on a straight-line basis over the lease term.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term. Leases are discounted at the Group's incremental borrowing rate on inception, which ranges from 3.9%-5.5%.

The Company has no items of property, plant and equipment at 31 December 2024 or 31 December 2023.

Notes to the Group financial statements continued
For the year ended 31 December 2024

18 Subsidiaries
Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% held Direct	% held Indirect
Northcoders Limited	1	Provision of software development training courses	Ordinary	100.00	–
Northcoders TechEd Limited	1	Non-trading	Ordinary	–	100.00
Tech Returners Limited	1	Provision of software development courses	Ordinary	100.00	–

Registered office addresses (all UK unless otherwise indicated):

1. Bloc, 17 Marble Street, Manchester, United Kingdom, M2 3AW.

Northcoders Group PLC has provided, under s479A Companies Act 2006, a guarantee which permits its wholly owned subsidiaries (detailed below) to not obtain an audit of its individual financial statements for the year ended 31 December 2024:

- Tech Returners Limited – Company number: 10466684
- Northcoders TechEd Limited – Company number: 07998684

19 Contracts with customers

	2024 Period end £	2023 Period end £	2023 Period start £
Contracts in progress			
Contract assets	**1,624,485**	1,398,018	1,947,922
Contract liabilities	**(73,557)**	(206,500)	(5,239)

Contract assets and contract liabilities are both shown on the face of the statement of financial position. They arise from the Group's contracts because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

Further information is shown in note 4.

Notes to the Group financial statements continued
For the year ended 31 December 2024

20 Trade and other receivables

	2024 £	2023 £
Trade receivables	**342,728**	499,877
Provision for expected credit loss	**—**	—
	342,728	499,877
Other receivables	**15,214**	15,688
Prepayments	**98,421**	156,159
	456,363	671,724

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. Included within trade receivables are undiscounted EdAid receivables of £9,856 (2023: £12,756). EdAid receivables are governed by a formal credit agreement facilitated by a third party. Some of the amounts receivable are subject to interest income which is charged at the official rate of RPI inflation. There is a discounted financing agreement implicit in the revenue recognition under IFRS 15, which has been calculated using an estimated discount rate of 7%. The cumulative discount recognised and not yet unwound as at the year end is £nil (2023: £nil).

Also included are StepEx receivables of £239,380 (2023: £29,924). StepEx sales are governed by a formal credit agreement facilitated by a third party and represent variable consideration.

21 Trade receivables – credit risk

Fair value of trade receivables

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Expected credit loss assessment

	2024			2023		
Trade receivables	Balance £	Rate %	Loss allowance £	Balance £	Rate %	Loss allowance £
Current	**103,067**	**0.23**	**237**	109,868	0.23	253
Past due 0-30 days	**11,628**	**0.46**	**53**	278,360	0.46	1,280
Past due 31-60 days	**—**	**0.92**	**—**	57,415	0.92	528
Past due 61-90 days	**27,305**	**1.83**	**500**	19,277	1.83	353
Past due more than 90 days	**200,728**	**3.66**	**7,347**	34,957	3.66	1,279
	342,728		**8,137**	499,877		3,693

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. Note that contract assets are yet to be invoiced, and therefore not due at the year end. Also included are StepEx receivables of £239,380 (2023: £29,924). StepEx sales are governed by a formal credit agreement facilitated by a third party. An adjustment of £nil (2023: £nil) has been recognised in finance income to reflect the discounted element based on expected repayment profiles inherent in the agreement at date of invoice. The average credit period given on sales (except for EdAid and StepEx sales) is 30 days. The expected loss rates are based on the historical credit losses experienced by the Group.

Notes to the Group financial statements continued

For the year ended 31 December 2024

21 Trade receivables – credit risk continued

Impaired trade receivables

In determining the provision for impairment of trade receivables the Group stratifies the receivables into three components: EdAid/StepEx debtors, corporate debtors, and other; other represents personal and other receivables which are required to pay in advance otherwise the course does not proceed. The expected credit loss allowance for impairment is considered and shown below.

EdAid and StepEx receivables are governed by a formal credit agreement facilitated by a third party. Amounts receivable are subject to interest income which is charged at the official rate of RPI inflation. Whilst the credit risk is suffered by the Group, the credit control elements are performed by the third-party broker. The receivables are recognised on inception and amounts are recovered based on the employment income of each customer, following completion of the course, and as such there are no defined contractual credit terms. As such, the Directors do not consider ageing terms to provide an accurate indication of expected credit losses. On the grounds of materiality no ECL provision has been recognised on EdAid debtors. Uncertainty in StepEx receipts represents variable revenue so expected credit losses do not ordinarily apply.

Movement in the allowances for doubtful debts

	2024 £	2023 £
At 1 January	**–**	45,650
Allowance reversed	**–**	(45,650)
At 31 December	**–**	–

22 Borrowings

	Current		Non-current	
	2024 £	2023 £	**2024 £**	2023 £
Borrowings held at amortised cost:				
Bank loans	**76,859**	76,751	**62,199**	138,223
Other loans	**181,417**	216,604	**154,660**	336,077
	258,276	293,355	**216,859**	474,300

The Group has the following borrowings at 31 December 2024:

- A Creative England loan on which undiscounted amounts of £nil (2023: £40,237) are due, and which has an interest rate of 11%. The loan is carried at £nil (2023: £39,664) in the financial statements. The loan is secured by way of a fixed and floating charge over all assets of Northcoders Limited.
- A second Creative England loan taken out during 2022, on which undiscounted amounts of £343,750 (2023: £608,824) are due, and which has an interest rate of 10%. The loan is carried at £336,075 (2023: £513,017) in the financial statements. The loan is secured by way of a fixed and floating charge over all assets of the Company.
- A North of Tyne loan was taken out during 2022 with an interest rate of 6%, which is carried at £114,583 (2023: £117,083) in the financial statements. The loan is secured by way of a fixed and floating charge over all assets of the Company.
- A Bounce Back Loan Scheme on which undiscounted amounts of £6,208 (2023: £10,458) are due and which has an interest rate of 2.5%; this became payable in June 2021 when the Government grant incentive period expired. The loan is carried at £6,208 (2023: £10,458) in the financial statements. There is no secured element on the loan.
- A second Bounce Back Loan Scheme on which undiscounted amounts of £18,267 (2023: £28,474) are due and which has an interest rate of 2.5%; this became payable in October 2021 when the Government grant incentive period expired. The loan is carried at £18,267 (2023: £27,433) in the financial statements. There is no secured element on the loan.

Of these loans, £nil (2023: £nil) falls due for repayment in more than five years.

Notes to the Group financial statements continued

For the year ended 31 December 2024

23 Trade and other payables

	2024 £	2023 £
Trade payables	**42,326**	51,699
Accruals	**272,331**	291,209
Deferred consideration	**—**	232,070
Social security and other taxation	**579,994**	356,389
Other payables	**83,568**	169,908
	978,219	1,101,275

24 Lease liabilities

Maturity analysis	2024 £	2023 £
Within one year	**59,279**	223,701
In two to five years	**103,636**	162,915
Total undiscounted liabilities	**162,915**	386,616
Future finance charges and other adjustments	**(15,488)**	(20,434)
Lease liabilities in the financial statements	**147,427**	366,182

Lease liabilities are classified based on the amounts that are expected to be settled within the next twelve months and after more than twelve months from the reporting date, as follows:

	2024 £	2023 £
Current liabilities	**47,583**	212,112
Non-current liabilities	**99,844**	154,070
	147,427	366,182

Amounts recognised in profit or loss include the following:

	2024 £	2023 £
Interest on lease liabilities	**11,298**	25,601

The Group's right-of-use asset additions and depreciation charge recognised on leases in the year is shown in note 17, and interest expense in note 12.

25 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders.

The Group manages the capital structure, being cash and cash equivalents, availability of longer-term bank funding and reinvestment of a proportion of profits generated, and makes changes in light of movements in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust its borrowings and investment decisions.

The carrying amount of financial instruments is:

	2024 £	2023 £
Carrying amount of financial assets		
Debt instruments at amortised cost	**1,982,427**	1,904,581
Cash and cash equivalents	**1,185,779**	1,617,536
	3,168,206	3,522,117
Carrying amount of financial liabilities		
Measured at amortised cost	**1,020,787**	2,076,218

Notes to the Group financial statements continued

For the year ended 31 December 2024

26 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations as they fall due. The Group manages its liquidity by forecasting cash inflows and outflows on a daily basis. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table details the remaining contractual maturity for the Group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Group may be required to pay. It reflects the contractual undiscounted cash flows, including future interest charges, which may differ from the carrying value of the liabilities.

	Demand and less than 3 months £	From 3 to 12 months £	From 12 months to 2 years £	From 2 to 5 years £	Total £
At 31 December 2023					
Trade and other payables	696,202	52,070	—	—	748,272
Borrowings	126,081	244,926	306,662	235,480	913,149
Leases	69,446	154,256	59,279	103,636	386,617
	891,729	451,252	365,941	339,116	2,048,038

	Demand and less than 3 months £	**From 3 to 12 months £**	**From 12 months to 2 years £**	**From 2 to 5 years £**	**Total £**
At 31 December 2024					
Trade and other payables	**456,734**	**15,409**	**—**	**—**	**472,143**
Borrowings	**66,080**	**198,278**	**218,449**	**—**	**482,807**
Leases	**17,743**	**41,537**	**103,636**	**—**	**162,915**
	540,557	**255,224**	**322,085**	**—**	**1,117,865**

Notes to the Group financial statements continued
For the year ended 31 December 2024

27 Market risk
Market risk management
The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- interest rate risk; and
- liquidity risk.

The Group's Chief Financial Officer, working alongside the rest of the Board, maintains liquidity and credit risk and manages relations with the Group's bankers.

Interest rate risk
The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk. No material interest rate fluctuations are expected on any short-term financing with all liabilities subject to fixed interest rates.

The carrying amounts of financial liabilities which expose the Group to cash flow interest rate risk are as follows:

	2024 £	2023 £
Creative England loan	**336,075**	552,681
Bounce Back Loan Scheme	**24,477**	37,891
North of Tyne loan	**114,583**	177,083
	475,135	767,655

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest-bearing assets including cash and cash equivalents are considered to be short-term liquid assets. Interest rates on the Creative England, North of Tyne and the Bounce Back Loan Scheme borrowings are fixed and therefore considered to be low risk.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial cost represent the maximum credit exposure. Personal receivables are required to pay for courses in advance unless they are EdAid or StepEx receivables, which are subject to deferred credit terms with repayments contingent on the future employment income of these individuals. Except for this, the risk is limited to corporate debtors. The Group monitors defaults of customers and incorporates this information into credit risk controls. The Group is not exposed to any significant credit risk in relation to any single counterparty or group of counterparties with similar characteristics.

The Group established an allowance for impairment in respect of receivables where recoverability is considered doubtful.

28 Deferred taxation

	Assets	
	2024 £	2023 £
Deferred tax balances	**127,807**	158,837
Deferred tax assets are expected to be recovered as follows:		
– Within one year	**127,807**	78,358
– After more than one year	**—**	80,479

Notes to the Group financial statements continued

For the year ended 31 December 2024

28 Deferred taxation continued

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	ACAs £	Tax losses £	Provisions £	Share-based payments £	Capitalised R&D £	Business combinations £	Transition to IFRS £	ROU assets £	ROU liabilities £	Total £
Liability at 1 January 2023	(12,751)	—	—	—	(205,224)	(12,738)	—	—	—	(230,713)
Deferred tax movements in prior year										
Credit/(charge) to profit or loss	(3,423)	219,393	(191)	(46,010)	(7,770)	20,408	(33,858)	—	—	148,549
Credit/(charge) to other comprehensive income	—	—	—	(3,725)	—	—	—	—	—	(3,725)
Other	—	—	—	—	—	(86,111)	—	—	—	(86,111)
Asset at 1 January 2024	(16,174)	420,454	11,577	—	(212,994)	(78,441)	34,415	—	—	158,837
Deferred tax movements in current year										
Credit/(charge) to profit or loss	**6,723**	**(51,006)**	**(5,208)**	**34,613**	**28,463**	**20,087**	**(34,415)**	**—**	**2,459**	**1,716**
Credit direct to equity	**—**	**—**	**—**	**(32,746)**	**—**	**—**	**—**	**—**	**—**	**(32,746)**
Other	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(49,393)**	**49,393**	**—**
Asset at 31 December 2024	**(9,451)**	**369,448**	**6,369**	**1,867**	**(184,531)**	**(58,354)**	**—**	**(49,393)**	**51,852**	**127,807**

29 Retirement benefit schemes

Defined contribution schemes	**2024 £**	2023 £
Charge to profit or loss in respect of defined contribution schemes	**245,703**	446,996

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

The liability was £45,366 (2023: £46,310) at the end of the year.

Notes to the Group financial statements continued

For the year ended 31 December 2024

30 Share-based payments

	Number of share options		Average exercise price	
	2024	2023	**2024 £**	2023 £
Outstanding at 1 January 2024	**565,000**	440,000	**2.15**	2.15
Granted in the period	**30,000**	150,000	**1.53**	2.48
Forfeited in the period	**(150,000)**	(25,000)	**2.03**	3.15
Modified in the period	**(25,000)**	–	**3.05**	–
Outstanding at 31 December 2024	**420,000**	565,000	**2.15**	2.19
Exercisable at 31 December 2024	**220,000**	5,000	**1.80**	3.05

Options granted during the year

Options granted in the year are set out below. The total fair value of the options on the measurement date was £16,280.

	2024	2023
Grant date	**1 June 2024**	14 June 2023
Weighted average fair value	**0.5427**	0.7927
Inputs for model:		
– Weighted average share price	**1.53**	2.48
– Weighted average exercise price	**1.53**	2.48
– Expected volatility	**38%**	39%
– Expected life	**2.5 years**	3 years
– Risk-free rate	**4%**	5%
– Expected dividends yields	**–**	–

Options outstanding

The options outstanding had an exercise price ranging from £1.53 to £3.15 and a remaining average life of 1.05 years.

During 2024, no equity instruments other than share options were granted.

Modification

There were modifications to the number of share options amounting to 25,000 with an average exercise price of £3.05.

Expenses

	2024 £	2023 £
Related to equity-settled share-based payments	**138,446**	186,542

In addition to the above, the Group also issued £nil (2023: 27,293) warrants to brokers who provided admission services, which were in addition to fees paid on an arm's length basis. These gave the option of an issue of shares at the admission price of £1.80 at any time up to three years after admission. The warrants have expired at 31 December 2024.

31 Share capital

Ordinary share capital	**2024 Number**	2023 Number	**2024 £**	2023 £
Issued and fully paid				
Ordinary shares of 1p each	**8,011,469**	8,011,469	**80,115**	80,115

32 Share premium account

	2024 £	2023 £
At the beginning and end of the year	**4,801,444**	4,801,444

33 Other reserve

	2024 £	2023 £
At the beginning of the year	**946,774**	(50,000)
Share-for-share exchange	**–**	996,774
At the end of the year	**946,774**	946,774

Notes to the Group financial statements continued

For the year ended 31 December 2024

34 Share option reserve

	2024 £	2023 £
At the beginning of the year	**401,714**	228,480
Additions	**138,446**	186,542
Other movements	**(168,497)**	(13,308)
At the end of the year	**371,663**	401,714

35 Contingent liabilities

The Company has no commitments, guarantees or contingent liabilities at the year end.

36 Events after the reporting date

Funding

In March 2025 the Group secured finance to support future growth from NatWest bank of £1.5million. This included a £0.4 million refinance of the existing 11% loan with Creative England, secured over three years at an improved rate of 3.5% above base and a further £1.0 million over four years at a fixed rate of 2.5% above base. The new loans are secured.

Loss of key contract

In April 2025 the Group received confirmation from the Department for Education ("DfE") that its sales contract with the DfE would not be extended beyond its initial 18-month period announced on 16 January 2024. The contract provided the Group with £10 million to train individuals.

This decision is a government-wide strategy to move from a centralised funding model to a fully regional funding model. At the date of approval of the financial statements, the Group is already at the latter stages of bids in multiple localities, and the Directors remain optimistic of substantially equivalent funding contracts being obtained under the new funding models.

The loss of the contract was assessed as a potential factor in the Group's impairment review at 31 December 2024, but this outcome crystallising is an indicator of impairment in April 2025, and does not trigger a reassessment at the year end. The Directors have considered the position with updated knowledge as at the date of approval of the financial statements and remain of the opinion that future cashflows, including both known and potential revenues such as those being sought under new funding models, give the Directors comfort that sufficient replacement revenue will be generated to an extent that no impairment would be required.

37 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including Directors, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	2024 £	2023 £
Short-term employee benefits	**743,840**	728,209
Post-employment benefits	**64,486**	62,502
Share-based payments	**87,803**	95,715
	896,129	886,426

Other transactions with related parties

During the year the Group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2024 £	2023 £	2024 £	2023 £
Entities with joint control or significant influence over the Company	**–**	3,040	**–**	–

Anthony Nicholas Parker is classed as key management personnel of Shift Group Ltd and is a Non-Executive Director of Northcoders Group PLC.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2024 £	2023 £
Entities with joint control or significant influence over the Company	**–**	3,040

The following amounts were recognised as an expense in the period in respect of bad and doubtful debts due from related parties:

	2024 £	2023 £
Entities with joint control or significant influence over the Company	**3,040**	–

Notes to the Group financial statements continued

For the year ended 31 December 2024

38 Analysis of changes in debt

	1 January 2024 £	Financing cash flows £	New loans and leases £	Other non-cash changes[1] £	31 December 2024 £
Borrowings excluding overdrafts	**(767,655)**	**302,972**	**—**	**(10,452)**	**(475,135)**
Obligations under finance leases	**(366,182)**	**218,755**	**—**	**—**	**(147,427)**
	(1,133,837)	**521,727**	**—**	**(10,452)**	**(622,562)**

Prior year:	1 January 2023 £	Financing cash flows £	New loans and leases £	Other non-cash changes[1] £	31 December 2023 £
Borrowings excluding overdrafts	(1,131,588)	418,177	(36,793)	(17,451)	(767,655)
Obligations under finance leases	(661,076)	279,826	(47,256)	62,324	(366,182)
	(1,792,664)	698,003	(84,049)	44,873	(1,133,837)

1. Other movements represents:

(1) Unwinding of arrangement fees of £10,452 (2023: £17,451) on borrowings.

(2) Lease modification of £nil (2023: £62,324).

Company statement of financial position
As at 31 December 2024

		2024		2023	
	Notes	£	£	£	£
Non-current assets					
Investments	41		**2,243,985**		2,105,539
Deferred tax asset	45		**—**		78,358
			2,243,985		2,183,897
Current assets					
Trade and other receivables	42	**3,587,176**		3,886,089	
Current liabilities	43	**(14,544)**		(246,614)	
Net current assets			**3,572,632**		3,639,475
Total assets less current liabilities			**5,816,617**		5,823,372
Equity					
Called up share capital	46		**80,115**		80,115
Share premium account			**4,801,444**		4,801,444
Capital redemption reserve			**946,774**		946,774
Other reserves			**371,663**		401,714
Retained earnings			**(383,379)**		(406,675)
Total equity			**5,816,617**		5,823,372

The notes on pages 70 and 71 form part of these Company financial statements.

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £145,201 (2023: £87,306 loss).

The financial statements were approved by the Board of Directors and authorised for issue on 01 May 2025 are signed on its behalf by:

Mr C D Hill
Director

Company registration number 13378742 (England and Wales)

Company statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £	Share premium account £	Other reserves £	Share option reserve £	Retained earnings £	Total £
Balance at 1 January 2023		76,889	4,801,444	(50,000)	228,480	(332,677)	4,724,136
Year ended 31 December 2023:							
Loss and total comprehensive income		—	—	—	—	(87,306)	(87,306)
Transactions with owners:							
Issue of share capital	46	3,226	—	—	—	—	3,226
Credit to equity for share-based payments		—	—	—	186,542	—	186,542
Merger relief	46	—	—	996,774	—	—	996,774
Cancellation of share options		—	—	—	(13,308)	13,308	—
Balance at 31 December 2023		80,115	4,801,444	946,774	401,714	(406,675)	5,823,372
Year ended 31 December 2024:							
Loss and total comprehensive income		**—**	**—**	**—**	**—**	**(145,201)**	**(145,201)**
Transactions with owners:							
Credit to equity for share-based payments		**—**	**—**	**—**	**138,446**	**—**	**138,446**
Cancellation of share options		**—**	**—**	**—**	**(184,563)**	**184,563**	**—**
Balance at 31 December 2024		**80,115**	**4,801,444**	**946,774**	**371,663**	**(367,313)**	**5,866,475**

The notes on pages 70 and 71 form part of these Company financial statements.

Notes to the Company financial statements

For the year ended 31 December 2024

39 Accounting policies

Company information

Northcoders Group PLC is a private company limited by shares incorporated in England and Wales. The registered office is Bloc, 17 Marble Street, Manchester, United Kingdom, M2 3AW. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

39.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The Company applies accounting policies which are consistent with those applied by the Group. To the extent that an accounting policy is relevant to both Group and Parent Company financial statements, please refer to the Group financial statements for disclosure of the relevant accounting policy.

39.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

40 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	2024 Number	2023 Number
Executive Directors	**3**	3
Non-Executive Directors	**2**	2
Total	**5**	5

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	**90,000**	89,312
Social security costs	**9,908**	9,973
Pension costs	**—**	1,375
	99,908	100,660

41 Investments

	Current		Non-current	
	2024 £	2023 £	**2024 £**	2023 £
Investments in subsidiaries	**—**	—	**2,243,985**	2,105,539

Fair value of financial assets carried at amortised cost

Except as detailed below, the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the Company's principal operating subsidiaries are included in note 18.

Movements in non-current investments

	Shares in subsidiaries £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2024	1,601,048	504,491	2,105,539
Share-based payment charges	**—**	**138,446**	**138,446**
At 31 December 2024	**1,601,048**	**642,937**	**2,243,985**
Carrying amount			
At 31 December 2024	**1,601,048**	**642,937**	**2,243,985**
At 31 December 2023	1,601,048	504,491	2,105,539

Notes to the Company financial statements continued

For the year ended 31 December 2024

42 Trade and other receivables

	2024 **£**	2023 £
Amounts owed by subsidiary undertakings	**3,587,176**	3,886,089

43 Liabilities

	Notes	**2024** **£**	2023 £
Trade and other payables	44	**14,544**	246,614

44 Trade and other payables

	2024 **£**	2023 £
Amounts owed to subsidiary undertakings	**14,544**	14,544
Deferred consideration	**—**	232,070
	14,544	246,614

45 Deferred taxation

	Liabilities		Assets	
	2024 **£**	2023 £	**2024** **£**	2023 £
Deferred tax balances	**—**	—	**—**	78,358

Deferred tax assets are expected to be recovered within one year.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Tax losses £
Deferred tax movements in prior year	
Credit/(charge) to profit or loss	(9,893)
Asset at 1 January 2024	78,358
Deferred tax movements in current year	
Credit/(charge) to profit or loss	**(78,358)**
Liability at 31 December 2024	**—**

46 Share capital

Refer to note 31 of the Group financial statements.

Glossary of terms

AIM	Alternative Investment Market
APM	Alternative Performance Measure
B2B	business to business
B2C	business to consumer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EBITDA	earnings before interest, tax, depreciation and amortisation
ECL	expected credit losses
ESFA	Education and Skills Funding Agency
FRS 101	Financial Reporting Standard 101 'Reduced Disclosure Framework'
GPM	gross profit margin
the Group	Northcoders Group PLC and its subsidiaries
IAS	International Accounting Standards EMI
IFRS	International Financial Reporting Standards
ISAs (UK)	International Standards on Auditing (UK)
KPIs	key performance indicators
QCA Code	Quoted Companies Alliance Corporate Governance Code
Underlying performance	underlying performance refers to the results of operations performance before highlighted items

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