

CIVICA

Transforming the way you work

ideas into action



2015
Annual Review

CIVICA

Transforming the way you work



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Welcome to Civica

Civica is a market-leading specialist in digital solutions, critical software and outsourcing services that help teams and organisations around the world to transform the way they work.

We deliver mission-critical applications and digital solutions together with business process services to improve the provision of efficient high quality services for our customers and help them respond to increasing change and expectation.

Above all in the markets we serve, people matter. Combining exceptional customer focus, experience and commitment, it is the people of Civica and our culture that sets us apart.



Supporting more than
4,000 organisations



In 10 countries
worldwide



More than
3,000 employees



Producing 14 years
of unbroken growth

Civica at a glance

A **strong, stable and growing partner** for our customers.



Every day we help more than

1.5m

professionals in their jobs



Streamlining service delivery to

90m

people & businesses



Providing systems to administer

£90b

of funds or expenditure



A partner for

900

government organisations



Delivering to

400

health & care providers



Supporting

6,000

schools & libraries



Supporting

130

police & fire services

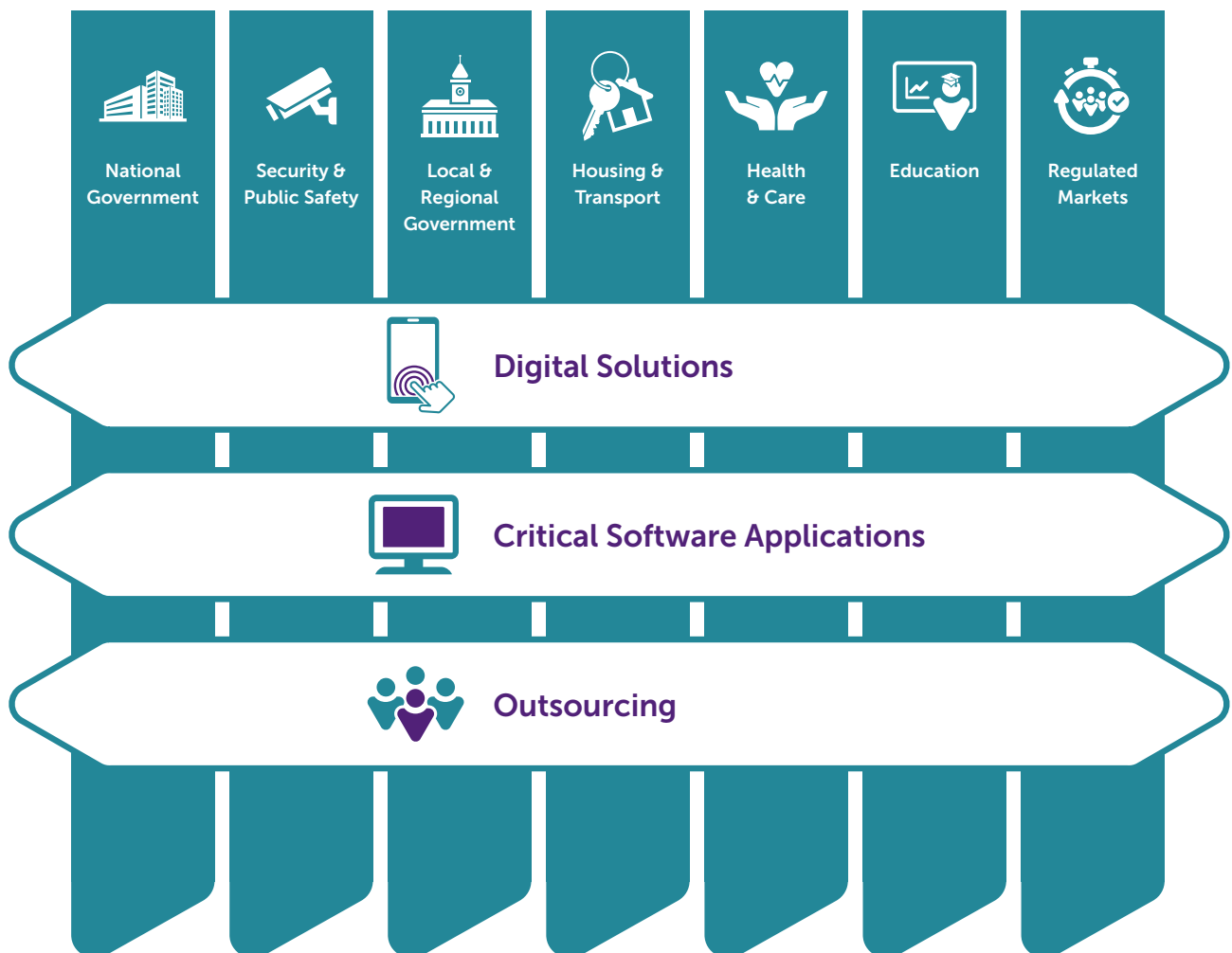


Serving

400

public & private sector providers
in regulated & service sectors

Building on a combination of in-depth sector expertise and broad capability we provide a market-leading range of products and services with a clear strategy to help customers **do more, do better and spend less.**



Our vision & strategy

Our vision is to help organisations transform their services, achieving better outcomes through more connected and efficient ways of working enabled by the use of digital technology and automation.

We aim to be the leading IT-based services partner in our chosen markets, putting ideas into action alongside our customers based on deep sector knowledge and a successful track record.

The people of Civica are a differentiator for our business. We continue to build lasting relationships informed by a clear vision and guided by our core values.

“The support of our partner Civica is helping us explore bold new ground”.

Jack Hegarty, Managing Director,
Wychavon District Council



Digital solutions for
200 public services

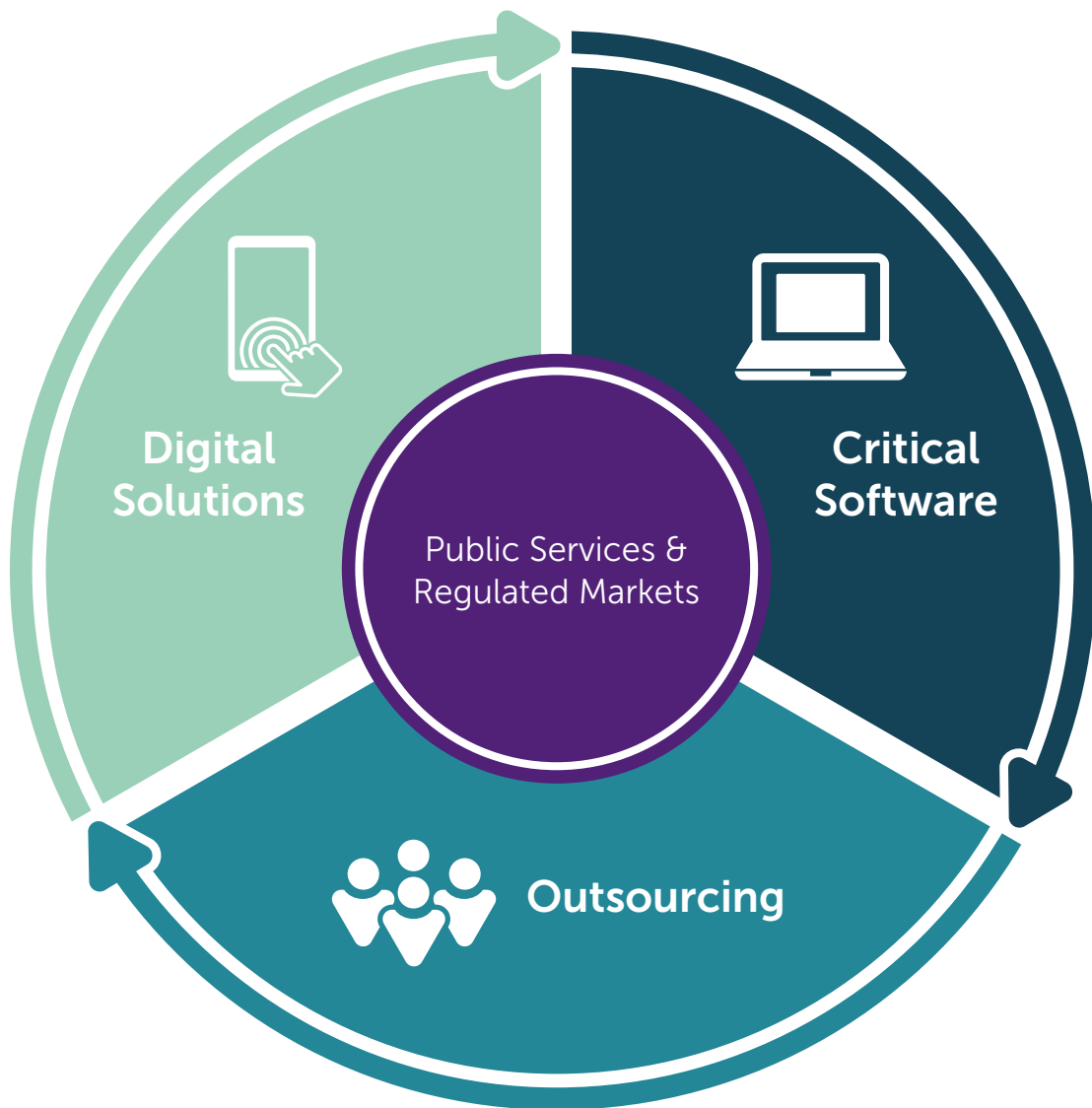


Software for
3,000 organisations



Managed services
for 500 customers

Focused on critical software applications, digital solutions and outsourcing Civica's unique combination of people, technology and business process expertise is helping organisations respond to increasing pace of change and expectation.



2015 Group business highlights

For the year ended **30 September 2015**.

Group revenues

£234.1m

(2014: £220.1 million)

UK revenues

£187.3m

(2014: £170.5 million)

Recurring revenues

£114.6m

(2014: £110.3 million)

Closing order book of

£740m

(2014: £725 million)

EBITDA margin

20.0%

(2014: 19.8%)

Operating cash flow

89% of EBITDA

(2014: 87%)

Employees at year end

2,532

(2014: 2,367)

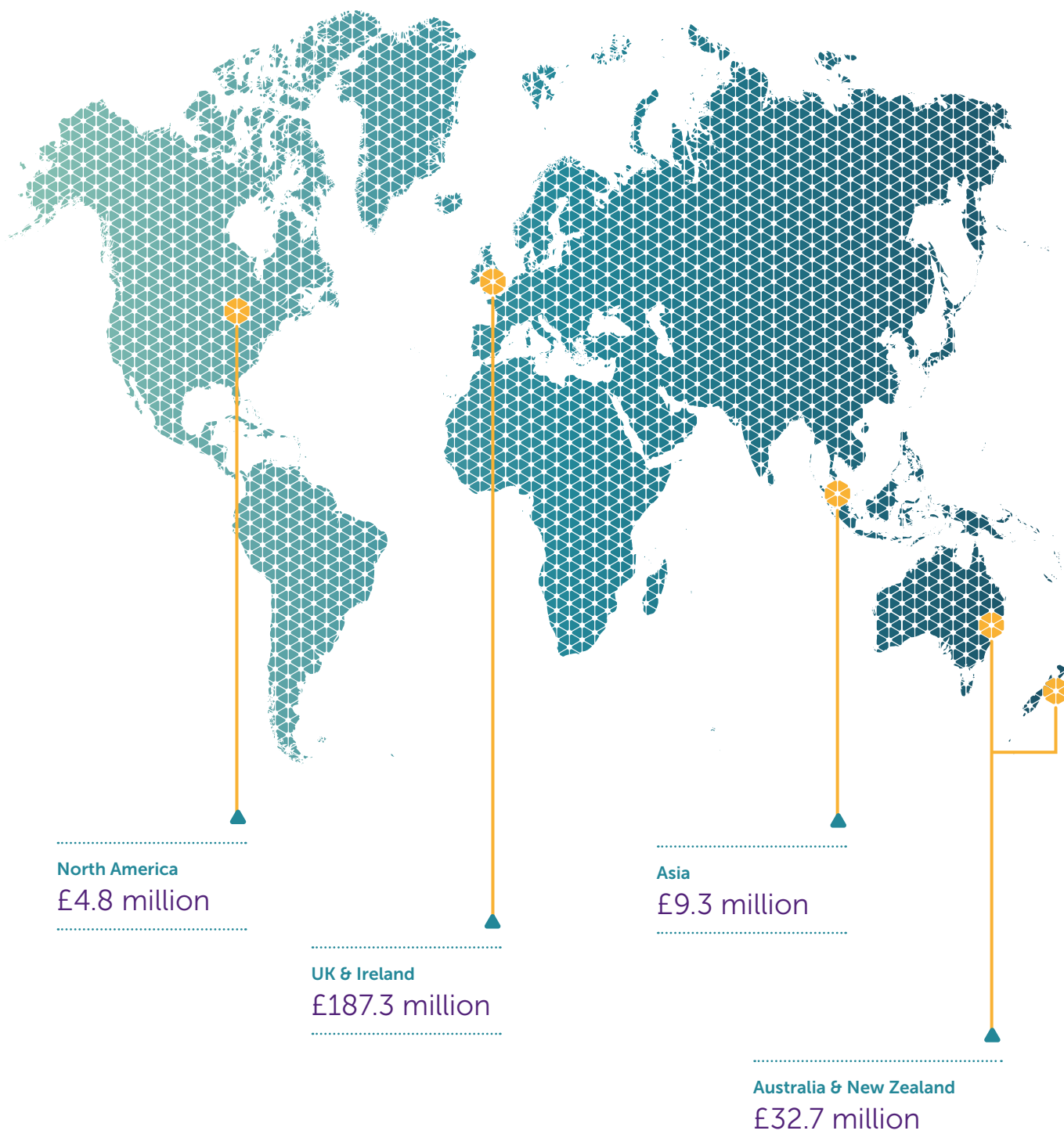
Employee retention

92%

(2014: 92%)

Note: For key performance indicators see page 67.

Revenues by geographical region.



“Civica continued to deliver on our vision and strategy in 2015. We maintained our track record of growth led by a strong UK performance, increasing the scale of involvement with customers and expanding our digital solutions, cloud and business process services capabilities”.

Simon Downing
Chief Executive Officer





2015 Business review

Civica continued to deliver sustainable, profitable, cash-generative growth in 2015.

We maintained our financial and operational track record with a strong UK performance, increasing our scale of involvement with customers organically and through acquisition. We also expanded our capability and resources, adding more than 400 people once TUPE transfers following the end of the financial year were completed.

The Group provides a leading portfolio of critical software applications, digital solutions and outsourcing. These are widely used to streamline, automate and improve everyday activities for our customers and, ultimately, to transform service delivery and efficiency.

During the year we continued to make good progress including expansion of digital solutions and business process services which help organisations re-design their services in response to substantial change and increasing expectation.

Trading results

Group revenues in the year to 30 September increased to £234.1 million (2014: £220.1 million), led by a market-beating performance in the UK and a growing position in business process outsourcing. EBITDA* increased to £46.8 million (2014: £43.6 million) supported by strong cash generation which has enabled continued investment in our products and skills.

Underpinned by deep domain expertise, a strong cultural fit with customers and a clear strategy, the business made progress in all areas including software, cloud-based services and outsourcing. New proprietary software revenues including project services increased by 20 percent while revenues from business process services grew to over £27 million.

We continued to enhance Civica's software and services portfolio, with excellent customer retention and good business momentum including more than 100 new contracts. The Group maintained a strong record in delivering core requirements, together with the development of innovative new products in areas such as digital and mobile services.

The Group introduced a renewed range of cloud-based offerings, including Hybrid Cloud, Secure Public Cloud and Secure Managed Cloud services in the UK, the latter a highly certified, secure cloud infrastructure for critical applications and data. Services were underpinned by a strong operational foundation with 99.99 percent availability of core systems and networks. We also established a multi-country support capability with a combined team in the UK and Australia to support 24/7 operations.

Excellent progress with outsourcing included a record level of new agreements in UK local government and an extension of the long-term relationship with the Singapore Ministry of Education. New partnerships included market firsts in Denbighshire and Worcestershire and our largest to date with Hull City Council following the end of the financial year, worth £40 million. Existing and new contracts performed very well, combining service improvement and savings. We also grew the use of Civica OnDemand services, delivering to 65 authorities.

Our track record of delivery within these partnerships along with the continued financial and service delivery pressures on our customers has also provided a strong pipeline of further opportunities, and we expect to see further significant growth.

The Group continued to benefit from a resilient business model. The UK remains Civica's largest market with revenues increased 10 percent in the year to £187.3 million (2014: £170.5 million). Within this the business continued to strengthen its position in Northern Ireland through major contracts such as the innovative NI Direct programme. Actions to enhance performance in the international business, which remains a core part of Group activity, began to take effect with good progress despite adverse currency translation.

* Earnings before interest, taxation, depreciation and amortisation

2015

Business review cont.

People & customer service

The strength of Civica lies in our people, their specialist expertise and their commitment to do well for customers and colleagues. As the Group grows we continue to prioritise investment in developing and supporting employees, and maintaining the Civica culture which makes us an employer of choice within our markets, as evidenced with Investors in People Gold status, which is held by less than 4 percent of UK IIP organisations.

On behalf of the Board I would like to thank all of our people for their hard work and their contribution to the development of the business.

Including our latest outsourcing partnership following the end of the financial year, in total we have now added almost 900 employees in the last three years, strengthening our business and our capability. Supported by our increasing scale and market position Civica continues to attract talented people with specific market, technical and operational expertise. This year we also committed to the 5% Club in respect of apprentice and graduate employment.

During the year we increased management capacity, welcoming Wayne Story as Deputy Chief Executive with responsibility for our UK business. Previously CEO for financial and business services group Equiniti, Wayne brings a successful track record with 25 years of experience. We also strengthened our leadership with the appointment of Andrew Bruce as International Finance Director and the promotion of Jeff Hewitt to the executive management team.

Civica has continued with initiatives to ensure the company is a great place to work. These include the Civica Academy, to support effective employee development and talent management, development of graduate and apprenticeship programmes and a variety of community and charitable support under the Civica Foundation.

We are also committed to maintaining high standards and in support of our business activities gained new and re-certified quality and information management accreditations.

Acquisitions

Civica continued its successful record of selectively acquiring and integrating complementary businesses which add to the Group's capability in line with our strategy and our market opportunity.

We acquired software and services group Asidua, a specialist in digital multi-channel contact systems primarily for the UK public sector. Following creation of an integrated Digital Solutions unit which provides service delivery solutions for 200 public authorities, the Group subsequently launched a new Digital360 platform for local and regional government.

In September we added Web Technology Group (WTG), a growing provider with an established position in developing complex, secure web applications and digital services for UK Government. The business, which has achieved strong growth over the last 3 years, extends Civica's position in the central government sector at an important time.

Both acquisitions strengthened our capability to address the market opportunity as the public sector looks to modernise and make savings by embracing digital services.

With the strong backing of OMERS, Civica remains very active in reviewing potential acquisition opportunities to increase scale and capability in core markets.

Outlook

We remain committed to supporting evolving customer needs through a clear focus and consistent delivery, and the Group has continued to win new and innovative business into 2016. With a healthy order book of over £740 million and high levels of recurring revenue derived from long-term contracts the business has good revenue and earnings visibility.

The increasing pace of change, from devolution in the public sector to digital transformation everywhere, has considerable consequences for all organisations. Advances in technology and automation, proliferation of devices and channels and greater availability of data for a 24/7 on-demand culture are all driving greater expectation for technology-based transformation.

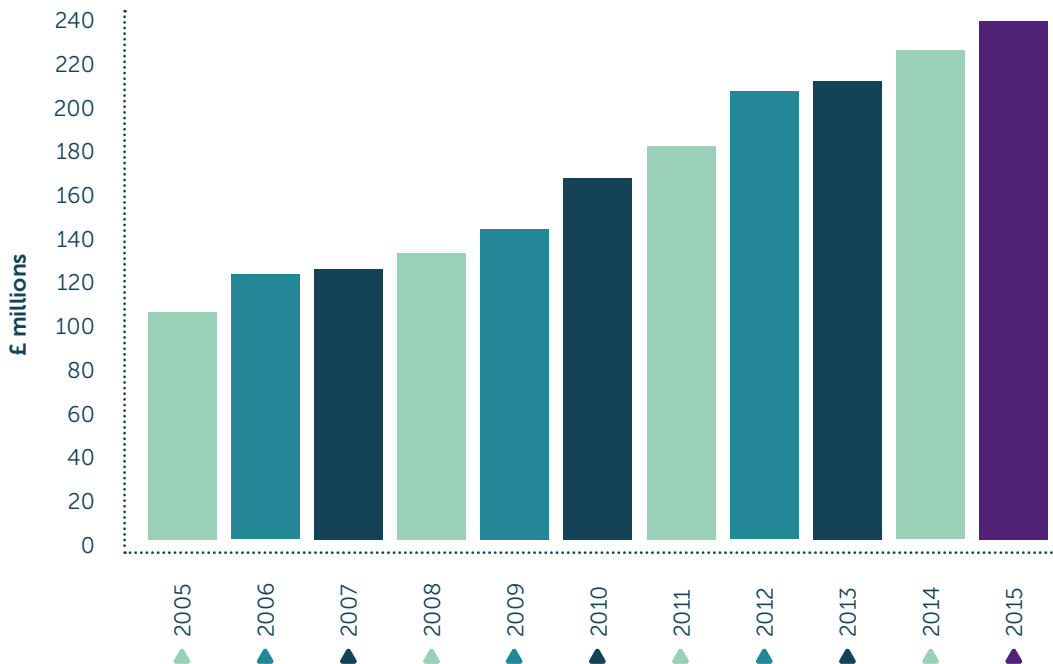
Given our distinctive combination of people, technology and business process expertise together with investments made in capability and resources, we believe the Group is very well placed to respond and we continue to see a very positive outlook for the business.

“Civica has continued to grow and evolve over the last year delivering another strong performance. We expect ‘more of the same’ from Civica into 2016 and beyond.”

© TechMarketView LLP.

An unbroken record of growth

Group Turnover





People
& culture

People & values

As we continue to grow the business and respond to evolving customer needs, so **we continue to invest in our people and their development.** Informed by a clear vision our core values of knowledge, integrity and action are built into everything we do.



More than 3,000 employees



900 employees added since 2012



90% employee retention



Successful TUPE transfer for 236 employees in 2014-15



Investors in People Gold



Member of 5% Club

Our Values



Knowledge

We are committed to developing and applying our knowledge and expertise in order to translate business needs into positive outcomes. Through experience and understanding we focus on anticipating requirements and adapting to change in order to help organisations improve their performance. We aim to be sought after by customers and colleagues for our insight and informed capability.



Integrity

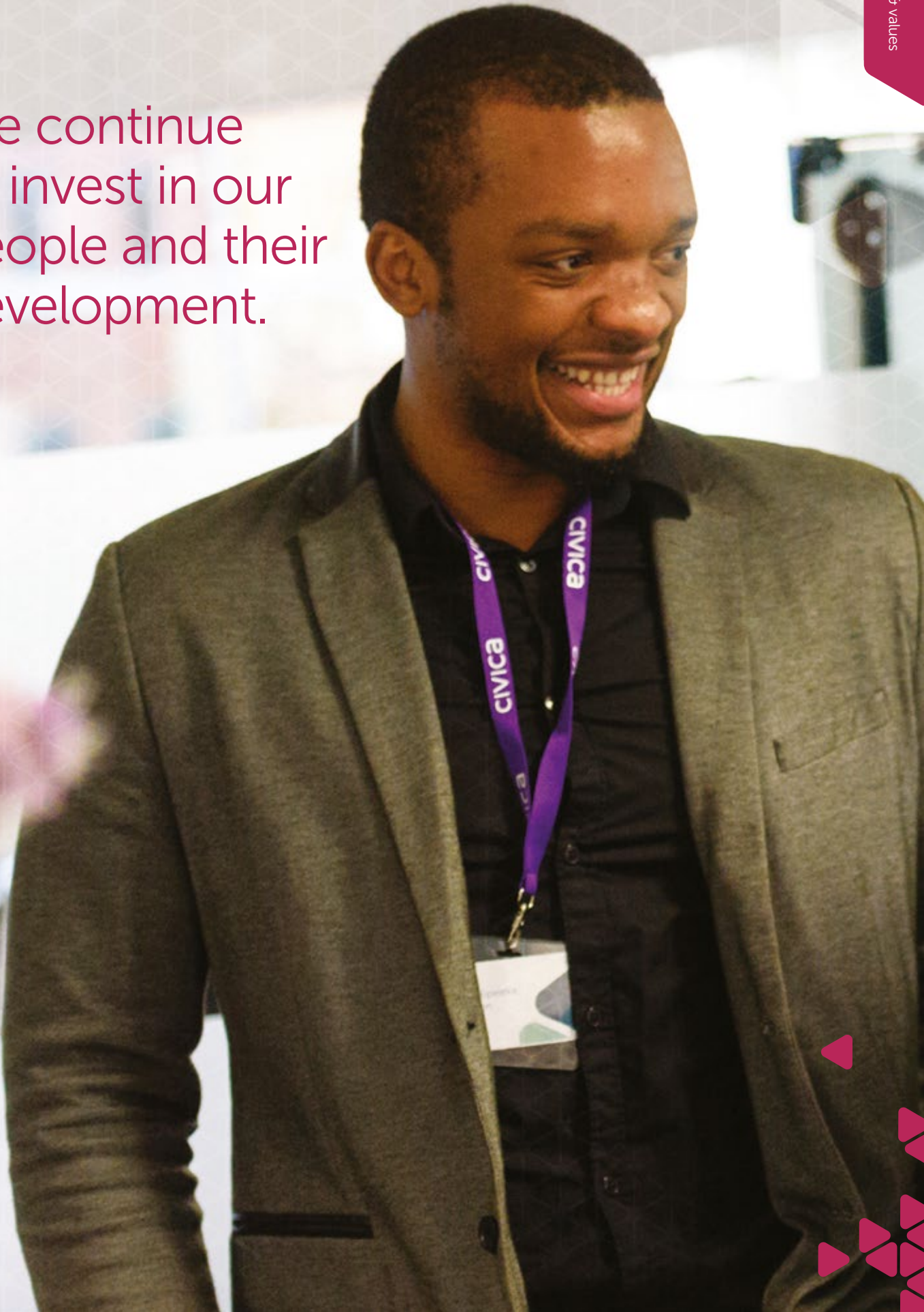
Civica is committed to integrity and consistently high professional standards. We are straightforward, open and fair in all we do, to ensure we remain trusted to make and deliver promises and to respond to the needs of our customers, partners and colleagues.



Action

Focused on our customers and combining experience with initiative, we are committed to delivering meaningful results in a timely manner. We aim to find new and better ways of doing things supported by effective change management, and to do whatever it takes to help our customers, colleagues and partners achieve their objectives.

We continue
to invest in our
people and their
development.



Civica Academy

Civica's learning academy provides a consistent programme of training, development and talent management to support staff through their careers and to deliver a competitive edge in meeting customer needs. We operate formal training together with mentor based and cross-business programmes to ensure detailed understanding of the markets and customers we serve with particular focus around creating customer service excellence and innovation.

Our highly successful 'Raising the Bar' programme continues to provide leadership skills to support Civica's growth, motivate our teams and drive continuous improvement, and during the year saw increased international involvement with more than 100 people attending workshops in Australia and the USA. Those who complete the programme also qualify as executive coaches and actively support colleagues across the business in facilitating business improvement, leadership and delivery. Core programmes also include 'First Impressions' for new starters, 'Customer First' to ensure a consistent approach to customer service and support, and 'Top Gear', which supports business development teams in presenting solutions to our customers.

Employee Benefits

The Group maintains a competitive benefits package for employees augmented by a range of elements. These include an employee discount scheme, externally managed confidential assistance helpline and 'Positive Health', a health and wellbeing programme linked to the Civica Academy to help employees gain a better work-life balance.

The contribution of individuals and teams to the reputation and performance of the business in keeping with our values continues to be recognised and rewarded through the annual Civica Awards programme, with a new International Awards event held in Sydney during 2015. Our 'CSTAR' (Civica Special Thanks & Recognition) programme also rewards those who deserve thanks throughout the year, working on a simple points reward system where employees can accumulate and redeem points for a wide range of spending, gift options or experiences of their choice.

Civica Foundation

Run by volunteers from across the business the Civica Foundation provides a focal point for our charitable and community support. Initiatives are targeted with making a positive difference through using our skills, presence and enthusiasm. These are supported and funded via individual and company initiatives.

Sharing our expertise in support of communities is an important aspect of our corporate responsibility. The Group remains active with community schemes with employees and teams from across the company devising and taking part in a wide range of charitable initiatives. Main charities supported include the Prince's Trust, Action for Children, Water for Kids and Shelter.

The Group sponsors 'Donate a Day', whereby employees are able to take a day out from work to support local charities or communities of their choice, and 'Pennies from Heaven', through which people can donate the pence included in their monthly salary.

Operational Excellence

Civica is committed to high standards and the Civica Management System encompasses our approach to quality, the environment and health and safety. Accreditations include, among others, the ISO 9001 standard for quality management, the ISO 14001 environmental management standard and OHSAS 18001 for health and safety. Service activities are also underpinned by the ISO 27001 standard for information security, while core Group systems were also accredited to the business continuity standard ISO 22301.

The Group continued to make progress with its global operational excellence programme designed to embed consistent best practice in support of the continued growth and ambition of the company.

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

Environment

The Group is committed to a process of continuous review and improvement and to working with customers, suppliers, partners and employees in order to recognise and reduce the impact operations have upon the environment.

Civica operates an environmental policy as a framework for our Environmental Management System. Our Environmental Management Team provides a focus for the development and implementation of the policy and to ensure environmental consideration in our decision making. The team also leads on cross-business initiatives, ranging from travel reduction through various schemes including encouraging the use of car sharing (by paying an additional mileage rate per passenger ("chair miles")), to energy use, waste disposal and recycling. Civica also works with customers to deploy IT-based services that help reduce property, power and consumables requirements as well as delivering cost savings for example through paperless working.



Don Cooney
Team Leader, Australia

"I joined the Education Team in August 2013 as a Business Analyst and have enjoyed learning about our different products. Civica has continued to give me the support and encouragement necessary to develop my skills beyond this role. Leading the BA Team has been a rewarding journey so far and I look forward to providing a platform to have the team's voices heard and showcase their expertise. To be part of a team and organisation who continuously evolve and remain committed to delivering the best software for its customers, makes Civica a truly great place to work."



Jo Styles
Operations Director, UK

"Since joining Civica back in 2012, I've been really impressed with the ethos and way in which Civica truly lives its values of knowledge, integrity and action. Our learning academy, in particular the 'Raising the Bar' leadership programme, inspired me to develop some training of my own and has been instrumental in giving me the skills necessary to motivate and engage my team so I could drive continuous improvement and growth. Civica has supported me every step of the way and given me the opportunity to develop personally, culminating in a recent promotion which I'm thoroughly enjoying!"



Cassie Keable
Project Manager, UK

"I joined Civica in 2015 as a Programme Manager within the BPO Team. I'm in a privileged position, getting to work with so many different teams and individuals. I particularly enjoy supporting new joiners going through the TUPE process and helping them to feel part of the wider Civica. It's also been satisfying to see TUPE employees really embracing change and achieving fantastic results in terms of service delivery. In less than 12 months I've already managed and successfully completed the Transformation Programme at Denbighshire and I am now managing the much larger Transformation Programme at Hull."



Jack Bowie
Support Analyst, UK

"I came to Civica as a level 3 apprentice studying IT back in June 2014. From the start it's been one massive learning curve balancing working & studying, but I've loved every minute of it! I completed my Level 3 last year, 10 months earlier than planned, and this has definitely been my greatest achievement to date. Civica has been incredibly supportive in ensuring that I've had the right amount of time and resources available to work towards these qualifications. For me personally, knowing Civica have so much faith in me as an individual makes me really want to continue developing my knowledge and career here."

Our people & responsibility

Our people and their commitment to do well for customers, colleagues and communities is a defining characteristic for Civica.

Our team, many of whom have first-hand experience of working in the sectors we serve, combine exceptional customer focus and a collaborative approach with core technology expertise and service delivery know how.

Recognising the difference this makes, Civica recruits and retains people with the values, ability and attitude to succeed for our customers, equipping them through our learning academy to create a knowledgeable, flexible and well regarded workforce. Naturally our team is also committed to charitable and community initiatives, supported by the Civica Foundation.

We aim to ensure the business remains a very good place to work and strive to develop the company as a place that the best people choose. Policies and procedures are designed to support our culture and values for a diverse workforce, with gender diversity being a feature of our business, as it is for our customers. Success of our programmes is endorsed by Investors in People Gold status which is held by less than 4 percent of UK IIP organisations.

Focused around employees, customers and communities, corporate responsibility is integral to our business activity. During the year we continued to increase internal awareness and involvement in specific activities and to progress existing and new programmes in order to contribute to an improved environment both internally and externally.

Growth

The Group continued its record of sustainable growth, adding more than 200 people during the period. With strong progress in outsourcing and excellent new acquisitions, our best practice approach ensured smooth transitions and extremely positive feedback from the teams involved. Successful TUPE transfers, including the 130 people who joined through new local government partnerships with Denbighshire County Council and the Worcestershire Hub, underpinned a strong performance on new contracts and further strengthened our distinctive culture.

Supported by internal advertising and promotion to retain key skills, Civica continued to appoint employees into new roles across the business to help share knowledge and experience. The company also continued to invest in graduate recruitment and modern apprenticeship programmes across the business and joined the 5% Club with a commitment to raise the number of apprentices, placement students and graduates to 5 percent of its total workforce within the next five years.

During the period the company also make significant office improvements in the UK with showcase hubs established in Leeds and Bristol.

We recognise the importance of internal communications in engaging and supporting our employees, helping them to understand the business and the role they play in delivering our vision and strategy. Structured activities range from regular business news to executive updates and team briefings, while online channels and unified communications provide for immediate sharing and collaboration. A high level of feedback is encouraged including regular listening boards, employee surveys and workshops, with the Net Promoter System to be launched in 2016.



	Female	Male
Company Directors	1 (14%)	6 (86%)
Senior Managers	28 (23%)	95 (77%)
Managers	125 (35%)	229 (65%)
Employees	991 (47%)	1,099 (53%)

At 30 September 2015



Markets review

Local government

Through a market-leading combination of business-critical software, digital solutions and business process outsourcing, **Civica is helping authorities around the world to transform services and adapt to a changing local government landscape.**



£50 million savings through innovative UK partnerships



40 million people served using Civica systems



£15 billion of income & expenditure processed annually



£1.6 billion of payments via the cloud annually



1 in 3 UK local authorities provided with digital solutions



Cloud-based solutions for 185 authorities

Hull City Council

Civica is delivering outsourced revenues and benefits services for Hull City Council in a 7-year partnership designed to drive service performance and efficiency, sustain local employment and save the council £5 million. The company's specialist partnership model has allowed Hull to achieve significant savings from day one while safeguarding more than 200 local jobs. Civica has also created a transactional processing centre in the city which blends private and public sector expertise to provide flexible and scalable services for other local authorities.

East Riding of Yorkshire Council

Civica's Digital360 customer service platform is helping East Riding to modernise customer contact and deliver a more personalised and digital approach for the authority's 330,000 residents, focused on self-service. The system, which is part of the council's wider transformation programme, is designed to provide an integrated view of customer contact and information across a broad range of services and to ensure these are tailored, targeted and responsive to individual needs.

City of Gosford

Gosford City Council is working with Civica to streamline accounting processes as part of its commitment to improving operational efficiency across the organisation. The council is responsible for maintaining and developing new services across a 1,000km² area that includes large sections of State Forest, National Parks, beaches and waterways and last year invested around \$300 million on local services, infrastructure and facilities. The General Ledger restructure project will allow officers to make more informed and timely administrative decisions after collating and automating detailed information including accounts receivable, accounts payable, rates income and assets.



Supporting 900 local authorities
around the world



Review of operations

United Kingdom

The Group delivered a class-leading performance in the UK with revenues increased by 10 percent. Driven by changing customer needs, as explored in the 'Changing Landscape' thought leadership series, the company made good progress across all areas of our strategy, underpinned by successful product and service delivery.

Civica maintained excellent momentum in outsourcing, securing major new partnerships with Denbighshire County Council and Hull City Council, a new agreement to provide customer services for 3 Worcestershire councils and an extension with Gloucester City Council. Together worth more than £70 million the partnerships will save £10 million for the councils involved and safeguard more than 350 local jobs, for which the company continued with its record of successful TUPE transfers.

All partnerships performed well with key performance indicators met or exceeded. In addition to the successful take-on of services, operational highlights included integration of the Worcestershire Hub into Civica's Pershore centre with no service disruption, and delivery of a new Adults and Children's Care system as part of the IT partnership at Luton.

Civica also grew the use of OnDemand activities from its national network of PSN-compliant service centres, delivering to 65 local authorities with 100 percent retention. OnDemand offers a minimum 20 percent cost saving while addressing workload peaks and resource gaps, and the company also secured new contracts for digital mail and IT systems support.

The business strengthened its digital services capability with the acquisition of Asidua, a specialist in customer contact applications and integration. Following the creation of a combined Digital Solutions unit which supports a broad customer base, Civica launched its Digital360 portfolio for end-to-end service delivery. New engagements included a £2 million agreement with East Riding of Yorkshire to deliver a more personalised and digital approach as part of a wider change programme.

Driven by the need for efficient administration, Civica secured more than 35 new contracts for critical systems including revenues and benefits, payments, financial and legal software. The business continued to meet new requirements including legislative change and extended the use of its systems to support the provision of shared services with separate new agreements including Brentwood, Corby and Taunton Deane Borough Councils. Civica also established a strong position in the coroners market with seven new wins including Birmingham, Black Country and Rochdale Coroner's services.

The Group continued to make progress with cloud-based solutions as a means to deliver improved services with reduced cost and risk. New contracts to manage both Civica and third party applications on behalf of customers included the London Boroughs of Enfield and Greenwich, and with a broader set of applications on the Government's Digital Marketplace.

Australia & New Zealand

During the year the company continued to focus on developing the use of its software, with increased investment in the enhancement of both applications and technology platform including progress with new capabilities such as a smartphone app to connect remote workers with contact management software.

The business added new orders from customers across the region, and continued to progress Group strategy including new business process services agreements with, among others, Greater Shepparton City Council and Strathbogie Shire Council.

Civica added to its service capability during the year, including a new private cloud infrastructure in conjunction with industry leaders Telstra and VCE to ensure a highly resilient platform for assured and efficient operations. Underpinned by the new environment the business achieved a 90 percent retention rate with cloud and managed service customers, securing new contracts such as a 5-year agreement with the City of Mount Gambier.

USA

Civica CMI provides a comprehensive range of software including financial and asset management, payroll, income tax and utility billing, and delivered an excellent performance with revenues increased by 18 percent.

New customers included the City of Toledo which selected CMI to provide a new system for its tax department in response to changes in legislation. With a population of 285,000, the City is a significant win which strengthens the company's position.

Existing customers also chose to extend services and CMI built on its entry into the Tennessee market in 2014 with additional sales providing a foundation for growth within the Southern region of the USA.



“Civica’s knowledge and understanding makes them an important partner for automating and transforming critical services.”

Councillor Julian Thompson-Hill,
Lead Member for Finance, Denbighshire County Council.

Central & devolved government

Through secure, web-based systems and managed services the Group is helping departments and agencies to plan, build and manage digital services for government, **enabling them to work securely and efficiently with employees, customers and partners.**



Delivering digital services for government for 15 years



Systems supporting 500,000 government employees



Generating new revenue of £5 million for NI Direct



Productivity savings of £1.4m p.a. for the Department of Health



9 million records available to search online for NI citizens



Award-winning solution achieving 7-fold improvement for VOSA

Foreign & Commonwealth Office

The Crisis Hub case management system is used to identify British nationals overseas in the event of natural disasters, political upheaval and other serious events and to keep them safe or to evacuate. During crises the cloud-based solution scales to provide 100% availability and ultra-high performance, ensuring life-saving support in times of need without incurring significant costs outside of these periods. Since initial involvement via G-Cloud, the solution has been extended, including advanced offline working, enhanced records management and an evacuation management toolset to support cross-government cooperation.

NI Direct

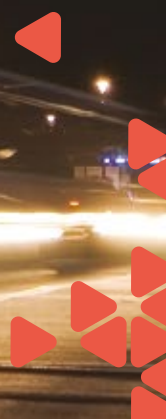
The Contact360 platform underpins a multi-channel customer contact solution for NI Direct, the official government website for Northern Ireland. It is powering the NI government's vision for personalised customer contact and citizen access, meaning the country's 1.7 million citizens are able to interact with government for a wide range of services through end-to-end self-service or via an efficient 'One and Done' telephony channel across multiple departments and non-departmental public bodies.

Department of Health

A new public cloud-based intranet costing 90% less than the previous solution is helping the Department of Health to give users the right information at the right time and saving an estimated £1.4 million per annum. The first government intranet to be hosted on a public cloud platform, the solution ensured user needs were placed at the core of the agile development process and, together with the ability to personalise content, has driven a significant improvement in use and satisfaction.

500k

Supporting 500,000 government employees



Review of operations

Central Government

Civica works with a number of government departments and agencies, providing software applications, technology solutions and business process services. The Group is a supplier through a range of government procurement frameworks including G-Cloud and the Digital Services Framework.

In September 2015 Civica significantly strengthened its government portfolio with the acquisition of software consultancy and services group Web Technology Group (WTG). A specialist in planning, building and managing complex, secure web applications WTG is delivering digital services for government customers including the Home Office, Ministry of Justice, Department of Health, Foreign and Commonwealth Office and the National Crime Agency.

WTG has a 20-year track record in developing, integrating and managing secure web applications used by more than 500,000 government employees, and the business is helping to progress the Government's digital strategy including adoption of agile processes.

Adding complementary expertise the acquisition extended the Group's capability in central government as the sector looks to modernise services and make savings through digital transformation, and the business has continued to trade well including new engagements via the Digital Marketplace.

The Group also has a track record in supporting a number of executive agencies and national and regional public bodies such as Food Standards Scotland and Citizens Advice.

Civica also works with government prime contractors, such as the welfare to work division of the Staffline Group, one of the largest Work Programme providers for the UK Government, for which Civica secured a £5 million IT service agreement to underpin IT-based transformation.

Devolved Government

The Group is supporting devolved government with a clear focus on helping to achieve digital transformation and strengthened its position during the year.

In Northern Ireland, Civica Digital Solutions is a strategic partner for the innovative NI Direct programme which underpins the government's vision for personalised customer contact and citizen access. During 2015 Civica secured new engagements worth more than £5 million, with new customers to the NI Direct portfolio including AccessNI, an executive agency within the Department of Justice, the Driver and Vehicle Agency and the Rates Collection Agency.

Programmes carried out by Civica underpin almost 30 percent growth in visitors to the official NI website with a 90 percent customer satisfaction rating. During the year the company delivered a number of milestone projects to support NI Direct's ambitious programme. These included AccessNI – the disclosure and barring service – which was transformed by moving from a paper-based process to one achieving in excess of 90 percent of applications online, and the Landlord Registration System for which the company delivered a full online solution allowing 93,000 private landlords to register their businesses and properties and to appoint agents to act on their behalf.

With a strong track record, the business is well placed for emerging opportunities for other devolved regions and city areas, with a view to continuing to deliver class-leading solutions.

“The company really helped to bring our vision to life.”

Jason Caplin,

Digital Strategy Lead, Department of Health.

Education & libraries

Civica works with 6,000 schools, academies, colleges and libraries to **bring about improved teaching and learning for the benefit of students, teachers and the community** through flexible ICT services, cloud computing and software.



25 years of experience in the education sector



Management software for 3,500 schools in Australia



Financial & HR software for 1,000 UK schools & colleges



Supporting 12,000 library staff serving 30 million people



2,000 library installations handling 200 million loans



300 on-site staff providing outsourced library services

Catholic Education Western Australia

Civica is working with the Catholic Education system in Western Australia, which educates almost 20% of the state's school-age children, to deliver an integrated web-based education management system provided to more than 150 primary and secondary schools from a centrally hosted environment. Civica's Education Suite builds upon a central person store to provide a flexible and interchangeable education system and, following connection of 150 schools to the central store, the initial sites went live with a full suite of applications.

Inspiration Trust

The Inspiration Trust, a federation of schools, academies and colleges educating 3-19 year olds in the East of England, is using Civica's Resource software to streamline and automate financial administration based on the foundation of a common system and single central database. The system allows activities such as invoice processing and financial reporting to be handled centrally, with an intuitive web portal ensuring budget holders can raise and track activities and easily manage budgets supported by an integrated Requisition-to-Pay process.

Scottish Consortium of Public Libraries

Civica is helping a consortium of 10 library services, which serve 60% of Scottish citizens, to improve services and reduce costs through a common cloud-based platform. The Spydus system will enable members of the Scottish Consortium of Public Libraries together with other partners to improve their customer experience by digitising and automating services. Spydus is also being adopted for schools by some of the consortium members, ensuring students only need one library card to access services either at the school or the public library.

6,000

Delivering systems & technology
for 6,000 schools & colleges



Review of operations

United Kingdom

The Group provides a broad range of software and IT managed services for a large base of schools, colleges and libraries. Notwithstanding a reduced level of market activity, Civica continued to win new orders for finance, HR, education and library management systems and as a software licensing and asset management specialist for the sector.

New agreements included a contract with a large education and opportunities body to provide an online marking system in partnership with the Sydney-based Board of Studies, Teaching and Educational Standards, with 24/7 support via a combined team in the UK and Australia.

Developments included an enhanced Education Suite, which brings together online teaching tools, management software and multi-channel communication to deliver an integrated view of an institution, its students and its resources and provide a foundation for school improvement and efficiency.

In the library sector, Civica extended its strong market position in particular via a successful consortium model, new business including a £1.5 million contract for the Scottish Consortium of Public Libraries whose members serve more than 60 percent of Scottish citizens.

Australia & New Zealand

Civica is one of the leading providers of school management systems in Australia and New Zealand, supplying more than 3,500 schools with a mix of student administration, finance, learning and other software applications.

The Group extended its scale of involvement through major new agreements, including a 10 year contract with the Catholic Education Office of South Australia for a new enterprise finance suite for use by 110 schools. Following the acquisition of Inspiriti in 2014 and its subsequent integration, the business increased by 60 percent the customer base for the iWise product set, a web-based student information system.

Civica continued to extend its track record in large-scale programmes with good progress for Catholic Education Western Australia and the Departments of Education and Training of both Victoria and the Northern Territory, together comprising more than 1,900 schools. The first milestone for CEWA was completed with 150 schools connected to a central person store and using new software to manage disability funding, while an upgrade project was also completed for all 134 primary schools in the Northern Territory, again with integration to other systems via Civica's central person register.

Civica delivered a strong performance in the library sector and an increased volume of contract wins. New customers across the region included, among others, the cities of Armadale, Melbourne and Penrith, and Civica was selected as preferred systems supplier for Western Australia Libraries. Both new and existing customers continued to adopt cloud-based solutions, including new customers Hornsby Shire Council, Shire of Murray and the South Australia institute of technical and further education.

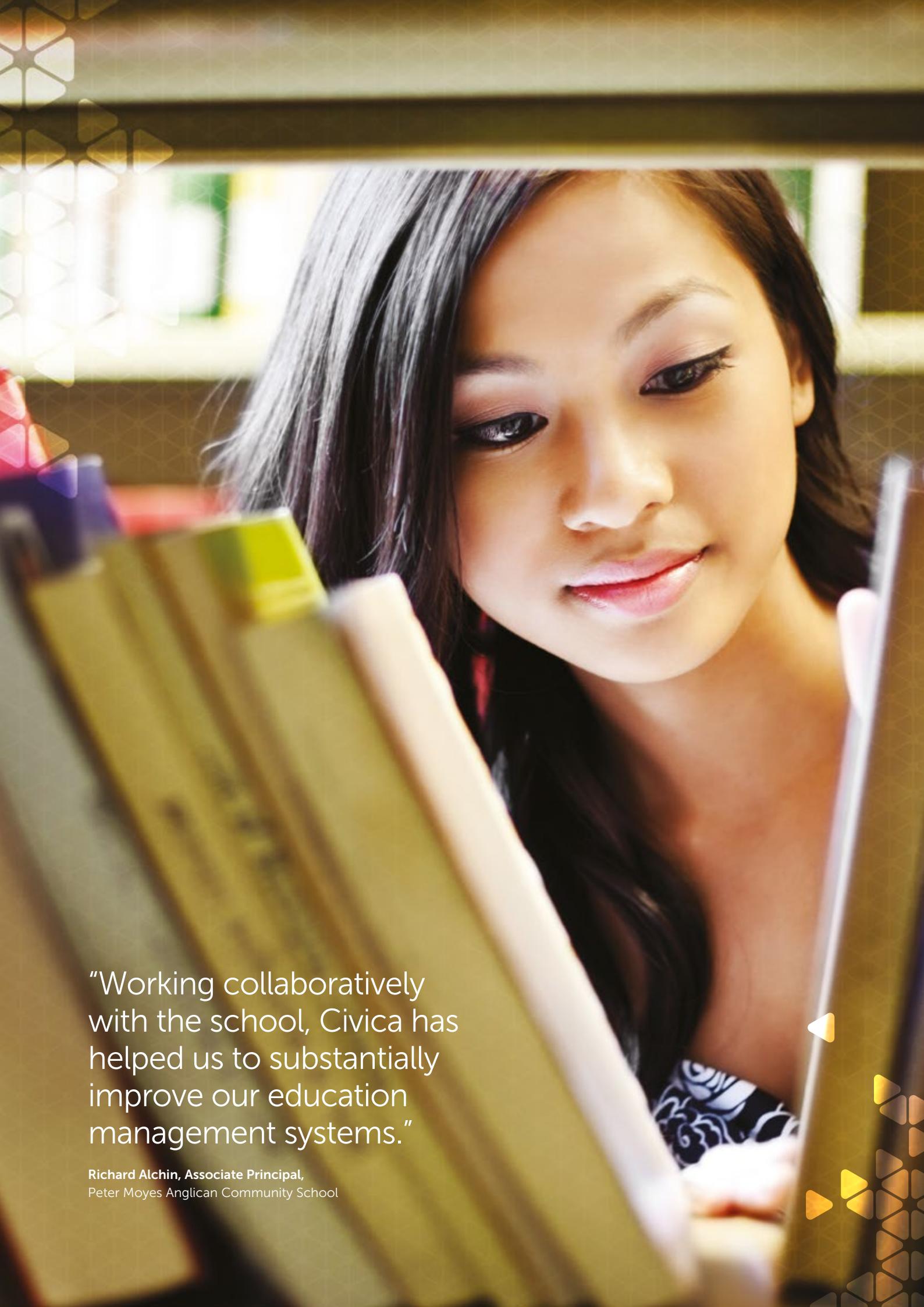
During 2015 the company launched its latest software for the sector, Spydus 10, together with a new library analytics and business intelligence (BI) application. An integrated cloud-based solution for library management, digital asset management and archives, Spydus 10 builds on Civica's product heritage to provide a foundation for digital transformation in the sector with a suite of applications for staff and library patrons fully accessible on all devices. A strong level of take-up was secured following launch with first deliveries completed.

Singapore

The company continued to build on its strong track record in Singapore which includes a number of flagship programmes comprising innovative services for, among others, the Ministry of Education, the National Library Board and the showcase Singapore Sports Hub.

Following the delivery of a highly successful long-term managed service, the Ministry of Education awarded a new 3 year contract to continue provision of outsourced library services to more than 370 schools. In addition to upgrading to the new cloud-based Spydus10 library software, Civica provides qualified staffing, collection profiling and book selection services, library analytics and benchmarking, customised library programmes and an optional school reading portal to enhance parents' ability to support reading activities.

The company also provides an innovative outsourced service for the Sports Hub, Singapore's premier sports and lifestyle centre. Since the opening of the Civica-managed library in 2014, providing an information hub for the community, the service has delivered 895 programmes ranging from national celebrations to specialist workshops.



“Working collaboratively with the school, Civica has helped us to substantially improve our education management systems.”

Richard Alchin, Associate Principal,
Peter Moyes Anglican Community School

Health & social care

Civica works with health and social care organisations in both public and private sectors, providing software and services that **streamline the delivery of integrated care, enhance patient services and improve financial, workforce and care management.** The Group delivers to more than 400 health and care providers in the UK, Canada and Australia.



200 NHS Trusts using Civica systems



£40 billion of NHS funds processed annually



Cloud delivery to more than 20,000 clinicians



Annual care billing of over £3 billion



3 million PHI policies managed on Civica systems



150 million documents & images scanned annually

King's College Hospital NHS Foundation Trust

Civica's document management system is helping King's College Hospital NHS Foundation Trust to improve patient care, implement a digital care records system and become "paper light" following its acquisition of Princess Royal University Hospital. The solution, which allows clinicians to access electronic patient information from one central location and make faster, informed decisions, is expected to save the organisation £700,000, as well as assisting the Trust in attaining its health care vision.

Vancouver Coastal Health Authority

Civica is working with Vancouver Coastal Health Authority, which delivers a broad range of services to more than 1 million residents in British Columbia, to help transform community healthcare based on provision of an integrated system to support seamless interdisciplinary care. The authority has extended its use of Civica's EPR system as part of a wider transformation programme to improve and automate care processes, including new software to enable client interaction in care planning.

Montreux Healthcare

Montreux Healthcare, the UK's fourth largest provider of specialist care, selected the Coldharbour software suite as its integrated corporate IT system in order to streamline and automate its expanding business and support its growth ambitions. Based on a cloud platform to deliver rapid group-wide functionality and scalability, the system provides market-leading capabilities from resident administration and biometric touchscreen workforce management to comprehensive income processing, credit control management and group-wide analytics.



400

Supporting over 400
health & care providers



Review of operations

United Kingdom & Canada

Civica continued to build on its record in health and social care and to expand its customer base in both the public and private sectors, with revenues increased by more than 20 percent compared to the previous year.

The Group maintained its clear focus on supporting improved and integrated patient services with existing and new customers in the NHS while extending its reach in the private sector, underpinned by product development and innovation in both areas.

Following its acquisition in 2014, financial and management software specialist Coldharbour is now fully embedded in the health and social care business. During 2015, the business signed seven new customers including Audley Care and Montreux Healthcare, and continued to develop new and integrated solutions. These included incorporating Civica's electronic document management (EDM) system to provide an enhanced e-compliance solution that found favour with customers and an innovative mobile workforce optimisation solution which harnesses GIS technology to help providers reduce costs whilst improving patient care.

The national aim to create a paperless NHS is already being supported by Trusts adopting Civica's EDM software. These included the enlarged King's College Hospital NHS Foundation Trust following its acquisition of Princess Royal University Hospital, in a programme to extend its digital transformation and save the organisation £700,000 over 2 years.

Civica developed the use of its integrated patient record (EPR) system 'Paris', for example at Greater Manchester West Mental Health Trust where the system went into operation for 3,000 users with EDM integrated to provide access to older records. Inter-operability with other systems including third party bed management software and a widely-used incident reporting and risk management solution is further helping to improve patient safety.

Vancouver Coastal Health Authority also completed a major upgrade including a new clinical care planning module, as part of a transformation programme to improve care pathways.

Support for paperless working was also strengthened with a new e-Prescribing and Medicines Administration (ePMA) system, developed in conjunction with NHS professionals. Initially delivered to complement 'Paris' in mental health and community health, the system helps clinicians to improve care by ensuring correct medicines and doses are given at the right time, with support for use on devices such as tablet computers at the bedside in wards and at homes. Clinical safety is further improved by provision of built-in guidance in respect of allergies, drug interactions and potential contraindications.

Civica's 'SLAM' contract management system is used by nearly 80 percent of Acute Trusts and a third of the Commissioning market. The company continued to grow its widespread use with new customers including Maidstone and Tunbridge Wells NHS Trust and Luton and Dunstable University Hospital NHS Foundation Trust. In the NHS costing market Civica led the way with 7 new contracts including 2Gether NHS Foundation Trust, Derby Teaching Hospitals NHS Foundation Trust and Sandwell and West Birmingham Hospitals NHS Trust.

Driven by the clear need for cost savings in the NHS, applications which automate processes and deliver meaningful management information continued to find favour, with 37 customers now using ProAuto software to streamline contract and service reporting. A new automated invoicing system was also released to early adopters.

Australia

Civica provides software and business process services for the private health insurance industry including a fully integrated IT system incorporating applications for customers, products, claims, financial transactions, health management, overseas visitors and students policies, corporate policies and broader industry solutions for checking hospital eligibility. It is used to manage one third of Australian PHI policies, helping customers reduce cost and risk through a fully integrated approach.

The business delivered a good operational performance during the year and continued its successful track record of developing bespoke solutions to meet the strategic needs of customers. The NewHealth platform has extensive middleware services enabling integration with third party systems. During the year Australia's largest fund moved its Overseas Student Health Cover line of business to NewHealth.

Housing & asset management

A leading partner in social housing, **Civica provides a flexible IT-based platform to help organisations deliver improved tenant services with greater efficiency.** Similarly, the Group's market-leading solutions drive cost and utilisation benefits for public and private sector fleet operators.



Systems to manage over 2.5 million properties



54% of UK social housing managed using Keystone software



30% saving for Railway HA by moving to the cloud



£2 million savings targeted for Carillion Fleet Services



2 million mobile assets managed using Tranman software



Fleet software for over 250 organisations

Bristol City Council

Bristol selected Civica's latest cloud-based system, Cx, to support its vision for digital service delivery and to improve services for 61,000 tenants. It combines an integrated toolset for housing management with any time, any device accessibility for applicants, tenants and staff, providing a single source of up-to-date information about tenancies, waiting lists, rents and repairs and encouraging self-service. The solution integrates with Bristol's own digital platform and with Keystone, Civica's asset management software, used by Bristol for the effective administration of housing stock.

Northern Ireland Housing Executive

Civica is working with Northern Ireland's strategic housing authority, which manages approximately 90,000 homes and a budget of £750 million, to provide the software foundation for comprehensive and efficient lifecycle management of the organisation's property-based assets. Keystone asset management software will help NIHE to ensure effective planning and maintenance of housing stock together with improved management of existing and future expenditure and reduced risk.

Babcock

Tranman fleet management software is helping Babcock to deliver a range of critical support services, from keeping London's police mobile through increased utilisation of vehicles which travel 63 million miles a year, to achieving 99 percent critical availability for 3,000 vehicles used to support Airside contracts with British Airways and BAA. The company continues to extend use of the software with innovations such as new touchscreen and mobile capabilities.



Housing and asset software
for 600 organisations



Review of operations

Social housing

Civica delivered a strong performance in the social housing sector during 2015 with sustained business momentum including 8 new sales for its latest housing management system, Cx, and continued good trading from the Keystone Asset Management business following its acquisition in 2014.

The launch of a combined business following the integration of Keystone consolidated Civica's market-leading portfolio of housing, repairs and asset management systems, and strengthened the company's position to help social housing providers respond to a changing environment through more responsive, integrated and efficient services.

Fully web enabled, Cx is a cloud-based solution developed to help organisations deliver a transformed customer experience and anticipate changing demands while achieving IT-based efficiencies. With a strong sales pipeline, Civica continued to win new customers including a £1.9 million contract with Bristol City Council to support the authority's vision for digital service delivery. As with other customers, such as Clanmil Housing Association, Bristol will benefit from the full integration of Keystone asset management and Cx products.

More than half of all UK social housing is managed using a Keystone asset system and the company continued to grow its use including our largest contract to date to provide a full asset management software suite for the Northern Ireland Housing Executive. A new risk management module was also adopted by an increasing number of existing and new customers to help meet compliance requirements.

Civica reinforced its position as a broad IT partner for the sector, combining a strong record of software project delivery such as an extended project to support transformation of housing services at Rotherham Council, together with the provision of cloud and managed services. Examples ranged from delivery of a remotely hosted Servitor Housing Repairs system to a 3-year software asset management service for Sanctuary Housing spanning 8,000 devices.

As housing providers adapt to a combination of social change, welfare reform and financial constraint, the Group remains well placed to accelerate new IT-enhanced ways of working.

Fleet management

Tranman is a family of market-leading systems for comprehensive vehicle and mobile asset management. Cost and utilisation benefits for operators of essential and high-value fleets continued to drive product demand during the year with new business wins including, among others, at Conwy Council, Essex Fire and Rescue Service and Cambridgeshire Constabulary.

Civica also secured major new engagements to support evolving customer needs including provision of a new touchscreen and mobile solution for Babcock and a new deal with the Northern Ireland Department of Agriculture and Rural Development (DARD) involving the merger of three existing customer organisations into a single shared system.

The business continued to deliver new capabilities including flexible electronic forms for mobile web applications, to eradicate paper from workshop operations and enhance compliance, and dynamic alerts to provide instant notification of business critical issues to help service providers minimise SLA breaches and penalty payments.

"We're confident Civica will help us innovate to meet the ever increasing demands of our environment and the changing needs of our customers."

Catherine Dixson,
Chief Executive, Muir Group.

Community protection

Civica works with local authorities, blue light organisations and government agencies to **help protect people and places and to deliver efficient customer services and administration** through leading solutions for regulatory, enforcement and community safety services.



220 regulatory services using Civica systems



Supplying 90% of UK Police & Fire services



Licensing system to oversee 100,000 taxis in London



1 million automatic number plate checks daily for West Yorkshire Police



2 million law enforcement enquiries annually in Ohio



GIS software used by over 120 organisations

Food Standards Scotland

Civica has delivered a new inspections management system for Food Standards Scotland (FSS), the public food body which took over responsibilities from the Food Standards Agency in Scotland from April 2015. FSS now manages all inspections of animals entering the food chain through processing plants in Scotland. Civica's APP system provides a single source of data for management and staff, streamlining core processes through the use of web forms, automated workflow and time recording for many previously manual processes.

Police Service of Northern Ireland

Civica's contact management system is helping PSNI to modernise police services across a smaller number of centralised contract centres while meeting its Policing commitments, including ensuring priority is given to vulnerable persons. The system supports effective call handling, with automated processes ensuring that information is retrieved automatically from applications as needed and assisting call handlers in initiating the right actions.

Cambridgeshire Fire & Rescue Service

The Community Fire Risk management information system (CFRMIS) is a key application for Cambridgeshire Fire and Rescue Service, helping to maximise risk reduction and increase productivity through better management and targeting of fire safety resources. The service adopted CFRMIS to deliver improved operational intelligence providing vital risk information direct to fire crews together with job management tools. Additional capability is also helping to support and protect vulnerable people in the community.



4  0

Helping 400 organisations
safeguard people & places



Review of operations

United Kingdom

The Group works with an extensive customer base of organisations focused on public and environmental protection, spanning local regulatory, environmental, land and property services together with law enforcement and emergency services.

During the year the business continued to focus on supporting core customer requirements for efficient public protection, including a new mobile solution in conjunction with AllOnMobile. Major new engagements included, among others, a new inspections management system for Food Standards Scotland, a major sub-contract with business support company TerraQuest to support the national Planning Portal for England and Wales, and a cloud service contract extension with Citizens Advice.

Civica's specialist Police systems feature the integration of mobile data, camera and secure information technologies. The company continued to develop the use of its automatic number plate recognition (ANPR) and secure information solutions with major new engagements for forces including the Metropolitan Police Service and West Yorkshire Police.

In the police sector, as in other sectors, the Group made progress with digital solutions including for the Police Service of Northern Ireland (PSNI) and expanding the provision of professional services with a consortium of East Midlands police forces. Significant milestones were achieved for PSNI, including two-way integration with the Police National Computer that included migration of 900,000 records and foundation work to support biometric data.

The Civica Search and Assist Portal for Policing places data at the fingertips of those who need it, where they need it, allowing officers to retrieve all this information and more, using any device ranging from a smart phone or tablet to a desktop PC.

Civica also continued to grow the use of the Tranman fleet management system, which is used by the majority of police forces and almost half of fire services across the UK. The business built on its market leading position, adding new customers including Cambridgeshire Constabulary and Essex Fire and Rescue Service.

The company is helping a wide range of organisations to visualise, plan and deliver efficient services through geographic information systems (GIS). Key areas of focus for new and existing customers included web and mobile solutions, together with Civica's fire risk management information system which is used by 70 percent of the country's fire services to reduce risk and increase productivity through better management of fire safety resources.

USA

Civica CMI continued to make good progress with a comprehensive range of software for US law enforcement agencies and courts. Authority Safety applications are used by police departments for computer-aided dispatch, mobile data solutions and records management, including digital case management and property room management. Authority Court, Probation and Jury applications are used by municipal and mayor courts.

New business included a partnership with WestTel International to outfit the first Emergency Operations Center (EOC) for the country of Haiti. CMI equipped the new dispatch centre using state of the art emergency call handling and computer aided dispatch software, providing the state with the ability to support a consistent level of emergency service to citizens and to safeguard first responder teams.

The business remains well positioned for new initiatives including Next Generation 9-1-1.

Regulated markets

Civica is a growing supplier to a number of regulated markets including pension administration, telecoms, utilities and legal services, **helping organisations to deliver enhanced customer services, competitive products and greater productivity.**



£43 billion of funds managed using Civica's pension systems



1.2 million

Supporting pension services for more than 1.2 million members



Ordering platform for BT Global Services covering 87 countries



1 Gb/s speeds on standard copper lines using integrated device technologies



20 million asset records managed with geospatial systems



3,500 GIS users at Yorkshire Water

SAUL

Britain's second largest university sector pension fund, the Superannuation Arrangements of the University of London (SAUL) selected Civica to provide the award-winning Universal Pensions Management system under a 5-year managed service agreement. The application is helping to streamline and automate administration of the fund for the benefit of over 30,000 staff across 50 institutions including the University of London, Imperial College and the University of Kent.

BT

The Group is helping BT to deliver a dynamic and robust infrastructure and to improve global service offerings through operational support system (OSS) solutions, application and data integration and telecom system development. The company is assisting in building and transforming the IT systems that enable BT to connect customer networks worldwide even for the most challenging of sectors.

Yorkshire Water

GIS is a key strategic tool for Yorkshire Water across many areas of business. A combination of web, desktop and mobile tools provided on over 3,500 computers and 600 rugged laptops and integrated with other IT systems, has enabled the utility to improve customer service for 4.5 million domestic customers and 150,000 industrial customers, as well as delivering works management efficiencies and a proactive approach to environmental management.

A close-up photograph of a woman with short, wavy white hair, looking down at a tablet computer she is holding. She is wearing a reddish-pink top and a brown cardigan. The background is a soft-focus outdoor setting with green foliage. The image has a decorative geometric pattern of white triangles on the left and right sides.

“Civica emerged
as the best partner
in terms of cost,
cultural fit, previous
experience and
technical expertise.”

David Rimmer,
Head of IT, USS.

Review of operations

Civica is established in a number of regulated service markets providing software applications and technology services that underpin the efficient delivery of business activities. With the acquisition of Asidua in November 2014 the Group gained a position in the telecoms sector supporting customers in the UK, Europe and Asia.

Pensions

Civica's award-winning Universal Pensions Management (UPM) software provides for all types of scheme and is implemented in both public and private sectors to support services for more than 1 million members. It provides a fully integrated solution with multi-media electronic document management, payroll, contact management and online access.

The business continued to focus on supporting customers during a period of change, and delivered systems to support administration of the Local Government Pension Scheme for 8 authorities including Hampshire County Council and award-winning Essex County Council, which was awarded DB Pension Scheme of the Year in the annual Professional Pensions survey.

Following the end of the financial year, the business added to its product set with the acquisition of a specialist web portal application from independent pensions consultancy Hymans Robertson. The portal, which integrates with Civica's UPM, enables better communications, reduced administration and lower processing costs through productive member and employer communications. It combines a website for providing comprehensive information and documents to members, a secure web service to keep members up-to-date and a secure employer portal to streamline information transfer and validation.

Telecoms

During 2015 Civica acquired a presence in the telecoms sector in the UK and internationally with the acquisition of Asidua, adding specialist expertise and an established position in the telecom service provider and equipment provider markets with customers such as BT, Elcon and Calix.

Activities cover two main areas. Firstly, consultancy, design, development, test and deployment services for the provision and support of operational support systems (OSS). This includes development of new service offerings and their ordering via key telephony and web channels, together with associated billing and incident ticketing processes. All key processes are fully automated using specialised integration software to ensure maximum efficiency.

The business also provides expert services and solutions based around the PMC WinPath network processor family, including the WanStaX portfolio of licensable software components and telecom systems integration. Progress during the year included a partnership agreement with Sckipio to provide software for systems based on the G.FAST (super-fast broadband) network, product enhancements for software-defined networking to move intelligence for telecom services into the cloud, and a strategic distribution agreement with PMC Sierra (acquired by Microsemi Corporation in 2015) for WanStaX in China.

With a strong reputation, the business is well placed for emerging market opportunities in the UK and overseas not least in respect of the substantial growth in internet-connected devices.

Transport & utilities

The Group provides geographic information system (GIS) and asset management solutions to help improve services such as water management, energy distribution and transportation.

With increasing value of geospatial data for managing assets, operations, customer services and incident response, Civica continued to develop the use of its web, desktop and mobile GIS software with long term customers including orders and deliveries for Yorkshire Water.

The Group's market-leading fleet management software, Tranman, is used by more than 300 organisations to manage over 2 million assets, providing cost and utilisation benefits. The business made further progress with systems for customers in the transport and utilities sector including, among others, Veolia, MC Truck Rental and Carillion.

Legal

Civica supplies practice management, time recording, billing and case management systems used by legal teams to streamline and automate activities. The business continued to make progress with existing and new legal firms including, among others, Hawley and Rodgers, Herbert Mallam and Gadsby Wicks.



Services
review

Software & systems

Civica provides an extensive range of business-critical applications and digital solutions which are used to streamline and automate daily tasks from front line activities to back office administration and reporting. Informed by in-depth experience and insight, **we work with customers to enhance core business and service activities, raise standards and save money.**



Track record over 30 years



Providing software to 3,000 organisations



Used to manage £90 billion of funds or expenditure



Digital solutions for 200 public services



120 organisations using cloud payment systems



1,000% software asset management return for Buckinghamshire

London Borough of Harrow

Civica's Digital360 has helped Harrow Council to create award-winning digital services, with 80 percent of transactions now carried out via self-service and 91 percent of customer enquiries handled at the first point of contact. The system has enabled Harrow to integrate the delivery of key council services across multiple channels from first contact through to departmental systems, delivering a positive impact for citizens through more efficient and consistent service delivery and with call centre costs reduced by £500k in 2015.

Places for People

Civica's cloud-based payment system is helping award-winning property management and development group Places for People, which owns or manages 82,000 homes in the UK, to process more than £25 million in payments annually. The system enables the group to manage payments from multiple sources at any time through a variety of channels, streamlining and automating processes and improving financial management while ensuring compliance with Payment Card Industry (PCI) security standards.

Four Seasons Healthcare

Coldharbour Residential Care software is used by the UK's largest independent care provider for income processing and staff cost control, including the management of £750 million of care billing annually across more than 460 care units. The company is also working with the Huntercombe Group division to provide an acute and mental health care solution spanning income processing and credit control, patient administration, compliance and risk management, staff roster and accounting, using leading technology including biometric touch screen time and attendance systems.



1.5m

1.5 million professionals
rely on Civica systems



Review of operations

Civica provides a broad portfolio of specialist software applications used to streamline and automate business-critical processes from front line services to back office administration.

During the year the Group continued to respond to customer needs, from core requirements and the implementation of new legislation to new product innovation, with a strong record of project delivery. Acquisitions expanded the breadth of Civica's capability and its product range, with increased scale of involvement with customers. The Group grew the use of its software with revenues including project services increased by 20 percent, and continued to extend its presence on relevant national procurement frameworks.

Digital transformation

Organisations are increasingly looking to digital technology and automation to transform their services and achieve significant savings based on more immediate, connected and collaborative ways of working. Civica continued to advance its digital solutions with new engagements including, among others, NI Direct, King's College Hospital NHS Foundation Trust, Bristol City Council and East Riding of Yorkshire Council, the latter as part of a council-wide transformation programme.

Following the acquisition of Asidua and the creation of a combined Digital Solutions unit, the Group launched its latest Digital360 portfolio. The suite captures, delivers and communicates interactions and requests from customers, employees and partners from initial contact through to service fulfilment. It helps organisations to go beyond channel shift and to deliver better customer services and tangible savings through end-to-end digital transformation.

The Group also strengthened its digital solutions capability in the central government sector with the acquisition of WTG, a secure software applications specialist with a track record of delivering government digital services for departments and agencies.

Financial management & payments

In addition to supporting frontline services Civica is a leader in financial management systems, which are used by more than 1,500 organisations. During the year the business continued to win new customers in all major markets.

Civica also has a strong position in payment systems, the majority of which are cloud-based. Providing an efficient multi-channel solution supported by accreditation during the year against the latest Payment Card Industry security standard, the company maintained good momentum with new and existing customers, expanding use of the systems including capabilities such as eStore, a local government e-commerce solution adopted by, among others, Durham City Council, Eastbourne Borough Council and Newcastle City Council.

Cloud solutions

The Group delivers a range of cloud solutions and during the year launched a refocused set of services in the UK including the Civica Secure Managed Cloud together with a new private cloud infrastructure in Australia and New Zealand.

Alongside hybrid and public cloud models, Civica's Secure Managed Cloud provides a highly secure shared or private cloud infrastructure for critical applications and data, certified to recognised standards including ISO 27001 and underpinned by 'four nines' availability of core networks and systems. It offers a cost-effective approach with flexible scaling and provisioning on demand for applications.

New business momentum included contracts with, among others, the London Borough of Greenwich, the City of York, Cardiff and Vale University Health Board, the City of Melbourne and the Staffline Group. The Group also expanded the number of solutions available on the UK government's Digital Marketplace.

Software management

The company maintained momentum with its leading range of software licensing, software asset management (SAM) and IT services which help customers deliver effective IT procurement and asset management. Civica's SAM managed service can deliver financial savings up to the equivalent of an entire year's software budget in under 18 months and the company signed new agreements for, among others, Sanctuary Housing and Amey. In partnership with Snow Software, Civica subsequently extended its service across mobile devices, launching a cloud-based mobility management service to control data leakage and identify risky apps on corporate mobile devices.

Managed services & outsourcing

The Civica Group provides a broad range of managed services and outsourcing. Building on deep sector knowledge and a track record of successful partnerships, **Civica combines business process and operational expertise with technology know-how to help customers improve services, reduce cost and adapt to a new environment.**



Partnerships delivering service improvement and savings



£5 million savings for Hull City Council



£600 million in tax & rates collection annually



£1.6 billion in cloud-based payments annually



600,000 transactions processed annually for NIB via Healthstream service



Mirgration to cloud delivering 30% cost saving for USS

South Worcestershire Partnership

Civica's shared service in South Worcestershire is sustaining local employment, improving services and delivering savings of £3 million to Wychavon, Worcester City and Malvern Hills councils. After successful transition of revenues and benefits services with employee costs cut by 30 percent, the partnership established a service centre in Pershore from which it has delivered processing services for more than 25 other authorities. Following award of a separate contract, outsourced customer services for Worcestershire County Council, Malvern Hills and Worcester City were smoothly integrated into the Pershore centre.

PeoplePlus

Civica provides a flexible managed IT service for leading employment support and training services company PeoplePlus to underpin its Government Work Programme. The private cloud-based solution ensures IT infrastructure is monitored, managed and maintained to support staff in over 100 locations, with servers, storage and applications accessed as services over the Civica network, and allows internal IT specialists to focus on business-critical projects.

Singapore Ministry of Education

Civica is delivering a successful national library service for schools and colleges throughout Singapore. The service includes market-leading library software, with the latest cloud-based system deployed to 369 schools and language centres, together with centralised collection and distribution services and provision of all library staffing. Students and educators have benefited from integration of systems and resources, together with a wide range of innovative activity and event programmes to ensure effective use of media resource libraries.

The number '500' is displayed in a large, white, sans-serif font. The middle '0' is replaced by a red circular icon containing a white cloud with three stylized human figures inside, representing cloud services and people. A red arrow curves around the top of the circle.

500

500 organisations rely on
cloud services & outsourcing



Review of operations

The provision of outsourced and managed services is fundamental to Civica's strategy in order to help customers achieve immediate savings and transfer of risk while driving efficiency, innovation and growth.

Combining deep understanding of customer business processes with a flexible commercial approach, activities include specialist delivery of back office services and discrete operations including collections, assessments and administration, together with efficient cloud and IT managed services.

Outsourcing

During the year the Group maintained excellent momentum in outsourcing, particularly in platform based BPO for local government where Civica's distinctive partnership model has proved successful with organisations looking to sustain and improve services on reduced spending. Driven by a combination of domain expertise, service capability and technology skills, the company secured a record number of new partnerships and with an excellent pipeline of opportunities further significant growth is expected in this area.

Existing and new contracts performed very well combining service improvement with cost savings for councils across the country. These included, among others, revenues and benefits services for Denbighshire County Council and customer services for the 3 Worcestershire Hub partners following transfer of more than 130 employees to Civica.

New business momentum included selection as preferred bidder by Hull City Council for the Group's largest UK outsourcing contract to date and retention of the national managed service for the Singapore Ministry of Education where Civica manages library staffing, collections, purchasing and technology across 340 schools.

Contracts met or exceeded key performance indicators and in addition to the successful take-on of services, operational highlights included integration of the Worcestershire Hub into Civica's Pershore centre with no service disruption, and delivery of a new Adults and Children's Care system as part of the IT partnership at Luton.

OnDemand

Building on its specialist shared service centre network Civica grew the use of its flexible OnDemand processing services in the UK, delivering services to more than 65 authorities with a customer retention rate during the year of 100 percent.

Providing expertise and capacity to address short term resource gaps or peak workloads, Civica delivered a wide range of services from core processing and call handling to the administration of welfare schemes. The company also added new customers for its digital mail room services and continued to develop a range of further services.

Cloud & managed services

Demand for managed and cloud-based services continued as organisations look to improve access to applications and infrastructure and reduce cost and risk of technology ownership.

During the year Civica launched a renewed cloud and managed services portfolio focused on 3 main areas:

- Secure hosting of mission critical systems and essential applications;
- Hybrid cloud services utilising a blend of private and public cloud; and
- Building on cloud-based services to deliver end-to-end IT managed services.

The UK business delivered a good performance in this area with double-digit growth supported by excellent customer retention on the Civica accredited cloud. New agreements included cloud delivery of own applications and, among others, a 7-year hosting agreement for the Royal Borough of Greenwich to host third party applications and a fully managed IT service for the Staffline Group.

The company continued to provide a high level of operational service and assurance, delivering 300 projects in the UK to help organisations achieve resilient services and reduced costs underpinned by the Group's highly resilient ISO 27001 data centre network which ensured 99.99 percent uptime for critical infrastructure.

Similarly the Group continued to deliver application focused cloud and managed services in Australia and New Zealand, with a 90 percent retention rate for new agreements in local government supported by a new private cloud infrastructure in conjunction with Telstra and VCE.

Phill Rowland
Chief Financial Officer



Financial review



2015 Financial review

2015 Highlights

Group turnover increased 6% to

£234.1m

UK turnover increased 10% to

£187.3m

Closing order book increased to

£740m

EBITDA increased to

£46.8m

Strong operating cash flow increased to

89% of EBITDA

Gross profit margin improved to

78%

Recurring revenues increased to

£114.6m

Software IP & implementation revenues increased

20%

Group Overview	Year ended 30 Sep 15 (£ millions)	Year ended 30 Sep 14 (£ millions)	Pro forma Year ended 30 Sep 13 (£ millions)
Turnover	234.1	220.1	213.2
Cost of sales	(52.1)	(57.3)	(57.1)
Gross profit	181.9	162.8	156.1
Administrative expenses	(135.1)	(119.2)	(113.7)
EBITDA	46.8	43.6	42.4
Cashflow from operating activities	41.8	37.8	38.1
Employees	2,532	2,367	2,082

Due to the acquisition of the Civica Group in May 2013 comparative pro forma information has been shown for the Group for the full year to 30 September 2013. Consolidated financial statements for the Group are available at Companies House. Civica Group Limited is part of a privately-owned group in which the OMERS pensions plan has the majority shareholding.

Operating results

During the year to 30 September 2015 the Group maintained its record of continuous and sustainable growth. Turnover increased by 6.4 percent overall to £234.1 million (2014: £220.1 million) driven by a strong performance in the United Kingdom, our largest market, where turnover increased by 10 percent to £187.3 million (2014: £170.5 million).

Gross profit during the period increased to £181.9 million as we expanded the provision of software applications, cloud-based technology services and outsourcing across a broad customer base. An increase in software IP and implementation revenues of 20 percent also saw gross margins improved to 78 percent of revenue. Operating profit before depreciation, amortisation and exceptional charges rose by 7.4 percent to £46.8 million (2014: £43.6 million), representing a 20 percent margin on sales.

Progress continues to be led by a clear and consistent strategy, aligned to customer needs to improve service delivery and efficiency, which focuses on:

- Maximising the penetration of specialist IPR software
- Establishing a leading digital solutions capability in our markets
- Growing the scope and scale of BPO and IT managed services with existing and new customers
- Complementary acquisitions to strengthen capability and build scale.

We continue to be regarded as a strong and stable partner by our customers, critical to which is sustained investment in employee development and our company culture which is a key differentiator for the Group.

During the year we increased our scale of involvement in core areas including both owned software solutions and cloud and managed services, the latter underpinned by a strong operational foundation with core network and systems availability above 99.99 percent.

Progress with business process services (BPS) included excellent new long-term outsourcing partnerships, supported by successful TUPE transfers, together with a strong performance on existing contracts and with OnDemand services. BPS revenues increased to more than £27 million and, with a very strong pipeline of opportunities, we expect to see continued growth.

The Group made further investment in the year to strengthen capability and resources. Development of the business has also begun to benefit from a stronger 'One Civica' focus, from increased collaboration globally to new hub offices, underpinned by core management systems and accreditations.

Business activity was supported by excellent cash generation from operations amounting to 89 per cent of EBITDA. The Group finished the year with cash in the bank of £36.6 million (2014: £39.5 million).

With an order book of £740 million and a strong financial foundation Civica remains in a robust position in 2016, well placed to address evolving customer requirements as they seek to respond to significant change.

Segmental analysis

The Group continued to benefit from highly focused operations and a resilient business model across markets and geographies, with local government the largest business segment producing more than half of total revenues. The UK remains Civica's largest market, and UK revenues increased by 9.8 percent in the year to £187.3 million driven by a good performance in local government, social housing, health care and community protection markets through a mixture of owned software applications and related services through to full business process outsourcing contracts.

Acquisitions



Civica extended its record of selectively acquiring and integrating complementary businesses which enhance our market position and capability, with two successful acquisitions in the United Kingdom which expanded the Group's capability and resources in the areas of government and digital solutions.

During the year Civica acquired software and services group Asidua Holdings Limited, an established provider of software, integration and consultancy services to government and corporate sectors in the UK and internationally. With particular expertise in customer contact management for local public services and in specialist telecoms systems, the addition strengthened Group capability in respect of the increasing focus on digital transformation and was subsequently incorporated into Civica Digital Solutions.

Civica also completed the acquisition of Web Technology Group Limited (WTG), which specialises in planning, building and managing complex, secure web applications and digital services for government and other public sector clients. The acquisition extended Group capability in central government where WTG is helping to progress the UK Government's digital strategy supported by an established position on G-Cloud and Digital Services procurement frameworks.

As the Group continues to grow organically and through acquisition, we constantly review operational processes necessary to ensure efficient delivery to customers as well as our back office administration. This is supported by a cross-company programme to drive consistent best practice and build a stronger platform to support the growth of the business, underpinned by a wide range of quality and management accreditations. These include ISO 9001 (quality management), ISO 14001 (environmental management), ISO 20000 (IT service management), ISO 27001 (information security standard) and OHSAS 18001.

Acquisitions during the period

Company	Country	Date	Sector	Comments
Asidua Holdings		November 2014	Multiple	Digital customer contact solutions and specialist telecoms systems
Web Technology Group		September 2015	Government	Secure web applications and government digital services

Corporate governance

Civica Group Limited is part of a privately-owned group in which the OMERS pensions plan has the majority shareholding and which is controlled by a board comprising OMERS nominated directors and Civica management.

The Group continues to operate a strong framework of corporate governance across the business to ensure the successful delivery of business outcomes in line with our strategy and priorities, management of risk and focus on delivery of excellent service to our customers. This framework is managed through the following components.

Group board

The Board is responsible for the overall strategy of the Group and the effective management of risk and performance. It meets on a monthly basis to review business performance in line with Group strategy and to ensure that risks are appropriately managed, including major bids and acquisitions. The performance review is closely aligned to our key priorities in respect of financial performance, products and services, people, customer service and operational efficiency. Business planning is conducted on an annual basis, again in line with the strategy and key priorities, and is signed off by the Board. The Board has an effective balance of executive and non-executive directors.

Executive management board

The Executive Management Board consists of the Executive Group Board members, the divisional managing directors and Group business development, HR, technology, product strategy and marketing directors. It meets on a monthly basis to discuss strategic business issues and the effective management of risk and opportunity across the business. A short profile on each of the members of the executive management board can be found at www.civica.co.uk/executives.

Monthly business reviews

Each unit within the Group is subject to a monthly business review by executive Group Board members to assess the financial and operational performance and business risks, review the financial projections and review working capital management and cashflow performance. The financial and operational key performance indicators in each business are closely aligned to the 5 key priorities of the Group as highlighted above. Specific business risks are identified and mitigated through this process.

Commercial & legal controls

All acquisition, capital investment and business development activity is controlled through a methodical process of qualification, review and approval, which is dependent upon both value and complexity to ensure appropriate management of business risk and effective use of business resources.

Principal risks & uncertainties

The Board accepts that in creating value for the Group it must take on and accept some risk. The Executive Directors are responsible for implementing the board's policies on risk and control and monitoring compliance with these policies. As with other public-sector focused providers of software, managed services and outsourcing solutions, the main risks and uncertainties facing the Group surround the level of public sector funding available in future periods, the risks associated with technological advancement and the threat of competition.

Pensions

The Group operates a number of defined contribution pension schemes, as well as operating a defined benefit scheme and being a participating employer in 2 further defined benefit pension schemes. All of the defined benefit pension schemes are now closed to new entrants.

Trading performance

For the year ended **30 September 2015**

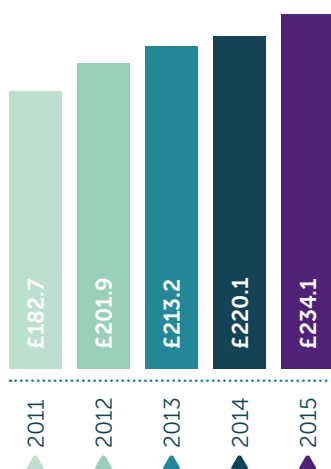
	2015 £ millions	2014 £ millions
Sales		
Owned software & related equipment	45.5	40.4
Third party software & services	27.8	30.3
Implementation & consulting services	46.2	39.1
Recurring support, managed services & BPS	114.6	110.3
	234.1	220.1
Cost of Sales	(52.1)	(57.3)
Gross Profit		
Owned software & related equipment	32.4	27.6
Third party software & services	4.1	3.9
Implementation & consulting services	44.3	37.6
Recurring support, managed services & BPS	101.2	93.7
	181.9	162.8
Direct Staff Costs		
Technical & management	(94.8)	(83.0)
Sales	(17.0)	(16.3)
	(111.8)	(99.3)
Contribution	70.1	63.5
Central costs	(29.2)	(25.1)
EBIT	40.9	38.4
Depreciation	4.1	4.0
Project Centum*	1.8	1.2
EBITDA	46.8	43.6

* Project Centum is a non-core investment programme to build a stronger platform for future growth.

Key performance indicators

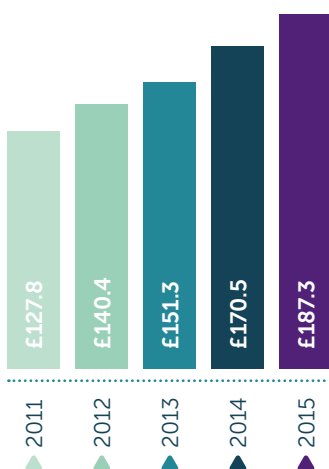
Overall revenues

► **Increased by 6%**
2011-2015 CAGR 6%



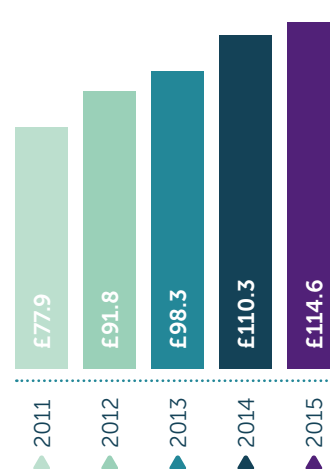
UK revenues

► **Increased by 10%**
2011-2015 CAGR 10%



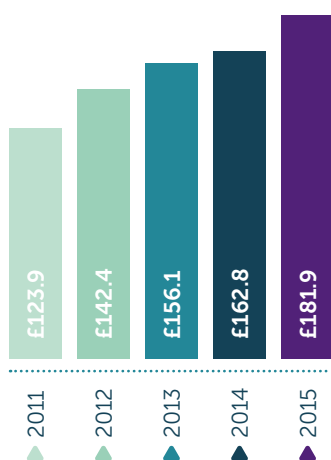
Recurring revenues

► **Increased by 4%**
2011-2015 CAGR 10%



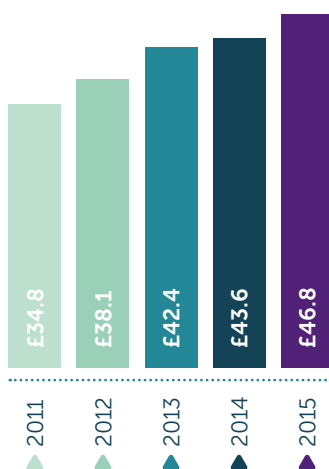
Gross profit

► **Increased by 12%**
2011-2015 CAGR 10%



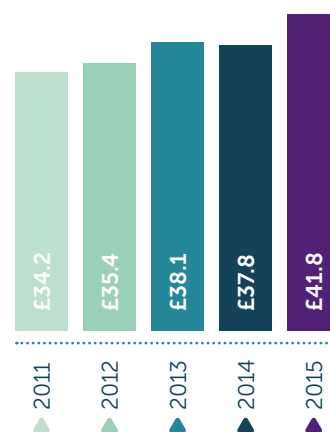
Normalised EBITDA

► **Increased by 7%**
2011-2015 CAGR 8%



Operating cash flow

► **Increased to 89.4%**
of EBITDA



All figures are in £ millions

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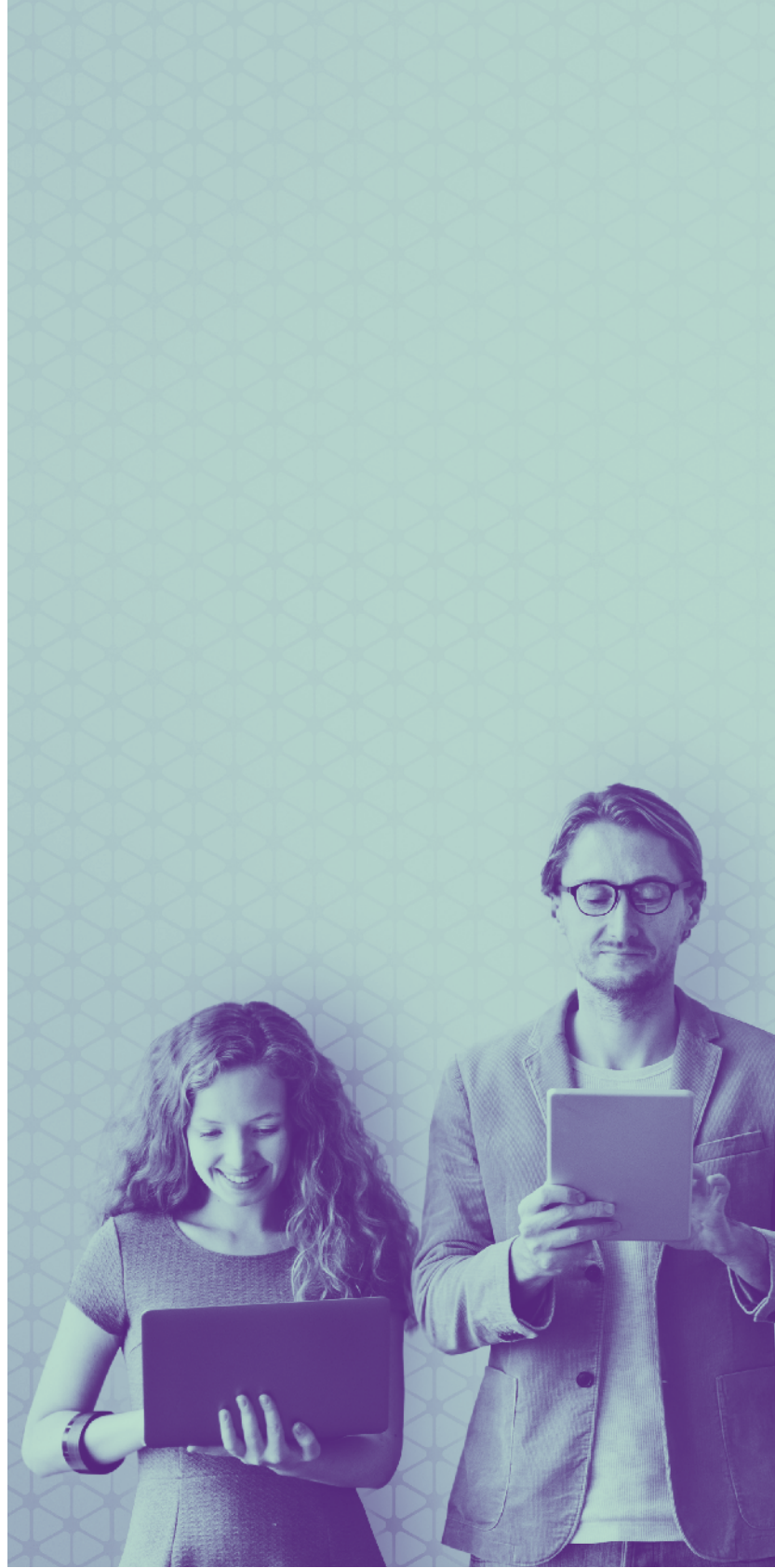
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The pulp used in this product is bleached using an Elemental Chlorine Free (ECF) process.

