

**Company Number 01649776**

**CACI Limited**

**Report and Financial Statements - 30 June 2022**



**CACI Limited**  
**Corporate directory**  
**30 June 2022**



<b>Directors</b>	<b>G R Bradford (Chief Executive)</b> <b>S A Sadler</b> <b>M S Khaira</b> <b>T Weir</b>
<b>Company secretary</b>	<b>S A Sadler</b>
<b>Registered office</b>	<b>CACI House</b> <b>Kensington Village</b> <b>Avonmore Road</b> <b>London W14 8TS</b>
<b>Auditor</b>	<b>Ernst &amp; Young LLP</b> <b>1 More London Place</b> <b>London SE1 2AF</b>
<b>Bankers</b>	<b>National Westminster Bank plc</b> <b>Knightsbridge Branch</b> <b>186 Brompton Road</b> <b>London SW3 1XJ</b>

The directors present their strategic report on the Company for the year ended 30 June 2022.

#### **Business Review**

CACI Limited (the Company) is part of an international technology services group. The ultimate parent undertaking is CACI International Inc, which is a public company incorporated in Delaware, USA, and whose shares are quoted on the US NYSE. CACI Limited is the largest operating subsidiary of the group outside the USA and represents the group's interests in Europe. The Company provides data, software products, consulting services, and systems development and integration, through its two principal operating divisions, Marketing Solutions Division (MSD) and Information Management Systems (IMS) Division.

We are pleased with our financial performance in the year to June 2022. Turnover grew by 11% to £132.6m (2021 - £119.5m) as confidence returned to our principal marketplaces as COVID eased.

The company's net income increased by 23.0% to £19.8m (2020 - £16.1m). This was primarily achieved through operational performance and greater higher-margin product sales. Additionally, certain COVID-related cost savings have been retained as a result of our migration to more flexible working arrangements.

The Company's key financial performance indicators during the year were as follows: -

	<b>2022</b>	<b>2021</b>	<b>Change</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>%</b>
Turnover	132,638	119,531	11.0%
Operating profit	24,513	20,339	20.5%
Profit for the financial year	19,826	16,062	23.0%
Shareholders' funds	124,288	113,962	9.1%
Current assets as % of current liabilities	198%	170%	16.5%
Average number of employees	935	874	7.0%

The increase in shareholders' funds reflects the profitability of the company for the year, partially offset by dividends paid of £9.5m (2021 - £15m).

#### **Principal risks and uncertainties**

The directors review risks and uncertainties as part of the monthly management review process. The principal risks facing the Company can be grouped as competitive risks, technical risks and operational risks:

##### *Competitive risks*

Our Information Management Systems Division principally operates in the local and central government markets. Our ability to win contracts against stiff competition in the highly structured tendering and procurement environment is critical to our success.

The employment market is also particularly challenging and recruiting and retaining quality staff will be a key challenge for the foreseeable future.

##### *Technical risks*

Our Marketing Solutions Division provides demographic data and marketing systems. The volume and complexity of the analysis and processing of this data calls for stringent technical quality controls to ensure that the data provided to clients and upon which they make critical business decisions is of the highest quality. We also carry the risks around the physical control and management of the data on behalf of our clients.

The GDPR (General Data Protection Regulation) legislation, which came into force in May 2018, has introduced additional compliance costs into the business, which could affect our future profit margins. The legislation is also slowing down the sales process, as customers seek additional contractual protections. This may impact our margins if this continues into the future.

**Continued**

*Operational risks*

A significant number of our client contracts are on a fixed price basis and careful performance monitoring is essential to bringing these jobs in on time and within budget while meeting the customers' expectations.

Inflation has returned to the UK economy and this has created uncertainty moving forwards. We are experiencing significant increases in certain costs eg utilities, and wage inflation is causing challenges in recruiting and retaining staff. We are regularly reviewing our staff costs to ensure that we remain competitive.

Brexit has had little impact on our business as the majority of our customers and projects are within the UK. However, we continue to monitor the potential impact of Brexit to CACI, particularly to the strength of the UK economy, and how this may impact government spending.

The IR35 legislation on the taxation of disguised employment was implemented during 2021. CACI works with a large number of contractors and has actively evolved its relationship with these contractors to comply with the new legislation. IR35 may impact CACI's ability to recruit appropriate technical resources in the future.

*COVID-19*

The COVID-19 pandemic has caused disruption to a number of our customers, particularly those customers who operate in the property, retail and hospitality sectors. However, each of these sectors has recovered to a large degree as the pandemic has eased.

The pandemic has resulted in changes to our working practices. Staff are currently working a mixture of office based and remote working. We continue to monitor our practices to ensure that we are meeting both our customers, and our staff's expectations, wherever possible.

**Section 172(1) statement**

**Directors' statement of compliance with duty to promote the success of the Company**

Under section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company, in the long-term, for the benefit of the shareholders as a whole, having regard to a range of other stakeholders and interests.

During the year ended 30 June 2022, the directors, both individually and as a board, consider that they have acted in a way that they believe would meet these requirements, and in doing so have had regard to:

- the likely consequences of any decision in the long-term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with customers, suppliers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct and ethics,
- the need to act fairly as between members of the Company.

The directors have met these requirements as follows:

*Decision making*

Annually, the directors review the performance of the Company and identify its strategic goals for the coming year. A financial plan is established and agreed with the Company's parent company, CACI International Inc.

All investment and operating decisions are then made within the framework of the financial plan, with the aim of ensuring the Company meets both its financial and non-financial targets. Performance against the strategic goals and financial plan is reviewed on a monthly and quarterly basis.

In developing the long-term plans, we have considered the impact of long-term investment and other spending decisions on the Company's future results, and the interests of the employees and other stakeholders.

*Employees*

Employee engagement is a key focus of the directors of the Company, ensuring employees are actively connected to the Company's goals and targets.

The employees are connected to the Company's activities and performance through the Company's email and intranet, leadership calls, and business updates and briefings. The directors have also focused on managing the physical and mental wellbeing of the Company's employees through the pandemic, whilst endeavouring to provide the best possible service to our customers. This has resulted in changes to our working practices, with staff now working a mixture of office based and remote.

Additionally, many staff are bonused on achieving defined profit levels within their Business Unit or Division. Profit targets and actual performance against those targets are regularly notified to staff ensuring they are aware of, and tied to, the Company's goals.

Further details of the Company's employee engagement activities are detailed in the Directors' report.

*Customers, suppliers and others*

The directors recognise that fostering business relationships with all stakeholders is essential to the Company's success. The Company has close relationships with its customers, suppliers and industry partners, which help us create cost-effective products, services and solutions.

The Company constantly researches markets needs through regular communications with existing and potential customers, and consequently provides continually evolving products and services.

*Environment*

CACI actively strives for the best possible environmental practices, such as the promotion of recycling and minimisation of waste, and ensures that the disposal of waste products is done in a safe manner to minimise any possible pollution.

The Company has a target of reducing its overall utilities consumption by 1-2% per year by monitoring its usage and employing the latest technologies. Where appropriate, energy management systems are installed to minimise our energy consumption.

In managing the impact of CACI's operations on the wider community and the environment, the Company has a defined Environment Policy, which is reviewed and updated periodically.

*Business conduct*

CACI recognises the importance of maintaining a reputation for high standards of business conduct, in earning and maintaining stakeholder trust.

The Company maintains a Code of Ethics which is intended to promote honesty, integrity, good judgment, and ethical behaviour, by helping all staff understand what is meant by ethical behaviour and fraud awareness in the context of their employment. All staff are required to confirm their acceptance of the policy on an annual basis.

Adherence to the Company's policies reduces the risk of compliance failure and supports the Company in recruiting and retaining high calibre employees.

*Strategy*

Our strategy remains to profitably grow the Company, both organically and through acquisition, by providing an excellent service to our customers, and being the supplier of choice in our chosen markets.

All members of the Company are considered, and treated fairly, in delivering this strategy.

**Continued**

This report is made in accordance with a resolution of directors.

On behalf of the directors



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S A Sadler  
Secretary

29 March 2023

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

**Directors**

The directors who served the Company during the year were as follows:

G R Bradford (Chief Executive)  
M S Khaira  
S A Sadler  
T Weir

**Dividends**

The directors approved an interim dividend of £2.21 per share (2021 - £3.48 per share), totalling £9,500,000 (2021 - £15,000,000), which was paid to CACI NV on 21 June 2022. The directors do not recommend payment of a final dividend.

**Events since the balance sheet date**

On 15 July 2022, CACI Limited executed a lease assignment to a third party for the lease at Harlequin Building in Southwark, London. Accordingly, CACI Limited derecognised associated lease liabilities at that time. A subsequent provision was put in place in case the new tenant defaults and the company has to honour the rent payments with the landlord.

Other than the above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Future prospects of the business**

CACI Limited, "the Company", intends to continue operating in the areas of Marketing Solutions and Information Management Systems. The Company intends to continue to grow organically, but also to augment its organic growth through strategic acquisitions.

**Research and development**

The Company continues to develop new and upgraded software and data products, which are planned for release to the marketplace in the 2023 financial year and beyond.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position including the impact of COVID-19 are described in the Strategic Report.

The financial statements have been prepared on the basis that the Company is a going concern. At 30 June 2022 the Company had cash balances of approximately £39.5m. Our cash forecasts indicate that the Company will generate cash throughout the period reviewed for addressing going concern. The directors, therefore, believe that the going concern basis of accounting is appropriate.

The directors have undertaken reviews of the financial forecasts of the business, in order to assess whether the Company has adequate resources to continue in operational existence for the foreseeable future, and as such can continue to adopt the going concern basis of accounting.

**Going Concern (continued)**

For assessing going concern, the Directors considered a period to 31 December 2023 against the base case Board of Directors approved budget to June 2023, that was then extended to March 2024 using the same base assumptions. The Directors also considered a series of severe but plausible downside scenarios compared to the base case budget. The Directors considered reductions in revenue and associated cash receipts of 10%, and 25%, with associated cost savings, and the net impact of these scenarios on the Company's working capital. Following this analysis, the Directors have concluded that the Company has adequate resources to operate as a going concern and therefore continues to adopt the going concern basis in preparing the financial statements.

To assess the level of headroom within the board approved forecast which has been extended to 31 March 2024, a reverse stress test was performed to see what level of performance deterioration was necessary to challenge liquidity requirements. However, given the mitigating actions that are available and are within management's control such performance deterioration was not considered plausible.

The effects of the coronavirus (COVID-19) pandemic on the Company have not resulted in material impacts to liquidity or operations to date. Accordingly, COVID-19 has not had a material impact on the ability of the Company to continue as a going concern.

In conclusion, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Engagement with employees**

CACI recognises the importance to its future success of retaining and developing its skilled workforce and has implemented effective human resources strategies delivered by line management to support this objective.

We understand the need for continued training and development of our employees including regular engagement with them to ensure the future success of the Company. We provide a variety of training courses from both within the Company and from external sources to meet the development needs of employees. Active encouragement is given to help employees attain the relevant training and qualifications within their chosen profession to ensure the highest standards are maintained by all.

The Company operates a recruitment policy based on experience and qualifications, and on an equal opportunities basis, without discrimination on account of sex, age, race, ethnicity, religion, disability, marital status or sexual orientation.

CACI gives full consideration to employment applications from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Regular communication occurs to inform all employees of CACI's strategy and progress in its delivery, with the aim of creating awareness with all employees, of the financial and economic factors affecting the performance of the Company and the wider CACI Group.

The Company is committed to encouraging the involvement of all employees in its performance through various financial incentive and employee recognition schemes. The Company has various incentive schemes open to certain employees tailored to deliver both current and longer-term profitability. In addition, the company has share-based incentive schemes open to all employees, designed to encourage participation in the Company's longer-term success.

The directors give consideration to employees' interests when considering the company's long-term plans and strategy as outlined in the s172 statement in the Strategic Report.

**Streamlined Energy & Carbon Reporting**  
**Methodology**

The Streamlined Energy and Carbon Reporting (SECR) requirements were introduced on 1 April 2019, when The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

As a large, unquoted organisation, CACI Limited is required to report its energy use and carbon emissions in accordance with these regulations. The data detailed in the table below shows emissions and energy use for which the Company is responsible including gas and electricity usage on our sites and fuel used in vehicles on company business. We have used the UK Government GHG Conversion Factors for Company Reporting 2020 to calculate our energy usage. Any estimates included in our calculations are derived from actual data extrapolated to cover missing periods.

**GHG emissions and energy use data for the year ended 30 June:**

	<b>2022</b>	<b>2021</b>
	<b>tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e</b>
Emissions from the combustion of gas (Scope 1)	101	95
Emissions from combustion of fuel for transport purposes (Scope 1)	51	18
Emissions from purchased electricity (Scope 2)	<u>121</u>	<u>216</u>
Total gross emissions above	<u><u>273</u></u>	<u><u>329</u></u>
	<b>2022</b>	<b>2021</b>
Energy Consumption used to calculate emissions / kWh	1,408,204	1,452,903
Intensity Ratio: kgCO <sub>2</sub> e gross figure per FTE employees	289	375

**Energy Efficiency**

For the year to June 2022, the Company completed the following energy efficiency projects:

*Smart Metering*

CACI has introduced smart metering, allowing us to make informed decisions about how best to save money by using less energy. We are also able to see any patterns to the energy usage across our business and take the appropriate action. Operationally it also reduces the number of employee hours needed to physically read meters.

*Data Management Improvements*

CACI has completed the relocation of our data centre from our head office to an energy efficient Tier 3 operation. The centre uses renewable electricity, follows science-based targets on reducing GHGs and has a robust waste management program.

*Energy Efficiency Improvements*

CACI is committed to improving our energy efficiency performance and are doing this in several ways:

By replacing ageing equipment with new smart technologies, by investing in state-of-the-art LED office lighting in newly acquired property and by contracting with a renewable energy supplier for our head office.

**Business relationships**

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018 disclosure is required with respect to how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year. This disclosure is provided within the s172 statement in the Strategic Report.

**Disclosure of information to the auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**CACI Limited**  
**Directors' report**  
**30 June 2022**



**Continued**

**Auditor**

The Company has made an election under Section 487 of the Companies Act 2006 to dispense with the obligation to appoint auditors annually and accordingly Ernst & Young LLP are deemed to be reappointed.

This report is made in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'S A Sadler', written over a horizontal line.

S A Sadler  
Secretary

29 March 2023

**CACI Limited**  
**Directors' responsibilities statement**  
**30 June 2022**



The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CACI Limited

### Opinion

We have audited the financial statements of CACI Limited for the year ended 30 June 2022 which comprise of the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 34, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and performing appropriate testing on the cash flow forecasts, including significant assumptions, prepared by management for the going concern period ended 31 March 2024.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 March 2024.

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

### Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CACI Limited (continued)

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CACI Limited (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and the relevant tax compliance regulations.
  - We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures, including internal legal counsel. We corroborated these enquiries through our review of board meeting minutes as well as considering the results of our audit procedures. We assessed the appropriateness of disclosures in the financials by comparing them against the requirements of FRS101 and Companies Act 2006.
  - Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of Board minutes and enquiries of management around instances of fraud, non-compliance with laws and regulations and actual or potential litigation and claims as well as review of legal expenses in the year and claims and litigations register.
  - We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by:
    - enquiring of management to understand where they considered there was susceptibility to fraud,
    - evaluating management's opportunities and incentive for fraudulent manipulation of the financials (including the risk of override),
    - reviewing the company's policies and procedures including the code of conduct,
    - enquiring whether there were whistleblowing incidences with a potential financial reporting impact.
- As a result, we identified a fraud risk relating to inappropriate revenue recognition, specifically in relation to topside adjustments over revenue.
- In response to the higher risk we designed the following procedures to provide reasonable assurance that the Financial statements are free from fraud or error:
    - gaining an understanding of the revenue process, including understanding which controls are in place to respond to the identified fraud risk,
    - incorporating data analytics into our journal entry testing and top-side adjustments with a focus on those meeting our defined higher risk criteria,
    - testing of key contracts and randomly selected contracts, with focus on those with a balance sheet position at year end or those meeting higher risk criteria, and
    - performing cut-off testing near to the year end to ascertain whether revenues are recorded in the appropriate period.

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Ernst & Young LLP*

625C313949F8484...

Marais Muller (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

29 March 2023

**CACI Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2022**



	Note	2022 £	2021 £
Turnover	4	132,637,997	119,531,431
Cost of sales	5	<u>(54,442,506)</u>	<u>(47,849,471)</u>
Gross profit		<u>78,195,491</u>	<u>71,681,960</u>
Other income	6	17,440	542,069
Administrative expenses	5	<u>(53,700,412)</u>	<u>(51,885,194)</u>
<b>Operating profit</b>	7	24,512,519	20,338,835
Interest receivable	11	43,274	7,322
Interest payable	12	<u>(359,135)</u>	<u>(385,653)</u>
<b>Profit before income tax expense</b>		24,196,658	19,960,504
Income tax expense	13	<u>(4,370,629)</u>	<u>(3,898,112)</u>
<b>Profit after income tax expense for the year</b>		19,826,029	16,062,392
Other comprehensive income for the year, net of tax		<u>                    </u>	<u>                    </u>
<b>Total comprehensive income for the year</b>		<u><u>19,826,029</u></u>	<u><u>16,062,392</u></u>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*

**CACI Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2022**



	Share capital £	Share premium £	Retained profits £	Total equity £
Balance at 1 July 2020	4,307,400	17,641,600	90,950,428	112,899,428
Profit after income tax expense for the year	=	-	16,062,392	16,062,392
Other comprehensive income for the year, net of tax	=	-	=	=
Total comprehensive income for the year	=	-	16,062,392	16,062,392
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	=	-	1,103,142	1,103,142
Share-based payment parent recharge	=	-	(1,103,142)	(1,103,142)
Dividends paid (note 30)	=	-	(15,000,000)	(15,000,000)
Balance at 30 June 2021	<u>4,307,400</u>	<u>17,641,600</u>	<u>92,012,820</u>	<u>113,961,820</u>


	Share capital £	Share premium £	Retained profits £	Total equity £
Balance at 1 July 2021	4,307,400	17,641,600	92,012,820	113,961,820
Profit after income tax expense for the year	-	-	19,826,029	19,826,029
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	=	-	19,826,029	19,826,029
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	=	1,045,576	1,045,576
Share-based payment parent recharge	-	-	(1,045,576)	(1,045,576)
Dividends paid (note 30)	-	-	(9,500,000)	(9,500,000)
Balance at 30 June 2022	<u>4,307,400</u>	<u>17,641,600</u>	<u>102,338,849</u>	<u>124,287,849</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**CACI Limited**  
**Balance sheet**  
**As at 30 June 2022**



	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	82,053,658	83,434,871
Tangible assets	15	2,160,320	2,185,165
Right-of-use assets	16	5,455,098	7,809,340
Investments in subsidiary undertakings	17	7,233	6,230
Contract assets	19	3,296,759	4,303,293
Deferred tax	13	44,609	-
<b>Total fixed assets</b>		<b>93,017,677</b>	<b>97,738,899</b>
<b>Current assets</b>			
Debtors	18	19,755,008	18,149,999
Contract assets	19	14,139,893	12,543,358
Prepayments	20	3,387,589	2,343,958
Cash at bank and in hand	21	39,492,478	28,836,002
<b>Total current assets</b>		<b>76,774,968</b>	<b>61,873,317</b>
<b>Current liabilities</b>			
Trade creditors		2,751,670	2,225,336
Contract liabilities	22	11,867,677	10,667,519
Lease liabilities	23	1,357,857	1,428,926
Corporation tax	13	2,020,814	416,957
Other creditors	25	20,189,666	19,900,689
Amounts owed to group companies	26	657,708	1,840,760
<b>Total current liabilities</b>		<b>38,845,392</b>	<b>36,480,187</b>
<b>Net current assets</b>		<b>37,929,576</b>	<b>25,393,130</b>
<b>Total assets less current liabilities</b>		<b>130,947,253</b>	<b>123,132,029</b>
<b>Non-current liabilities</b>			
Lease liabilities	23	5,505,705	7,833,433
Deferred Tax	13	-	210,752
Provision for liabilities - non current	27	1,153,699	1,126,024
<b>Total non-current liabilities</b>		<b>6,659,404</b>	<b>9,170,209</b>
<b>Net assets</b>		<b>124,287,849</b>	<b>113,961,820</b>
<b>Equity</b>			
Authorised and issued share capital	28	4,307,400	4,307,400
Share premium account	29	17,641,600	17,641,600
Retained earnings		102,338,849	92,012,820
<b>Total equity</b>		<b>124,287,849</b>	<b>113,961,820</b>

  
G R Bradford  
Director

  
S A Sadler  
Director

29 March 2023

The above balance sheet should be read in conjunction with the accompanying notes

## **1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of CACI Limited (the Company) for the year ended 30 June 2022 were authorised for issue by the board of directors on 29 March 2023 and the balance sheet was signed on the board's behalf by G R Bradford and S A Sadler. CACI Limited is incorporated and domiciled in England and Wales. The Company is a private company limited by shares.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards. The Company has used a true and fair view override in respect of the non-amortisation of goodwill.

The Company's financial statements are presented in Sterling.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as they are prepared by its ultimate parent undertaking CACI International Inc, which is incorporated within the United States of America. Group financial statements for CACI International Inc. group are available from the address detailed in note 33.

The principal accounting policies adopted by the Company are set out in note 2.

## **2. Accounting policies**

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

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position including the impact of COVID-19 are described in the Strategic Report.

The financial statements have been prepared on the basis that the Company is a going concern. At 30 June 2022 the Company had cash balances of approximately £39.5m. Our cash forecasts indicate that the Company will generate cash throughout the period reviewed for addressing going concern. The directors, therefore, believe that the going concern basis of accounting is appropriate.

The directors have undertaken reviews of the financial forecasts of the business, in order to assess whether the Company has adequate resources to continue in operational existence for the foreseeable future, and as such can continue to adopt the going concern basis of accounting.

For assessing going concern, the Directors considered a period to 31 December 2023 against the base case Board of Directors approved budget to June 2023, that was then extended to March 2024 using the same base assumptions. The Directors also considered a series of severe but plausible downside scenarios compared to the base case budget. The Directors considered reductions in revenue and associated cash receipts of 10%, and 25%, with associated cost savings, and the net impact of these scenarios on the Company's working capital. Following this analysis, the Directors have concluded that the Company has adequate resources to operate as a going concern and therefore continues to adopt the going concern basis in preparing the financial statements.

To assess the level of headroom within the board approved forecast which has been extended to 31 March 2024, a reverse stress test was performed to see what level of performance deterioration was necessary to challenge liquidity requirements. However, given the mitigating actions that are available and are within management's control such performance deterioration was not considered plausible.

The effects of the coronavirus (COVID-19) pandemic on the Company have not resulted in material impacts to liquidity or operations to date. Accordingly, COVID-19 has not had a material impact on the ability of the Company to continue as a going concern.

In conclusion, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **2. Accounting policies (continued)**

### **Basis of preparation**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment, because the share-based payment arrangement concerns the instruments of another group entity;
- (b) The requirements of paragraph 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- (c) The requirements of IFRS 7 Financial Instruments: Disclosures.
- (d) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- (e) The requirement in paragraph 38 of IAS 1 Presentation in Financial Statements to present comparative information in respect of:
  - i) Paragraph 79(a)(iv) of IAS 1
  - ii) Paragraph 73(e) of IAS 16 Property, Plant and Equipment
  - iii) Paragraph 118(e) of IAS 38 Intangible Assets
  - iv) The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements
  - v) The requirements of IAS 7 Statement of Cash Flows
  - vi) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
  - vii) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Revenue recognition**

Revenue from marketing services and time and materials consulting contracts is recognised on delivery of projects or when services are rendered.

Revenue from licensing of software products, where at the time of delivery there are no undelivered elements essential to the functionality of the delivered software, is recognised on the delivery of the product. Where there are undelivered elements essential to the functionality of the delivered software, revenue is accounted for on a contract accounting basis using the percentage of completion method. Revenue from maintenance support services on software products is recognised over the period of the contract to coincide with the support provided under the contract.

Revenue on long-term contracts is recognised as the work is carried out if the outcome can be assessed with reasonable certainty. The profit is calculated to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. Full provision is made for losses on all contracts at the point at which they are first foreseen.

### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## **2. Accounting policies (continued)**

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

There are no obligations in contracts with customers for returns, refunds and similar obligations or warranties and related obligations.

### **Government grants**

Government grants are recognised in the income statement over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

### **Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

### **Cash at bank and in hand**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less.

### **Trade and other debtors**

Trade debtors, which generally have 30-90 day payment terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

### **Contract assets**

Contract assets are initially recognised for revenue earned from services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets predominantly relate to software licences where revenue recognition occurs when the solution is transferred to the customer, but invoicing occurs over the contract life.

## **2. Accounting policies (continued)**

The contract asset balance for work completed but not invoiced on completion of a performance obligation, unwinds over the contract term. Contract assets are transferred to debtors when the right to consideration becomes unconditional, or conditional only on the passage of time.

### **Derivative financial instruments**

The international nature of certain of the Company's contracts means that it is exposed to volatility in currency exchange rates. In order to protect itself against currency fluctuations, the Company's policy is to hedge all material transactional exposures. Derivative financial instruments are recognised at fair value at the balance sheet date. Gains or losses on derivative financial instruments are recognised in the income statement for the period.

### **Financial assets**

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on fixed assets calculated on the straight-line method in order to write off the cost of these assets over their estimated useful lives at the following rates:

Leasehold improvements	Up to a maximum of 10 years or the life of the lease, whichever is lower
Fixtures and Fittings	Between three and ten years
Plant and machinery	Between three and five years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of tangible fixed assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the derecognition of the asset is included in the income statement in the period of derecognition.

## **2. Accounting policies (continued)**

### **Intangible fixed assets**

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination.

Goodwill arising on acquisition is capitalised and classified as an asset on the balance sheet. The carrying value of goodwill is reassessed during the months following acquisition and up until the end of the first full financial reporting period following acquisition and adjusted for accordingly. Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of a business are capitalised separately from goodwill if their fair value can be measured reliably on initial recognition.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. Had the Company amortised goodwill, a period of 15 years would have been chosen as the useful life of goodwill. The profit for the year would have been £5,490,706 (2021: £5,825,555) lower had goodwill been amortised in the year.

The costs of acquiring third party software, demographic data and other intangible assets and the costs of developing major new software products are capitalised when incurred subject to meeting specific criteria. These costs are amortised over the licence period or the anticipated period of benefit on a straight-line basis up to a maximum of ten years. Intangible assets acquired on acquisition are amortised proportionate to planned revenues over ten years or over the anticipated period of benefit, if less. Revenue as a basis for amortisation of intangibles is a rebuttable presumption under IAS38. However, revenue generated is directly correlated to the consumption of economic benefits for the customer relationships and so the amortisation of the customer relationships intangible is based on anticipated revenue from those relationships.

Software development expenditure is recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for sale or use, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset available for use. It is amortised evenly over the period of expected future benefit. During the period of development, it is tested annually for impairment.

### **Right-of-use assets**

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **2. Accounting policies (continued)**

### **Fixed asset investments**

When subsidiaries are purchased, the goodwill and other assets arising on the acquisition are hived up into the acquiring company, CACI Limited.

Investments are stated at cost less provision for any impairment in value.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss.

### **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Right-of-use assets are part of the Company's assessment of impairment. The principles and procedures that apply to impairment of other non-financial assets apply equally to right-of-use assets.

### **Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

### **Lease liabilities**

A lease liability is recognised at the transition date (1 July 2019) for existing leases and at the commencement date for leases started after the transition date. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Foreign currencies**

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## **2. Accounting policies (continued)**

### **Leasing and hire purchase commitments**

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis. Leasing agreements, which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright; the assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit on a straight-line basis to achieve a constant rate of interest on the balance outstanding. Assets held under finance leases are depreciated over the shorter of the lease term and the useful life of equivalent owned assets.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

### **Deferred and contingent consideration**

Where the consideration for an acquisition includes amounts that are contingent on future performance, these amounts are included in the cost of the acquisition to the extent that they are probable and can be measured reliably. Where a monetary liability related to deferred consideration is payable, the fair value of the future liability is discounted to its present value.

If the events on which consideration is contingent do not occur or are not expected to occur, the cost of the acquisition is adjusted. If and when additional amounts of contingent consideration become probable or payable, they are also treated as an adjustment to the cost of the acquisition.

### **Share-based payments**

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period. Fair value is determined using an appropriate pricing model.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where a new award is designated as replacing a cancelled award, the cost based on the original award terms continues to be recognised over the original vesting period. An expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification.

### **Contribution to pensions**

The Company contributes an amount as selected by each employee from their total benefits package for the year, to the group personal pension scheme or the company money purchase plan with Aviva, or other personal pension schemes. Payments to the schemes are charged to the statement of comprehensive income as they fall due.

## **3. Critical accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

### *Development costs*

Development costs are capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

**3. Critical accounting judgements, estimates and assumptions (continued)**

*Leases - Estimating the incremental borrowing rate*

The Company cannot readily determine the interest rate implicit in the lease. Therefore it uses the parent company incremental borrowing rate (IBR) to measure lease liabilities.

The parent company has calculated its IBR based on the borrowing rate within its most current debt facility plus the yield on a Treasury Bill for a comparable period. The parent company calculates the IBR at the beginning of the respective quarter. This IBR will be applied to any new or modified leasing arrangements entered into within the quarter. The parent company will interpolate the IBR when a lease term is in between two periods.

*Expected credit losses*

The company recognises lifetime expected credit losses (ECL) for trade receivables, which are estimated using a provision matrix by reference to past default experience of the debtors, adjusted for factors that are specific to the receivables

*Taxation*

Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are included in note 13.

*Purchase price allocations*

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires management to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts reported assets and liabilities and future net earnings due to the impact on future depreciation and amortisation expense.

*Revenue recognition*

Revenue recognition on certain contracts is based on estimated percentage of completion.

**4. Turnover**

All turnover derives from contracts with customers. Turnover and operating profit arise from the principal activities described in the Strategic Report.

Turnover is predominantly with clients based in the UK.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allocation of revenue between performance obligations</b>		
Licences	19,774,544	18,077,582
Support & Maintenance	7,483,573	7,881,577
Services - Time & Materials	54,204,050	48,039,205
Services - Fixed Price	51,175,830	45,533,067
	<u>132,637,997</u>	<u>119,531,431</u>

Turnover from continuing operations was £132,637,997 (2021 - £119,531,431) of which £nil related to acquisitions (2021 - £nil).

Operating profit from continuing operations was £24,512,519 (2021 - £20,338,835) of which £nil related to acquisitions (2021 - £nil)

Revenue from marketing services and time and materials consulting contracts is recognised on delivery of projects or when services are rendered.

**4. Turnover (continued)**

Revenue from licensing of software products, where at the time of delivery there are no undelivered elements essential to the functionality of the delivered software, is recognised on the delivery of the product. Where there are undelivered elements essential to the functionality of the delivered software, revenue is accounted for on a contract accounting basis using the percentage of completion method. Revenue from maintenance support services on software products is recognised over the period of the contract to coincide with the support provided under the contract.

Revenue on long-term contracts is recognised as the work is carried out if the outcome can be assessed with reasonable certainty. The profit is calculated to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. Full provision is made for losses on all contracts at the point at which they are first foreseen.

**5. Operating expenses**

Operating expenses comprise cost of sales of £54,442,506 (2021 - £47,849,471) less other income of £17,440 (2021 - £542,069), and administrative expenses of £53,700,412 (2021 - £51,885,194). Net operating expenses from continuing operations were £108,125,478 (2021 - £99,192,596) of which £nil related to acquisitions (2021 - £nil).

**6. Other income**

	2022 £	2021 £
Government grants - CJRS		391,311
Derivative related income not qualifying as hedges	17,174	118,476
Sundry income	266	32,282
	<u>17,440</u>	<u>542,069</u>

**7. Operating profit**

This has been arrived at after charging/(crediting):

	2022 £	2021 £
Research & development costs expensed	3,659,818	4,704,881
Amortisation of capitalised development costs	623,447	611,105
	<u>4,283,265</u>	<u>5,315,986</u>

**7. Operating profit (continued)**

	2022	2021
Auditors remuneration		
- audit of the financial statements	165,000	144,000
- taxation services	20,000	20,000
- corporate finance	-	29,600
Depreciation of owned assets	986,694	1,186,799
Adjustment of leasehold provision	-	116,139
Depreciation of right-of-use assets	1,090,798	1,264,549
Asset abandonment	257,456	-
Amortisation of intangible assets	1,647,551	1,769,380
Rentals under operating leases - land & buildings	(105,560)	312,005
Rentals under operating leases - equipment	16,883	11,562
Foreign exchange gain	(45,799)	(21,192)
(Gain)/loss on disposal of fixed assets	(18,047)	144,643
Share-based payments charge	1,045,576	1,103,142

**8. Lease expenses**

The following are the amounts recognised in the statement of comprehensive income:

	2022	2021
	£	£
Depreciation expense of right-of-use assets	1,090,798	1,264,549
Interest expense on lease liabilities	284,761	339,268
Expense relating to short-term leases	30,117	111,082
Expense relating to leases of low-value assets	4,689	19,030
	<u>1,410,365</u>	<u>1,733,929</u>

The Company had total cash outflows for leases of £1,677,570 in 2022 (£1,680,394 in 2021).

**9. Staff Costs**

The average number of employees during the year was as follows:

	2022	2021
Marketing Solutions	248	221
Information Systems	602	570
Administration	85	83
	<u>935</u>	<u>874</u>

**9. Staff Costs (continued)**

The employee benefits expense during the year was as follows:

	2022 £	2021 £
Wages and salaries	63,204,875	59,209,491
Social security costs	8,214,685	7,024,715
Other pension costs	2,221,422	2,054,796
	<u>73,640,982</u>	<u>68,289,002</u>

**10. Directors' emoluments**

Details of directors' remuneration is set out below:

	2022	2021
Number of directors accruing benefits under pension schemes in respect of qualifying services	4	4
Number of directors receiving shares under a long-term incentive scheme	4	4

	2022 £	2021 £
Aggregate emoluments in respect of qualifying services	2,939,091	2,863,721
Aggregate gains made by directors on the exercise of Restricted Stock Units (RSUs)	1,403,682	1,781,898
Aggregate amounts of contributions to pension schemes in respect of qualifying services	11,611	12,594

	2022 £	2021 £
The amounts in respect of the highest paid director are as follows:		
Emoluments (including gain on exercise of RSUs)	2,007,001	2,706,076
Pension contributions made during the year	1,333	444
	<u>2,008,334</u>	<u>2,706,520</u>

The highest paid director received or was due to receive shares under an LTIS in respect of qualifying services

**11. Interest receivable**

	2022 £	2021 £
Bank Interest receivable	12,794	6,561
Other interest receivable	30,480	761
	<u>43,274</u>	<u>7,322</u>

**12. Interest payable**

	2022 £	2021 £
Interest on deferred consideration for acquisitions	1,385	1,221
Interest on intercompany balances	44,221	45,059
Interest on tax payable	28,768	-
Other interest charges	-	105
Interest on lease liabilities	284,761	339,268
	<u>359,135</u>	<u>385,653</u>

**13. Income tax**

	2022 £	2021 £
<i>Income tax expense</i>		
Current tax	4,592,184	3,738,619
Deferred tax - origination and reversal of temporary differences	(244,126)	(7,644)
Adjustment recognised for prior periods	37,304	4,705
Impact of changes in UK corporation tax rates	(14,733)	162,432
	<u>4,370,629</u>	<u>3,898,112</u>

*Numerical reconciliation of income tax expense and tax at the statutory rate*

Profit before income tax expense	<u>24,196,658</u>	<u>19,960,504</u>
Tax at the statutory tax rate of 19%	4,597,365	3,792,496
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Disallowable & non-taxable items	<u>77,065</u>	<u>53,394</u>
	4,674,430	3,845,890
Adjustment recognised for prior periods	37,304	4,705
Permanent difference arising from RSUs	(326,372)	(114,915)
Adjustment to deferred tax balances as a result of change in statutory tax rate	<u>(14,733)</u>	<u>162,432</u>
Income tax expense	<u>4,370,629</u>	<u>3,898,112</u>

	2022 £	2021 £
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The adjustments recognised for prior periods included above comprise:

Current tax	33,806	4,212
Deferred tax	<u>3,498</u>	<u>493</u>
	<u>37,304</u>	<u>4,705</u>

**13. Income tax (continued)**

	2022 £	2021 £
<b>Deferred tax</b>		
The deferred tax included in the balance sheet is as follows:		
Decelerated capital allowance	(277,578)	(165,904)
Other timing differences	369,438	24,396
R&D tax relief	(47,251)	(69,244)
	<u>44,609</u>	<u>(210,752)</u>

The deferred tax liability arising as a result of other timing differences consists of a deferred tax liability relating to acquired intangibles of £916,319 (2021: £1,143,969), offset by a deferred tax asset of £375,741 (2021: £452,320) relating to provisions, a deferred tax asset of £250,000 (2021: £250,000) relating to acquired losses and a further deferred tax asset of £660,018 (2021: £466,045) relating to share based payments.

	2022 £	2021 £
The deferred tax (credit) included in the income statement is as follows:		
Decelerated capital allowance	81,375	78,160
General provision & pensions	58,200	9,185
Share-based payments	(193,973)	119,982
R&D tax relief	(16,715)	(16,715)
Changes in rates & laws	(14,733)	162,432
Adjustments in respect of prior years	3,498	493
Business combinations	(173,014)	(198,257)
	<u>(255,362)</u>	<u>155,280</u>

The Finance Bill 2021 announced an increase in the main rate of corporation tax from 19% to 25% from 1 April 2023. This increase in the main rate of corporation tax was substantively enacted in May 2021. The Company has calculated the deferred tax asset of £44,609 at a tax rate of 25%.

	2022 £	2021 £
<i>Corporation tax payable</i>		
Corporation tax payable	<u>2,020,814</u>	<u>416,957</u>

**14. Intangible assets**

Intangible assets comprise third party software, demographic data, software product and data development costs and ongoing contracts, customer relationships and goodwill arising on acquisitions.

	Acquired Software & Data	Customer Relationships	Developed Software	Goodwill	Total
	£	£	£	£	£
Balance at 1 July 2021	798,338	3,577,595	2,032,572	77,026,366	83,434,871
Additions	8,442	-	257,896	-	266,338
Amortisation expense	(224,259)	(799,845)	(623,447)	-	(1,647,551)
Balance at 30 June 2022	<u>582,521</u>	<u>2,777,750</u>	<u>1,667,021</u>	<u>77,026,366</u>	<u>82,053,658</u>

Goodwill acquired through business combinations has been allocated to two cash-generating units, which are also operating segments, as follows:

- (a) Marketing Services Division (MSD)
- (b) Information Management Systems (IMS)

These represent the lowest level within the Company at which goodwill is monitored for internal management purposes

The recoverable amount of both units has been determined based on fair value less cost to sell (FVLCS) basis. FVLCS was derived by applying a size adjusted exit multiple from similar market transactions to either the turnover or EBITDA of the unit over the current and budgeted fiscal years. For both units, the recoverable amount is greater than the carrying value, and, consequently, no impairment is required.

The goodwill allocated to each cash-generating unit is as follows:

	2022 £	2021 £
MSD	12,261,678	12,261,678
IMS	64,764,688	64,764,688
	<u>77,026,366</u>	<u>77,026,366</u>

15. Tangible assets

	Short leasehold improvements £	Fixtures & fittings £	Plant and machinery £	Total £
<b>Cost</b>				
At 1 July 2021	1,718,688	395,486	2,356,298	4,470,472
Additions	191,737	81,036	803,435	1,076,208
Disposals	(253,103)	(289,988)	(70,439)	(613,530)
At 30 June 2022	<u>1,657,322</u>	<u>186,534</u>	<u>3,089,294</u>	<u>4,933,150</u>
<b>Accumulated depreciation</b>				
At 1 July 2021	874,810	220,225	1,190,272	2,285,307
Charge for the year	273,314	94,697	618,683	986,694
Disposals	(138,743)	(289,988)	(70,440)	(499,171)
At 30 June 2022	<u>1,009,381</u>	<u>24,934</u>	<u>1,738,515</u>	<u>2,772,830</u>
<b>Net book value</b>				
At 30 June 2022	<u>647,941</u>	<u>161,600</u>	<u>1,350,779</u>	<u>2,160,320</u>
At 30 June 2021	<u>843,878</u>	<u>175,261</u>	<u>1,166,026</u>	<u>2,185,165</u>

16. Right-of-use assets

Right-of-use assets capitalised on the balance sheet are as below:

	2022 £	2021 £
<i>Land and buildings</i>		
As at 1 July	7,809,340	9,574,218
Additions	50,040	79,257
Depreciation expense	(1,090,798)	(1,264,549)
Remeasurements	(1,056,028)	101,706
Asset abandonment	(257,456)	(681,292)
As at 30 June	<u>5,455,098</u>	<u>7,809,340</u>

**17. Investments in subsidiary undertakings**

	2022 £	2021 £
Cost/Net book value	<u>7,233</u>	<u>6,230</u>

Details of all companies in which CACI Limited holds a direct or indirect investment as at 30 June 2022 are as follows:

Name of company	Holding	Proportion of voting rights held	Nature of business	Date dissolved
Tomorrow Communications Limited	Ordinary shares	100%	Dissolved	24 January 2023
Purple Secure Systems Limited	Ordinary shares	100%	Dissolved	13 December 2022
Rockshore Limited	Ordinary shares	100%	Dissolved	14 February 2023
Rockshore Group Limited	Ordinary shares	100%	Dormant	
Rockshore Corporation	Common stock	100%	Professional services	
Stream:20 Limited	Ordinary shares	100%	Dormant	
Stream:20 LLC	Common stock	100%	Marketing services	
Spargonet Consulting Limited	Ordinary shares	100%	Dissolved	13 December 2022
Mapmechanics Limited	Ordinary shares	100%	Dissolved	7 February 2023
MooD Enterprises Limited	Ordinary shares	100%	Dormant	
MooD International Software Limited	Ordinary shares	100%	Dormant	
Deep3 Software Limited	Ordinary shares	100%	Dormant	
CACI Services India Private Limited	Ordinary shares	99.99%	Software development	

Rockshore Group Limited holds a direct investment in Rockshore Limited and Rockshore Corporation. Stream:20 Limited holds a direct investment in Stream:20 LLC.

Stream:20 LLC is incorporated in the United States and has a registered address of 5201 Great American Pkwy, Suite 320, Santa Clara, CA95054. Rockshore Corporation is incorporated in the United States and has a registered address of 205 Rockingham Row, Princeton, NJ08540.

CACI Services India Private Limited is incorporated in India and has a registered address of Unit 3B, Third Floor, 6-3-569/2, Vibrant Ford, Rockdale Compound, Somajiguda, Hyderabad, Telangana- 500082.

All other companies are incorporated in the United Kingdom and have a registered address of CACI House, Kensington Village, Avonmore Road, London, W14 8TS.

**18. Debtors**

Trade debtors are non-interest bearing and are generally on terms of 30 to 90 days.

	2022 £	2021 £
Trade debtors	19,895,509	18,395,897
Less: Allowance for expected credit losses	<u>(300,720)</u>	<u>(453,185)</u>
	<u>19,594,789</u>	<u>17,942,712</u>
Other debtors	20,660	105,391
Amounts recoverable from group undertakings	<u>139,559</u>	<u>101,896</u>
	<u>19,755,008</u>	<u>18,149,999</u>

**19. Contract assets**

Contract assets are initially recognised for revenue earned from services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

	2022 £	2021 £
Contract assets due in less than one year	14,139,893	12,543,358
Contract assets due after more than one year	<u>3,296,759</u>	<u>4,303,293</u>
	<u>17,436,652</u>	<u>16,846,651</u>

*Significant changes in contract assets*

Contract assets predominantly relate to software licences where revenue recognition occurs when the solution is transferred to the customer, but invoicing occurs over the contract life. Contract assets recognised during the period not yet billed totalled £12,976,848 (2021 - £13,350,255).

The contract asset balance for work completed but not invoiced on completion of a performance obligation, unwinds over the contract term. Contract assets are transferred to debtors when the right to consideration becomes unconditional, or conditional only on the passage of time. Contract assets reclassified during the period from the opening contract asset balance to debtors totalled £12,386,847 (2021 - £12,124,362).

**20. Prepayments**

	2022 £	2021 £
Prepayments	<u>3,387,589</u>	<u>2,343,958</u>

Prepayments includes £103,895 (2021 – £103,702) due after more than one year.

**21. Cash at bank and in hand**

	2022 £	2021 £
Cash on hand	=	954
Cash at bank	<u>39,492,478</u>	<u>28,835,048</u>
	<u>39,492,478</u>	<u>28,836,002</u>

The Company has an uncommitted overdraft facility of £500,000 (2021 - £500,000) which expired on 31 December 2022. The facility was renewed for another year in January 2023. The facility is unsecured and was not utilised in 2022 (or 2021). The margin when drawn is 1.75% above base rate.

**22. Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

22. Contract liabilities (continued)

	2022 £	2021 £
Contract liabilities	<u>11,867,677</u>	<u>10,667,519</u>

*Significant changes in contract liabilities*

The majority of software and data licences are invoiced annually in advance. Where these licences relate to CACI-hosted solutions, revenue is recognised over the period the service is available to the customer, creating a contract liability.

Delivery services are generally invoiced over the delivery period, creating a contract liability for the advanced consideration until the delivery is complete. Where the delivery relates to CACI-hosted solutions, revenue is recognised over the period the service is available to the customer, reducing the contract liability over time.

Where the delivery relates to an on-premise solution, the contract liability is released on delivery completion.

Support and maintenance contracts are usually invoiced annually in advance, creating a contract liability, which is released over the term of the maintenance period, as revenue is recognised.

Revenue recognised in the year of £10,210,257 (2021 - £10,341,476) was included in the opening contract liability.

Revenue billed in advance not recognised as revenue in the year was £11,867,677 (2021 - £10,667,519).

**23. Lease liabilities**

Set out below are the carrying amounts of lease liabilities for office buildings and the movements during the period:

	2022 £	2021 £
<i>Land and buildings</i>		
<b>As at 1 July</b>	9,262,359	10,422,633
Additions	50,040	79,146
Accretion of interest	284,761	339,268
Payments	(1,677,570)	(1,680,394)
Remeasurements	(1,056,028)	101,706
<b>As at 30 June</b>	<u>6,863,562</u>	<u>9,262,359</u>
	<b>2022</b>	<b>2021</b>
Current	1,357,857	1,428,926
Non-current	5,505,705	7,833,433

Termination options are included in a number of property leases for office buildings. These terms are used to maximise operational flexibility in terms of managing contracts if necessary. Notwithstanding, these are not expected to be used. There are no options to extend beyond the lease term in any of the Company's office leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2022 £	2021 £
<i>Land and buildings</i>		
Maturity analysis - undiscounted future minimum lease payments		
Within one year	1,305,280	1,723,313
One to five years	3,757,171	5,184,809
More than five years	<u>2,093,823</u>	<u>3,619,304</u>
<b>Total undiscounted future lease payments</b>	<u>7,156,274</u>	<u>10,527,426</u>

**24. Lease Commitments**

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2022 £	2021 £
<i>Land and buildings</i>		
Committed at the reporting date but not recognised as liabilities, payable		
Within one year	<u>24,000</u>	<u>29,755</u>
Within one year	2,526	4,817
One to five years	<u>6,736</u>	<u>9,262</u>
	<u>9,262</u>	<u>14,079</u>

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets.

**25. Other creditors**

	2022 £	2021 £
Deferred consideration	-	600,000
Other creditors including other taxation and social security	5,922,509	5,016,609
Accruals	<u>14,267,157</u>	<u>14,284,080</u>
	<u>20,189,666</u>	<u>19,900,689</u>

The unpaid pension contributions outstanding at the year end, included in accruals are £481,024 (2021 – £428,854).

**26. Amounts owed to group companies**

	2022 £	2021 £
Amounts owed to group companies	<u>657,708</u>	<u>1,840,760</u>

Included in amounts owed to group undertakings is £237,912 payable to the immediate parent undertaking, CACI NV (2021 – £1,475,650 payable to the parent undertaking). This is denominated in euro and represents a funding balance on which there are no fixed repayment terms, and which is interest bearing. The net amount of interest payable during the period was £44,221 (2021 – £45,059).

**27. Provision for liabilities - non current**

	2022 £	2021 £
National Insurance on Restricted Stock Units (RSUs)	452,914	357,002
Dilapidations	<u>700,785</u>	<u>769,022</u>
	<u>1,153,699</u>	<u>1,126,024</u>

**27. Provision for liabilities - non current (continued)**

	NI on RSUs £	Dilapidations £	Total £
Balance at 1 July 2021	357,002	769,022	1,126,024
Created	95,912	=	95,912
Released	=	(68,237)	(68,237)
Utilised	=	=	=
Balance at 30 June 2022	<u>452,914</u>	<u>700,785</u>	<u>1,153,699</u>

Provision has been made for National Insurance Contributions on RSUs awarded since 1 July 1997 under unapproved share option schemes, which are expected to be exercised. The provision has been calculated based on the year-end share price of US\$281.78 (2021 – US\$255.12), and is being allocated over the period from the date of award to the date the employees will become unconditionally entitled to the RSUs.

Provision is made for the Company's obligations in relation to dilapidations clauses on its commercial property operating leases.

**28. Authorised and issued share capital**

	2022 Shares	2021 Shares	2022 £	2021 £
Ordinary shares of £1 each	<u>4,307,400</u>	<u>4,307,400</u>	<u>4,307,400</u>	<u>4,307,400</u>

*Ordinary shares*

Authorised, issued and fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**29. Share premium account**

	2022 £	2021 £
Share Premium	<u>17,641,600</u>	<u>17,641,600</u>

The Share Premium is the excess of the amount paid for the issued share capital in excess of the nominal value.

**30. Dividends**

Dividends paid during the financial year were as follows:

	2022 £	2021 £
Interim dividend for the year ended 30 June 2022 of £2.21 per ordinary share (2021: £3.48)	<u>9,500,000</u>	<u>15,000,000</u>

### 31. Share-based payments

Under the terms of its Stock Incentive Plans, CACI International Inc (CACI) may issue non-qualified stock options, restricted stock, restricted stock units (RSUs) and stock-settled stock appreciation rights (SSARs) to senior key management of the Company. During the periods presented, all grants were made in the form of RSUs.

The cost of the equity instruments is recharged to the Company through the intercompany account with CACI International Inc based upon the grants issued to scheme members. RSUs vest rateably over a three or four-year period, depending on the year of grant.

In September 2021, the Company made its annual grant to its key employees consisting of Performance RSUs (PRSUs). The final number of such performance-based RSUs which will be considered earned by the participants and eventually vest is based on the achievement of a specified earnings per share (EPS) of CACI for the year ending 30 June 2022 and on the average share price of CACI stock for the 90-day periods ending 30 September 2022, 2023 and 2024 as compared to the average share price for the 90-day period ended 30 September 2021. PRSUs were earned since the specified EPS for the fiscal year ending 30 June 2021 was met. If EPS for the year ending 30 June 2021 exceeds the specified EPS and the average share price of CACI's stock for the 90-day periods ending 30 September 2022, 2023 and 2024 exceeds the average share price of CACI's stock for the 90-day period ended 30 September 2021 by 100 percent or more, then an additional number of RSUs could be earned by participants. In addition to the performance and market conditions, there is a service vesting condition which stipulates that 50 percent of the earned award will vest on 1 October 2024 and 50 percent of the earned award will vest on 1 October 2025, in both cases dependent upon continuing service by the grantee as an employee of the Company, unless the grantee is eligible for earlier vesting upon retirement or certain other events.

All RSUs vest at the market value on the date of the vesting.

The number of RSUs exercised and outstanding in 2022 and 2021, and the Weighted Average Grant-Day Fair Value (WAGDFV) of the RSUs are as follows:

	WAGDFV 2022 No.	WAGDFV 2022 £	WAGDFV 2021 No.	WAGDFV 2021 £
Exercised	8,879	115.22	14,023	78.47
Outstanding at 30 June	21,015	174.77	21,552	146.02
Weighted average remaining life (years)	1.23		1.34	

### 32. Related party transactions

The Company is exempt from disclosing related party transactions that are with other companies that are wholly owned within the group.

### 33. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is CACI NV, a company incorporated in The Netherlands.

In the opinion of the directors the Company's ultimate parent undertaking and controlling entity is CACI International Inc., a company incorporated in the State of Delaware in the United States of America. CACI International Inc. is the smallest and largest parent undertaking which prepares group financial statements, copies of which are available from 12021 Sunset Hills Road, Reston, VA 20190, USA.

**34. Events after the reporting period**

On 15 July 2022, CACI Limited executed a lease assignment to a third party for the lease at Harlequin Building in Southwark, London. Accordingly, CACI Limited derecognised associated lease liabilities at that time. A subsequent provision was put in place in case the new tenant defaults and the company has to honour the rent payments with the landlord.

Other than the above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.