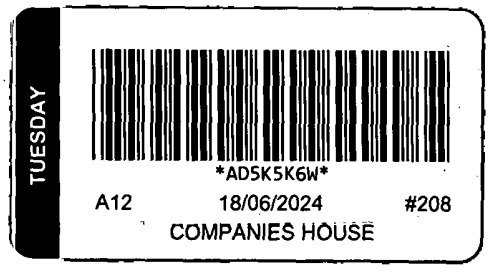
Consolidated Annual Financial Statements

For the 12 month period ended 31 January 2024

Company Number: 11464274

Nash Squared Holdings Limited



Nash Squared Holdings Limited

For the 12 month period ended 31 January 2024

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Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report

The directors present their strategic report on the Group for the period ended 31 January 2024.

Strategy

Nash Squared Holdings Limited and its subsidiaries, together "Nash Squared", is the leading global provider of technology and talent solutions. We're equipped with a unique network, that realises the potential where people and technology meet.
Nash Squared aims to accelerate growth through investments in people, systems, solutions and potentially further acquisitions.

During the year, the directors finalised the onboarding and integration of Flexhuis (acquired in July 2022) and Knoldus (acquired in January 2023). The Flexhuis brand has strengthened our Managed Service provider (MSP) reputation in Europe and the acquisition of Knoldus has expanded our NashTech solutions offering across North America, with both successful acquisitions helping to deliver a strong performance in challenging market conditions. There were no new material acquisitions during the year.

Review of the business

The progress of Nash Squared Holdings Ltd is summarised below:

Results and performance

Following a record prior year revenue and operating profit, the Group were pleased to achieve a resilient performance in a more challenging market due to heightened macro-economic and geopolitical instability resulting in inflationary pressure, higher interest rates and cost of living challenges across all of our key Global markets.

A strong performance in the Technology Solutions business helped offset the Technology Recruitment service line which saw a slowdown in hiring activity. Technology Recruitment revenue decreased 2.6% with declines in both permanent placement and contracting revenues. Technology Solutions increased 17.7% from organic growth and the benefit of a full year impact following the Knoldus acquisition. Geographically a 2.2% revenue increase in the UK was offset by declines in other markets including Europe and the US. See note 6 for further segmental analysis.

A disciplined approach to cost management and headcount throughout the financial period saw the group achieve an operating profit excluding exceptional items, amortisation and foreign exchange of £29.3m (2023: £28.6m). The loss before tax of £1.3m (2023: profit £11.9m) was driven by a significant number of non-recurring exceptional items in the period including deferred remuneration of £7.0m incurred during the period relating to amounts due to employees in respect of consideration for previous acquisitions. Exceptional items are outlined further in note 10.

The directors are satisfied with the results.

Key performance indicators (KPIs)

The directors consider the key performance indicators are those that communicate the financial performance and strength of the business.

	2024 £' 000	2023 £' 000
Revenue (excluding discontinued operations)	**743,103**	**748,416**
Gross profit	**117,756**	**120,677**
Gross margin	**15.85%**	**16.12%**
Operating profit (excluding exceptional items, amortisation and foreign exchange)*	**29,258**	**28,599**
Operating profit	**9,822**	**15,285**
EBITDA excluding exceptional items **	**30,974**	**31,107**
EBITDA percentage of gross profit	**26.31%**	**25.78%**
(Loss)/Profit before tax	**(1,301)**	**11,919**

* Operating profit (excluding exceptional items, amortisation and foreign exchange) is calculated by adding back foreign exchange of £0.6m (2023: £-0.5m), amortisation of £7.9m (2023: £6.7m) and exceptional costs of £11.0m (2023: £7.1m) to operating profit of £9.8m (2023: £15.3m).

** EBITDA excluding exceptional items is calculated by adding back depreciation on property, plant and equipment of £2.3m (2023: £2.0m), amortisation of £7.9m (2023: £6.7m) and exceptional costs of £11.0m (2023: £7.1m) to operating profit of £9.8m (2023: £15.3m).

Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report

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Net Assets and Liquidity Performance

Group net assets declined to £101.8m (2023: 106.2m) driven by the financial performance including amortisation of intangible assets. Despite the more challenging macro-economic backdrop, debtor days decreased to 35.4 days (2023: 38.6 days) and the provision for credit loss remained consistent at £0.6m (2023: £0.6m) or 0.5% of trade receivables.

Cash generated from operating activities increased to £18.6m (2023: £14.4m), benefiting from working capital inflows from the improvement in debtor days. Net cash decreased £6.3m (2023: £3.2m increase) due to the impact of exceptional items, higher debt payments following the acquisition of Knoldus and higher interest rates.

Stakeholder engagement and our S172 statement

Introduction

Throughout the strategic and directors report, we provide examples of how we:
- Take into account the likely consequences of long-term decisions
- Build relationships with stakeholders
- Engage with employees and promote diversity
- Understand the importance of finding ways of reducing our environmental impact and be a considerate member of local communities
- Attribute importance to behaving as a responsible business

The board acknowledges Section 172 (1) of the UK Companies Act 2006, and its duty to promote the success of the Company.

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

a) the likely consequences of any decision in the long term
b) the interests of the company's employees
c) the need to foster the company's business relationships with suppliers, customers and others
d) the impact of the company's operations on the community and the environment
e) the desirability of the company maintaining a reputation for high standards of business conduct
f) the need to act fairly between members of the company

The Board considers it crucial that the company maintains a reputation for high standards of business conduct. The Board is responsible for setting, monitoring and upholding the culture, values, standards, ethics, brand and reputation of the company. The Nash Squared Board takes these obligations seriously and the directors are aware of their ongoing duties to act for the benefit of its customers, investors and staff. In their decision making, the Directors have strong regard for the longer-term impact of decisions on the Group's future, as well as the need to act fairly between all members and focus on enhancing value for it's shareholders. The following section provides examples of how the company directors meet their duties to all stakeholders.

Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report

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Employee engagement

The Chief People Officer, appointed to the Executive Committee, takes responsibility for the Group's people strategy with a focus on attracting, recruiting, developing and retaining the best talent to enable Nash Squared to build a fit for future organisation that achieves sustainable and profitable growth. This strategy is supported by a connected people team to deliver key strategic actions. Key initiatives include a Global Diversity & Inclusion Council along with four employee resource groups and a wellbeing hub for colleagues, candidates and clients. Alongside this there has been investment in talent and development through our Talent Framework, talent development programmes, global mentoring programme and the implementation of a learning management system (LMS). We have invested further in Learning & Development with new L&D roles and the development of career pathways which support our colleagues to have a rewarding career with us.

The launch of a Global engagement platform has given our colleagues a voice by fostering a culture of open feedback and actions. The bi-annual Global engagement survey results are presented at senior leadership and board level to discuss findings, review recommendations and agree action plans. To support this Leaders across the business have put in place engagement ambassadors who help us to act upon the feedback from our colleagues. Our 'Ask Bev' tool, a platform that gives colleagues from across the globe the opportunity to directly raise concerns or ask questions on the wider business strategy with Bev White our CEO, has been widely used. In conjunction with this, global strategy updates for all colleagues are held each quarter along with a Global People Update Newsletter. These updates give an opportunity to relay decisions made based on colleague feedback, communicate strategy and its impact on colleagues in addition to sharing updates on wider economic factors affecting Nash Squared.

Business relationships and supply chain

The board is aware of the necessity of maintaining a clean supply chain, free of exploited labour. Nash Squared adheres to a supplier code of conduct that integrate with its key policies, including its Modern Slavery, Human Trafficking (MSHT) and carbon reduction strategy.

We have proactive sales and account management teams who are in frequent and regular communication with our customers. We seek regular feedback from customers. Throughout project delivery, our operational and delivery teams engage regularly with customers to ensure the success and effectiveness of projects. New suppliers go through a detailed onboarding process to ensure expectations are aligned between both parties.

The directors encourage all representatives of Nash Squared to build and maintain strong business relationships with both customers and suppliers. This continued engagement with customers and suppliers contributes to the current and continued success of Nash Squared.

Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report

continued

Equal opportunities

Nash Squared has a zero tolerance approach to discrimination supported by an equal opportunities policy that aims to treat individuals fairly and not to discriminate on the basis of sex, race, ethnic origin, disability or any other basis. Nash Squared is focused on ensuring that we operate in an environment where diversity, equality and inclusion is an integral part of our culture, where our leaders, managers and colleagues role model inclusive behaviours which permeate through our business internally and externally. The outputs of this approach are evidenced in our Employee Engagement survey, where the question "Our organisation treats everybody with dignity and respect, regardless of gender, race, sexuality, age etc" – regularly received a positive response, in excess of 95%.

Nash Squared's policies and procedures are designed to provide for full and fair consideration and selection of disabled applicants, to ensure that they are properly trained to perform safely and effectively and to provide career opportunities that allow them to fulfil their potential. Where an employee becomes disabled in the course of their employment, Nash Squared will actively seek to retain them wherever possible by making adjustments to their work content and environment or by retraining them to undertake new roles.

Community and environment

The board is conscious that the business should have a low impact on the environment in which it operates, particularly in terms of energy consumption and business travel. As an organisation, we take climate change seriously. Our environmental strategy aims to reduce our carbon footprint and follows industry best practice on environmental, social and governance ('ESG') principles. Nash Squared's operations, being services, are inherently less damaging to the environment than other business sectors. However, the board recognises that the business must minimise its impact on the environment and utilises recommendations from the Carbon Trust to reduce the organisation's carbon footprint.

At Nash Squared we are focused on delivering a positive social impact through our actions to support our employees, the work we do with clients every day and through our actions with local communities. As a global employer we believe in supporting communities within the regions we operate and we do this through initiatives which help to deliver sustainable employment, mentoring, volunteering and fundraising. We actively encourage our colleagues to identify opportunities to support local charities and not-for-profits via volunteering or fundraising.

Emissions and energy usage

This year we have calculated our environmental impact across scope 1, 2 and 3 emission sources for the UK only, presenting emissions on a location basis. Our emissions are 119,170 kgCo2e (2023: 111,350 kgCo2e), which is an intensity ratio of 268 kgCo2e per employee (2023: 229 kgCo2e per employee). We have calculated the emission intensity ratios on a per employee basis. The methodology used to calculate the greenhouse gas emissions uses conversion factors published by the Department for Energy Security and Net Zero for 2023. We have reported on all the measured emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, except where stated.

It is worth noting that 2023 results represent an exceptional year given the positive impact the Covid pandemic had on working practices and associated energy consumption being unsustainable on an ongoing basis. However despite working patterns stabilising in 2024, we continue to drive significant improvements in energy usage and our 2024 consumption remains below pre-pandemic levels despite our significant business growth. The directors are pleased with Nash Squared's progress in reducing carbon emissions, and remain committed to making a positive environmental contribution while recognising their responsibility to ensure a bright future for the next generation.

Emissions and energy usage	Emissions source	**2024**	**2023**
Scope 1 ($kgCO_2e$)	Combustion	**56,790**	**49,820**
Scope 2 ($kgCO_2e$)	Electricity	**45,270**	**44,020**
Scope 3 ($kgCO_2e$)	Indirect energy	**17,110**	**17,510**
Total $kgCO_2e$		**119,170**	**111,350**
Total energy usage (kWh)		**575,562**	**554,474**
$kgCO_2e$ per employee		268	229

Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report continued

Emissions and carbon action

This is the first year the Group has adopted Climate-Related Financial Disclosures (CFD). This has helped to drive a focus on identifying climate-related risks and opportunities and improving the measurement and quantification of climate data and metrics and the impact on our business. We are committed to improving our disclosures around scope 3 emissions and the Carbon Disclosure Project (CDP). The CDP is the gold standard in corporate environmental reporting and will give greater transparency and engagement with our stakeholders while further strengthening our statutory carbon reporting governance.

Nash Squared has continued to rationalise property in the most recent financial period. Where leases have expired we have invested in smaller office spaces that can be shared by our brands and support our hybrid working model. Offices that can benefit from renewable energy sources have been prioritised as part of the rationalisation. We are continually developing and enhancing our procurement strategy to ensure emissions and carbon impact form part of the decision making process where possible.

In the prior year we completed the sucessful launch of an electric car scheme for UK colleagues, adding to the offerings already available to colleagues in other regions. This transition away from petrol and diesel to electric has helped to drive down scope 1 emisssions and represents an important step in the achievement of our net zero strategy while bolstering benefit packages for our colleagues.

Carbon reduction targets

There have been carbon reduction targets in place since the launch of our net zero strategy in 2022. We have made steady progress against these targets during the reporting period.

Whilst 2023 does not represent a sustainable comparative given the ongoing impact of the Covid pandemic on working practices during this period, we continue to drive significant improvements in energy usage and emissions. Our 2024 consumption remains below pre-pandemic levels despite our significant business growth.

The progress of specific carbon reduction targets is summarised further below:

Target: Reduce scope 3 carbon emissions 10% by 2025

FY24 actions and progress:

- During the year we have appointed a Group Procurement Manager. This investment enables us to take positive action across our supply chain, giving preference to low-carbon suppliers as part of overall procurement policy
- We have taken action to improve measurement of scope 3 emissions for disclosure in the coming year which will allow better visibility and accountability against this target

Target: A 50% reduction in baseline global air travel emissions by 2025. The baseline year is the 12 months ended 31st January 2020.

FY24 actions and progress:

- Implementation of a global travel management system increasing data quality and the ability to purchase carbon offsets at the point of booking travel

Target: All European offices to be 100% renewable energy by 2025.

FY24 actions and progress:

- 75% of our European offices are now on 100% renewable energy tariffs
- Relocated in 2022 to a new London headquarters with a 65% lower Scope 2 emission output
- Continued improvement of our office selection criteria, prioritising green properties
- Continued prioritisation of renewable energy suppliers at contract renewal points

Strategic Report

For the 12 month period ended 31 January 2024

Strategic Report

continued

Principal risks and uncertainties

There are certain risks and uncertainties inherent in the Group that may affect future performance, these are described below:

Legal and regulatory

Nash Squared works in a number of geographic jurisdictions on a daily basis under a variety of laws and regulations. Nash Squared mitigates this risk through comprehensive compliance policies and procedures including engaging with local advisers and regulators where necessary. The risk is consistent with the prior year.

Financial

All potential areas of financial risk are regularly monitored and reviewed by the directors. Where necessary preventative and/or corrective measures are taken to reduce such risk. Nash Squared operates in a number of foreign markets, the existence of which exposes the company to a number of financial risks. These risks including credit risk are addressed in note 4 of the financial statements. The risk is consistent with the prior year.

Operational

Nash Squared is reliant on its ability to fulfil client demand while recruiting, training and developing high quality talent to maintain and expand its growth strategy. The directors actively engage in providing a structure of sustainable career development for employees.

Nash Squared continues to diversify its operations and utilises its positioning in key sectors across a broad geographic footprint to protect against lower candidate availability in more mature markets. The risk is consistent with the prior year.

Political

The increased political uncertainty from global conflicts continues to be monitored and reviewed by directors. Nash Squared does not have operations in affected regions so there is no direct impact on our trading at this time. In addition to the impact of inflation, tax rises are also being monitored. Client contracts allow any state related pay increases to be charged on. The risk is consistent with the prior year.

Climate change

Climate change will impact Nash Squared over a significantly longer time scale than the risks normally considered by the group risk committee. Despite this, the group risk committee take the impact of climate change seriously and continue to monitor its impact. Further details on this risk are outlined in the Non-financial and sustainability information statement on pages 8-11.

Risk management

Nash Squared adheres to a Group risk policy and framework that was developed based around the principles of ISO31000. Risk registers are submitted from across the organisation on a quarterly basis. The audit and risk committee meets twice a year at which Group risks are presented for consideration. Additionally, the board is made aware of imminent and high risks, and the framework integrates with a business continuity plan that can be activated as necessary.

Subsequent events

Nash Squared has completed its subsequent events evaluation for the period subsequent to the balance sheet date of 31 January 2024, through to the date of signing these financial statements. An amendment to the Senior Finance Facility including a change in term of the facility was completed on 9th February 2024, which is outlined further in note 33 Subsequent Events. In addition an intercompany loan was provided from the Group's parent entity The Power of Talent Kartenesi Limited, refer note 33 Subsequent Events for further details. The directors have concluded that there are no adjusting or other non-adjusting subsequent events requiring disclosure.

Future outlook

Nash Squared's strategy leaves it well placed to continue making progress, delivering further value to investors and stakeholders through continued focus on the technology market, our broad portfolio of services and the geographic diversity of the Group.

Strategic Report

For the 12 month period ended 31 January 2024

Non-financial and sustainability information statement

Introduction
The climate-related financial disclosures made by Nash Squared Holdings Limited comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Nash Squared recognises that disclosure of the actual and potential impacts of climate-related risks and opportunities on an organisation is fundamental to understanding the resiliency of the business in the context of climate change and adaptation. Climate-related issues can significantly affect multiple aspects of an organisation's financial performance and position, both now and in the future.

The Climate-Related Financial Disclosures (CFD) has provided a framework for addressing these risks and opportunities that ensures high-quality and decision-useful disclosures, which enable interested stakeholders to understand the impact of climate change on diverse organisations.

GOVERNANCE
Nash Squared considers climate change to be a significant Board-level strategic issue. Ultimately, responsibility for both assessing and managing climate-related risks and opportunities sits with the Group Risk Management Committee, who meet on a quarterly basis.

The Executive Committee also plays an important role in the management of these issues. This group meets monthly and is in charge of target setting and monitoring, including in the area of environmental impacts and climate change mitigation. Material updates arising in this meeting are presented at the subsequent meeting of the Board by the CFO.

Next steps
We will continue to engage at both board and management level on climate-related issues, and further integrate best practice into our internal governance structures and processes. Over the coming year, we aim to increasingly systematise the influence of climate-related considerations on strategic considerations and business plans. We also endeavour to further formalise climate-related responsibilities throughout the organisation to ensure clear processes are in place for the management of these issues.

STRATEGY
We recently completed a thorough risk and opportunity analysis to identify our potentially material risks and opportunities in the short (before 2026), medium (2026-2030) and long term (2030 onwards). These time horizons align with our financial planning cycle (for short and medium term) and strategic planning cycle (for long term). This analysis will be reviewed once every 3 years.

We considered a wide array of both transition risks and physical risks, in line with CFD guidance. Transition risks include policy and legal risks, market risks, reputation risks, and technological risks. Physical risks include acute events and chronic risks. Our most material risks and opportunities are detailed in the table below.

Material Risks and Opportunities

Risk / Opportunity	Like-lihood	Impact	Time-frame	Description	Mitigating factors / response
Decline in demand for services (Transition)	Possible	Moderate	Medium-term	Reductions in demand for a subset of our services could arise from a couple of different factors. Firstly, several of our existing clients are situated in sectors likely to decline over time, as a result of climate change adaptation – notably those in the fossil fuel sector. A second reason for possible decline in demand arises from the risk of not keeping pace with client sustainability requirements.	The decline of certain sectors we are involved with is likely to be balanced by the growth of alternative sustainability-related sectors. Nash Squared is committed to maintaining an advanced position in the realm of sustainability and we carefully monitor sector norms and client expectations to ensure continued competitiveness in the sector.
Negative reputational impacts (Transition)	Possible	Moderate	Medium-term	The aforementioned connection to carbon-intensive industries could pose a reputational risk to Nash Squared moving forward. Failure to meet stated climate and sustainability targets, or perceptions of inattention to climate-related issues could also result in reputational damage.	We are committed to achieving our stated net zero ambition and confident in our ability to do so. We recognise that monitoring progress towards this goal is essential both for the organisation and for interested external stakeholders, and therefore commit to full scope carbon footprinting from 2025 onwards. Further detail on our specific climate targets is available in the Metrics and Targets section.
Extreme temperatures (Physical)	Possible	Minor	Long-term	The severity and duration of heatwaves is likely to increase for a majority of Nash Squared locations, as well as in localities where some of the data centres we utilise are located. This poses a risk of overheating equipment, with the potential for impacting data centres and disrupting services. There are additional risks to the health and wellbeing of staff members, which may necessitate investment in additional cooling capacity.	We have outsourced the great majority of our data centre needs to organisations such as Microsoft that themselves have robust risk management processes in place. The safety and comfort of our employees is an important consideration whenever we make decisions on office locations. We are committed to ensuring adequate HVAC facilities are in place to respond to heatwaves and cold snaps.

Strategic Report

For the 12 month period ended 31 January 2024

Non-financial and sustainability information statement

Continued

Material Risks and Opportunities (continued)

Risk / Opportunity	Like-lihood	Impact	Time-frame	Description	Mitigating factors / response
Economic downturns / stagnation (Transition)	Possible	Moderate	Medium to Long-term	The physical impacts of climate change, as well as the costs and disruptions arising from climate change adaptation both have the potential to cause economic turbulence, possibly leading to extended economic downturns. This would likely have an impact on Nash Squared's business as well as causing organisations throughout the economy to reduce their recruitment pace and delay investments in IT upgrades.	The Group monitors and manages a variety of potential financial risks that could be exacerbated by climate-related market disruptions, such as interest rate risk, foreign exchange risk, and liquidity risk. Further detail is provided in the Financial risk management section.
Carbon taxes (Transition)	Likely	Minor	Medium-term	Carbon taxes could have a direct impact on Nash Squared in the short to medium-term to the extent that the organisation still relies on fossil fuels, e.g. for heating or transport. Rising costs of fossil fuels are anticipated to have numerous other downstream effects, as energy costs rise throughout the economy and impact the price and availability of products and services in Nash Squared's supply chain.	Our strategy to reduce our carbon footprint will necessarily limit our exposure to the impacts of carbon taxation. Our business is not overly dependent on physical commodities, which also limits our supply chain exposure to this risk. Our target to source 100% of our European energy needs from renewable sources will also decrease the likely impact of future carbon taxation on the business. Full scope footprinting from 2025 and onwards will allow us to better monitor our exposure to this risk over time.
Increase in demand for services (Transition)	Likely	Moderate	Medium to long-term	The low-carbon transition will result in the growth of numerous sectors related to areas such as renewable energy, low-carbon transport, and circular economy initiatives. There will be significant demand for recruitment services into these growing fields. Furthermore, as transport is increasingly avoided in favour of digital solutions, demand for the IT solutions Nash Squared offers will also likely continue to grow.	Our business model is nimble and we are able to fairly easily follow the market into expanding areas of opportunity. As leaders in innovative digital solutions, we are well positioned to take advantage of a growing demand for such services.
Reputational benefits (Transition)	Possible	Minor	Medium to long-term	As stakeholders throughout society place increasing value on businesses' climate performance, positioning ourselves as a committed and responsible actor in the realm of sustainability will ensure we continue to meet client requirements, potentially result in organisational growth and facilitate our own talent acquisition processes.	We are actively targeting improvement in our EcoVadis score to credibly signal to interested customers and other stakeholders that we are committed to advanced sustainability performance. We have set a number of ambitious climate targets (see Metrics and Targets section below), and our annual sustainability report provides a forum for sharing our successes and future plans in this space.

Influence on strategy

Given our sector and the nature of our operations, Transition risks are likely to be more material to the organisation than direct Physical risks. While none of the identified risks are considered likely to be financially material in the near term, an awareness of this risk and opportunity landscape has influenced a variety of strategic decisions over the past year. We have begun the process of rationalising offices, and encouraged hybrid working, in part to reduce our environmental impacts. We have already publicly announced our net zero ambition, and will ensure that we make the necessary investments in decarbonisation over time to achieve our goals.

Another key insight of the risk and opportunity analysis undertaken was that our exposure to a variety of risks (especially physical ones) was indirect, mediated by our value chain. This has led us to progress with our development of procurement standards and spurred our commitment to enhanced supply chain outreach and data gathering over the next year.

Strategy resilience

To better assess the resiliency of Nash Squared's strategy in the coming decades, we examined the identified risks and opportunities under different climate scenarios and across different time horizons.

Strategic Report

For the 12 month period ended 31 January 2024

Non-financial and sustainability information statement

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Scenario	Description
Early / Smooth Transition	This scenario assumes early, coordinated global action on climate change, limiting GHG concentrations in line with the RCP 2.6 trajectory. Under this scenario, energy prices rise significantly, significant investment is made in new technologies, and consumer preferences change markedly. As a result, warming is limited to under 2° by 2100.
Late / Disruptive Transition	Under this scenario, global climate action is delayed, and therefore more severe. The policy response is more disjointed, allowing emissions to continue to climb in the near-term before sharp reductions are made, partially via the introduction of a stringent carbon taxation regime. Late but forceful action still allows for alignment with the RCP 2.6 pathway, and warming limited to under 2° by 2100.
High Emissions Scenario	This scenario assumes that there is no further acceleration of climate action, and GHG concentrations proceed in line with the RCP 8.5 pathway. This results in warming of over 3° by 2100. Transition risk is limited, but physical risks increase sharply.

This analysis yielded several key insights:

• An early / smooth transition would lower the magnitude of most risks in comparison to the other scenarios. In this scenario, Nash Squared would be able to engage in forward planning and avail itself of expanding areas of opportunity in a predictable manner. Physical risks would also be minimised.

• A delayed / disorderly transition would likely result in the greatest risk exposure to Nash Squared. In this scenario, Transition risks are especially material in the medium to long term because new regulation is forcefully and suddenly imposed, increasing the likelihood for more severe economic impacts.

• A high emissions scenario would, predictably, increase exposure to all physical risks. As these are generally not the most material to Nash Squared, this scenario would actually likely be less disruptive than others in certain areas, e.g. the absence of carbon taxation and the attendant economic impacts.

RISK MANAGEMENT

Identifying and assessing risk

Nash Squared's risk policy is based on the international standards for risk management and assessment (ISO31000:2018 and ISO31010:2019) and utilises the same terminology.

Risk registers covering risks and opportunities of all types are maintained for all entities and geographies within Nash Squared. Managing directors and Finance directors across the business are responsible for managing risk registers which are in turn reviewed by the Risk Committee.

Risks and opportunities are assessed in terms of both impact and probability. Impact ratings range across five qualitative levels from Insignificant to Severe, while probability ranges across five defined levels from Rare (<5% probability) to Almost Certain (>90% probability). Overall risk ratings are a product of impact and probability, as defined by a standard 5 x 5 risk matrix.

Climate-related risks and opportunities are assessed by the same criteria as all risk types to simplify integration. As described above, these risks are grouped into two categories: Physical risks which relate to the physical impacts of climate change, and Transition risks, which relate to the transition to a low-carbon economy. These risks are evaluated across the short, medium, and long term, as described in the Strategy section above.

Managing risk

The processes outlined in Nash Squared's Risk Management Policy are overseen by the Head of the Risk Management Committee who maintains a group risk register for regular monitoring of risks and opportunities and creation of Risk Treatment Plans when necessary. Risks exceeding Nash Squared's risk appetite are escalated to the Executive committee and Board for consideration where relevant.

Next steps

We have performed a thorough climate-related risk and opportunity analysis and assessed identified risks and opportunities by the same criteria as risks of all other types. We are focusing on improving the integration of climate risks and opportunities into our risk management process and looking to drive increased awareness of climate-related risks and opportunities throughout the business. We aim to implement specific monitoring and management procedures for risks and opportunities where necessary.

Strategic Report

For the 12 month period ended 31 January 2024

Non-financial and sustainability information statement

Continued

METRICS & TARGETS

Ensuring effective monitoring of our exposure to climate-related risks necessitates the maintenance of an up-to-date dashboard of pertinent indicators. As our carbon emissions are intrinsically linked to the identified risks, we have begun to collect data in various climate-related areas and intend to expand our range of metrics over time. In addition to quantifying our operational emissions pertaining to Scopes 1 and 2 in the UK, we also gather data on the proportion of our electricity contracts backed by renewable sources, and our total energy usage. We previously quantified our full scope carbon footprint, and put in place associated targets for 2025, 2030, and 2050, as detailed in the table below.

Target	Progress		Variance from base year
	2020	2024	
100% renewable energy for European offices by 2025	0%	75%	+75%
10% reduction in total Scope 1, 2, and 3 emissions by 2025. Net Zero by 2050. *(from a 2020 base year)*	10,011 tCO_2e	119.17 tCO_2e *(Scopes 1, 2, and limited subsection of Scope 3. UK emissions only)*	*To be reported once full scope footprinting implemented across all N2 operations.*
Scopes 1 and 2 Net Zero by 2030	1,948 tCO_2e	Scope 1: 56.79 tCO_2e Scope 2: 45.27 tCO_2e *(UK emissions only)*	*To be reported once full scope footprinting implemented across all N2 operations.*
50% reduction in global air travel emissions by 2025	1,663 tCO_2e	*To be reported in forthcoming year*	

Related KPI's

While we have not defined associated targets, we also monitor the emissions and energy intensity of our UK operations relative to turnover. This provides further perspective on relative gains we are making in this area irrespective of business growth or decline. While the emissions intensity of our UK operations rose slightly this past year, we believe that Nash Squared's overall carbon intensity has likely declined (due, in part, to our increased procurement of renewably backed electricity across EU sites). However, we will not know this with confidence until we undertake full scope footprinting across all of our sites in the coming year.

Metric (unit)	2023	2024	Variance from previous year
UK GHG emissions intensity relative to turnover (Scopes 1 & 2) *(tCO_2e / £m)*	0.125	0.137	9.3%
UK Energy usage intensity relative to turnover *(MWh / £m)*	0.646	0.679	5.1%
Proportion of EU / UK offices with renewably backed electricity (%)	56	75	+34%

We intend to undertake another full scope carbon footprinting exercise in the coming year to allow for reporting on progress against our decarbonisation targets. An awareness of our carbon footprint is necessary not only for monitoring progress towards our climate-related goals, but also for clarifying our exposure risks associated with high levels of emissions, such as reputational damage and carbon taxation. Similarly, progress towards meeting our goals would yield relevant insights in the potential impact and probability of opportunities, such as leveraging sustainability credentials to win customers or attract talent.

A detailed breakdown of our Scope 1, Scope 2, and a limited portion of our Scope 3 emissions (from UK sources) is available in the Streamlined Energy and Carbon Reporting section in the Strategic Report. All emissions are reported in line with the principles of the Greenhouse Gas protocol.

Next steps

Over the coming years, we aim to broaden the scope of our analysed metrics to create a comprehensive dashboard of indicators that provide insight into our risk exposure. We understand that the only way to monitor progress accurately in the realm of decarbonisation is to quantify our full GHG footprint moving forward, so we are committed to providing full scope footprints from 2025. In time, we aim to explore and include more specific metrics that will allow us to refine our understanding of the risks and opportunities described in this report.

This report was approved by the board of directors and signed on its behalf by:

Christopher Tilley Date: 30-May-24

Director

Directors' Report

For the 12 month period ended 31 January 2024

Directors' report

The directors present their annual report and the audited financial statements for the 12 month period ended 31 January 2024.

The Group has chosen to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

The following sections required to be included herein are incorporated into this report by cross reference to the Strategic Report.

Employee engagement (page 4)
Engagement with suppliers and other business relationships (page 4)
Emissions and energy usage (page 5)
Principal risks and uncertainties (page 7)
Risk management (page 7)
Subsequent events (page 7)

Directors

The directors holding office during the year and up to the date of this report were:

Bev White	Gary Browning	Adrian Gunn	Joanna Macleod
Christopher Tilley	Michael Haxby	Diederik Vos	
Michael Branigan	David Morrison	Streisan Bevan	

Subsidiaries outside the United Kingdom

For the 12 month period ended 31 January 2024, the Group had entities established for corporation tax purposes in a number of countries. A full list of subsidiaries (including branches outside the UK) and locations are set out on pages 64 to 66.

Future developments

Details of future developments can be found in the strategic report (page 7) and form part of this report by cross -reference.

Financial risk management objectives and policies

Nash Squared's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Details of Nash Squared's objectives and policies in response to these risks can be found within note 4 to the financial statements.

Going concern

The directors have assessed the financial position and the future funding requirements of the Group against the level of available committed borrowing facilities. The Group's external debt financing was refinanced on 9 February 2024. The Group agreed an amendment of the term of the facility as well as an amendment to the covenant ratios, whilst quarterly repayments remain unchanged. The term of the external debt expires on 9th February 2026, more than 12 months after the signing date.

As at 30 April 2024, the Group had a cash balance of £38.1m and invoice financing facility of £90.0m of which £23.4m was undrawn. The invoice discounting facilities are available on a rolling 12-month basis and is expected to remain in place throughout the going concern period. The directors have considered the current and forecast levels of trading, taking into account the cash and invoice discounting facilities expected to be available to Nash Squared, and have concluded that the going concern basis of preparation remains appropriate.

Directors' Report

For the 12 month period ended 31 January 2024

Directors' report

continued

Going concern

continued

In coming to their conclusion, the directors have considered trading and cash flow performance of the last 12 months and for at least 12 months from the date of signing the financial statements. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the covenants in place. The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. Nash Squared has demonstrated its resilience and ability to trade profitably through challenging market conditions. The directors consider the approach taken to be prudent, and even with a conservative sensitivity modelled to include a 10% reduction in performance, we would still maintain adequate cash headroom and remain within the limits of our banking covenants.

In summary, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future being at least 12 months from signing the financial statements, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

Directors' and third party indemnity provisions

Nash Squared has maintained throughout the period directors' and officers' liability insurance for the benefit of the Group, the directors and its officers. The Group has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which complies with the requirements of the Companies Act 2006. These arrangements were in force throughout the period and remain in force at the date of these financial statements.

Dividends

During the period dividends were declared and paid to the value of £1.36m (2023: £0.9m). No dividends have been proposed post period end.

Share capital

During the period there were no changes to the issued share capital of the Group.

Political and charitable contributions

The Group made no political or charitable contributions or donations during the period.

Auditor and disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Group's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors will be proposed for appointment at the next annual general meeting.

Approved and signed on behalf of the board:

Christopher Tilley Date: 30-May-24

Director

Statement of Directors' Responsibilities in Respect of the Annual Report

For the 12 month period ended 31 January 2024

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year.

Under that law the directors are required to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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

In preparing the parent Company 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 ar 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.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors and is signed on its behalf by:

Christopher Tilley
Director

Date: 30-May-24

Independent auditor's report to the members of Nash Squared Holdings Limited

For the 12 month period ended 31 January 2024

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Nash Squared Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2024 and of the group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of other comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows
- the related consolidated notes 1 to 33; and
- the related parent company notes 1 to 7.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the consolidated annual financial statements, 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 our report, we do not express any form of assurance conclusion thereon.

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

For the 12 month period ended 31 January 2024

Report on the audit of the financial statements continued

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.
A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included; the UK Companies Act, pension legislation and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These include health and safety and environment regulations.

We discussed among the audit engagement team, including significant component audit teams and relevant internal specialists such as tax, valuations and IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud is in relation to revenue recognition. Specifically, the risk that revenue has been recorded and recognised in the wrong period (resulting in a misstatement to the accrued income balance). To address the risk, we have performed the following procedures:

- assessed the appropriateness of management's basis of the estimate of accrued income and the justification for recoverability estimated across the components;
- challenged the judgements used by management to ascertain if the assumptions used in the basis of the estimate are reasonable and consistent year on year;
- test a sample of accrued income, and timesheets subsequently submitted and approved which relate to the current reporting period; and
- recalculated the accrued income estimated by management.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of Nash Squared Holdings Limited

For the 12 month period ended 31 January 2024

Report on the audit of the financial statements continued

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

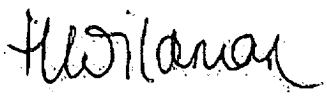
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.



Helen Wildman (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 30 May 2024

Consolidated statement of profit or loss

For the 12 month period ended 31 January 2024

	Notes	2024 £' 000	2023 £' 000
Revenue	6	743,103	748,416
Cost of sales		(625,347)	(627,739)
Gross profit		117,756	120,677
Other income	11	606	340
Administrative expenses		(97,576)	(98,717)
Operating profit before exceptional items		20,786	22,300
Exceptional items	10	(10,964)	(7,015)
Operating profit	8	9,822	15,285
Finance costs	7	(10,650)	(3,326)
Exceptional finance costs	10	(473)	(40)
(Loss)/Profit before tax		(1,301)	11,919
Income tax charge	13	(1,779)	(5,116)
(Loss)/Profit for the period from continuing operations		(3,080)	6,803
Discontinued operations			
(Loss)/profit from discontinued operations after tax	32	-	(114)
(Loss)/Profit for the period		(3,080)	6,689

Consolidated Statement of Other Comprehensive Income

For the 12 month period ended 31 January 2024

	2024 £' 000	2023 £' 000
(Loss)/Profit for the period	(3,080)	6,689
Items that may be subsequently reclassified to profit or loss:		
Foreign currency differences on translation of foreign operations	49	2,827
Total comprehensive (loss)/profit for the period attributable to owners of the Company	(3,031)	9,516

Consolidated Statement of Financial Position

As at 31 January 2024

	Notes	2024 £' 000	2023 £' 000
ASSETS			
Non-current assets			
Intangible assets	15	146,752	153,555
Property, plant and equipment	16	7,700	7,051
Right-of-use assets	17	7,079	9,894
Deferred tax asset	13	1,958	1,059
Loans receivable from parent undertakings	24	3,167	3,085
Other receivables	28	5,863	7,524
		172,519	**182,168**
Current assets			
Trade and other receivables	18	182,779	197,707
Current income tax assets		2,863	1,100
Cash and cash equivalents	19	29,019	36,099
		214,661	**234,906**
Total assets		**387,180**	**417,074**
LIABILITIES			
Current liabilities			
Trade and other payables	20	(161,000)	(179,428)
Current income tax liabilities		(360)	(3,115)
Borrowings	29	(66,930)	(55,002)
Lease liabilities	17	(4,630)	(6,972)
Deferred and contingent consideration	30	(6,716)	(8,054)
		(239,636)	**(252,571)**
Non-current liabilities			
Borrowings	29	(30,230)	(39,189)
Lease liabilities	17	(3,067)	(3,448)
Loans payable to group undertakings	24	(1,312)	(1,312)
Deferred and contingent consideration	30	(1,306)	(2,827)
Deferred tax liabilities	13	(9,780)	(11,490)
		(45,695)	**(58,266)**
Total liabilities		**(285,331)**	**(310,837)**
Net assets		**101,849**	**106,237**
EQUITY			
Ordinary shares	21	1	1
Share premium	21	10,000	10,000
Fair value and other non-distributable reserves	22	15,380	15,380
Other distributable reserves	22	67,969	67,969
Cumulative translation reserve	22	653	604
Retained earnings	23	7,846	12,283
Total equity		**101,849**	**106,237**

The consolidated financial statements on pages 18 - 59 were approved by the board and authorised for issue on its behalf by:

Christopher Tilley

Date: 30-May-24

Consolidated Statement of Changes in Equity

For the 12 month period ended 31 January 2024

	Share capital £' 000	Share premium £' 000	Fair value and other non-distributable reserves £' 000	Other distributable reserves £' 000	Cumulative translation reserve £' 000	Retained earnings £' 000	Total £' 000
Balance at 31 January 2022	**1**	**10,000**	**15,380**	**67,969**	**(2,223)**	**6,488**	**97,615**
Profit for the period	-	-	-	-	-	6,689	6,689
Currency translation adjustments	-	-	-	-	2,827	-	2,827
Total comprehensive income for the period	-	-	-	-	2,827	6,689	9,516
Dividends paid (note 14)	-	-	-	-	-	(894)	(894)
Balance at 31 January 2023	**1**	**10,000**	**15,380**	**67,969**	**604**	**12,283**	**106,237**
Loss for the period	-	-	-	-	-	(3,080)	(3,080)
Currency translation adjustments	-	-	-	-	49	-	49
Total comprehensive income/(loss) for the period	-	-	-	-	49	(3,080)	(3,031)
Dividends paid (note 14)	-	-	-	-	-	(1,357)	(1,357)
Balance at 31 January 2024	**1**	**10,000**	**15,380**	**67,969**	**653**	**7,846**	**101,849**

Consolidated Statement of Cash Flows

For the 12 month period ended 31 January 2024

	Notes	2024 £'000	2023 £'000
(Loss)/profit before tax		**(1,301)**	**11,919**
Adjustments for:			
- depreciation	16,17	6,368	6,847
- amortisation	15	7,919	9,074
- finance income	11	(606)	(340)
- finance costs	7	10,650	3,326
- exceptional finance costs	10	473	40
- deferred remuneration expense	10	7,023	-
- gain on disposal of property, plant and equipment		77	-
- LTIP non-cash movement		-	200
Operating cash flows before changes in working capital		**30,603**	**31,066**
Changes in working capital:			
- decrease/(increase) in trade and other receivables	18	14,927	(26,405)
- (decrease)/increase in trade and other payables	20	(26,914)	9,611
Operating loss on discontinued operations	32	-	107
Cash flows from operating activities		**18,616**	**14,379**
Income tax paid		(7,304)	(4,192)
Net cash generated from operating activities		**11,312**	**10,187**
Cash flows from investing activities			
Purchases of property, plant and equipment	16	(3,164)	(2,837)
Interest received	11	606	340
Payment of deferred and contingent consideration	30	(1,805)	(7,494)
Acquisition of subsidiary	15,31	(133)	(38,292)
Cash acquired in acquisition of subsidiary	31	-	12,656
Cash proceeds from disposal of subsidiary	32	-	3,500
Cash disposed with subsidiary	32	-	(2,556)
Net cash used in investing activities		**(4,496)**	**(34,683)**
Cash flows from financing activities			
Lease repayments	17	(4,020)	(5,215)
Loans given to group undertakings	24	(82)	(2,090)
Interest paid on lease liabilities	7	(504)	-
Interest paid on loans and borrowings	7	(9,770)	(2,975)
Exceptional finance costs paid	10	-	(40)
Proceeds from long-term borrowings raised	29	-	48,522
Repayment of long-term borrowings	29	(9,333)	(18,443)
Increase/(decrease) in short-term borrowings	29	11,928	8,801
Equity dividends paid	14	(1,357)	(894)
Net cash used in financing activities		**(13,138)**	**27,666**
(Decrease)/increase in cash and cash equivalents		**(6,322)**	**3,170**
Cash and cash equivalents at the beginning of the year		**36,099**	**30,221**
Exchange movements on cash and cash equivalents		(758)	2,708
Cash and cash equivalents at the end of the year		**29,019**	**36,099**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

1. General Information

Nash Squared Holdings Ltd ('the Company') and its subsidiaries (together 'the Group') is a leading provider of specialist recruitment and outsourcing solutions. The Group has offices in the United Kingdom, Europe, the United States and Asia Pacific.

The Company is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. Its registered address is 3 Noble Street, London EC2V 7EE.
For the period ended 31 January 2024 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies. As parent the Company has provided a guarantee undertaking under s479C.

NashTech Limited	(Company Number 09834873)
Nash Squared Limited	(Company Number 03320790)
Harvey Nash Next Gen Limited	(Company Number 13318901)

1.2 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the IASB.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial assets and financial liabilities that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements of the parent Company are prepared under Financial Reporting Standard ('FRS') 101 Reduced Disclosure Framework.

The Company has adopted the requirements of The Companies Act 2006.

2. Adoption of new and revised standards

The Group has considered the following new standards, interpretations and amendments to published standards that are effective for the Group for the financial period beginning 1 February 2023 and concluded that they are either not relevant to the Group or that they would not have a significant effect on the Group's financial statements other than disclosures:

Standard	Description	Effective Date
Amendments to IFRS 17	Insurance contracts and amendments to address concerns and implementation challenges that were identified after IFRS 17 was published.	1 January 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 January 2023

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

2. Adoption of new and revised standards continued

The following new standards, interpretations and amendments to published standards and interpretations which are relevant to the Group have been issued but are not effective for the financial period beginning 1 February 2023 and have not been adopted early.
These standards, interpretations and amendments to published standards and interpretations are not expected to have a material effect on the Group's financial statements:

Standard	Description	Effective Date
IAS 16	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	Annual periods beginning on or after 1 January 2022
IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	Annual periods beginning on or after 1 January 2022
IFRS 16	Lease liability in a Sale and Leaseback with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	Annual periods beginning on or after 1 January 2024
IAS 1	Non-current Liabilities with Covenants to clarify conditions with which an entity must apply within twelve months after the reporting period affect the classification of a liability.	Annual periods beginning on or after 1 January 2024
IAS 21	Lack of Exchangeability to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	Annual periods beginning on or after 1 January 2025
SASB	*Amendments to the SASB standards to enhance their international applicability.*	Annual periods beginning on or after 1 January 2025
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements.	Annual periods beginning on or after 1 January 2027
IAS 7 and IFRS 7	Supplier finance arrangements disclosures	Annual periods beginning on or after 1 January 2024

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(a) Going concern

The directors have assessed the financial position and the future funding requirements of the Group against the level of available committed borrowing facilities. The Group's external debt financing was refinanced on 9 February 2024. The Group agreed an amendment of the term of the facility as well as an amendment to the covenant ratios, whilst quarterly repayments remain unchanged. The term of the external debt expires on 9th February 2026, more than 12 months after the signing date.

As at 30 April 2024, the Group had a cash balance of £38.1m and invoice financing facility of £90.0m of which £23.4m was undrawn. The invoice discounting facilities are available on a rolling 12-month basis and is expected to remain in place throughout the going concern period. The directors have considered the current and forecast levels of trading, taking into account the cash and invoice discounting facilities expected to be available to Nash Squared, and have concluded that the going concern basis of preparation remains appropriate.

In coming to their conclusion, the directors have considered trading and cash flow performance of the last 12 months and for at least 12 months from the date of signing the financial statements. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the covenants in place. The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. Nash Squared has demonstrated its resilience and ability to trade profitably through challenging market conditions. The directors consider the approach taken to be prudent, and even with a conservative sensitivity modelled to include a 10% reduction in performance, we would still maintain adequate cash headroom and remain within the limits of our banking covenants.

In summary, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future being at least 12 months from signing the financial statements, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

(b) Basis of consolidation

The Group financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up from 1 February 2023 to 31 January 2024 and are based on the consistent accounting policies disclosed herein.
Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.
At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and *measured in accordance with IAS 12 and IAS 19 respectively;*
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.
When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(c) Business combinations continued

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Contingent amounts payable to selling shareholders who continue to be employed by the Group, but which is automatically forfeited upon termination of employment, is classified as remuneration for post-combination services and is recorded in the Consolidated Income Statement. The contingent payment is satisfied in cash. The cash-settled contingent amounts treated as remuneration for post-combination services is recognised in accordance with IAS 19 Employee Benefits and has been recorded as employee benefits payable in the Consolidated Balance Sheet. At each balance sheet date, the Group revises its estimate for the contingent amounts payable that is to be settled in cash. The impact of the revision, if any, is recognised in the Consolidated Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Consolidated Balance Sheet.

(d) Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If an impairment is required the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) Revenue recognition

The Group measures and recognises revenue in accordance with IFRS 15. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. The Group continuously monitors and performs a detailed review of contracts, to determine the timing of the transfer of control in each of its service lines. Revenue is measured at the fair value of the consideration received or receivable for the supply of services, net of value added tax, rebates and discounts and after eliminating sales within the Group.

Revenue earned, but not invoiced, at the balance sheet date is accrued on the balance sheet as accrued income. Revenue invoiced but not earned at the balance sheet date is recorded as a liability as deferred income.

Principal versus agent considerations

The Group derives a significant proportion of its revenue from the provision of temporary workers to clients. Whether the full invoiced amount is recognised gross (inclusive of the costs of the temporary workers), or net (exclusive of costs of the workers) depends on whether the Group acts as principal or agent. IFRS 15 recognises revenue under a concept of 'transfer of control'. Its core principle is whether the good or service is controlled by the entity prior to delivery to the client. For the purposes of determining whether an entity acts as an agent or principal, IFRS 15 provides indicators of where control may exist. Significantly, these indicators do not include credit risk as an indicator that an entity is acting as a principal.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. *Significant accounting policies* continued

(e) Revenue recognition continued

Temporary contractors

The Group derives its revenue in the contract services and interim businesses on a time and materials basis. It is recognised as services are rendered as validated by receipt of a client-approved timesheet or equivalent.

Where the Group has the primary responsibility to deliver and fulfil the promise to provide contractors to the client, this indicates that the entity controls the service before it is transferred to the client. This includes the acceptability of the service meeting the client's specifications. In such cases the Group is acting as principal. Revenue recognised is the gross amount billed to the client for the services of the temporary workers. This includes revenues from the placement of temporary contractors where the Group has a contract management services contract with the client.

Contract management services – temporary contractors arranged by third party agencies

The Group acts as an agent when its primary responsibility is to provide administrative support to clients, acting as an intermediary between two parties. The Group does not control the service provided to the client as the primary responsibility to deliver the services to the client sits with a third party agency. Revenue is recognised as the commission only (exclusive of costs of the worker).

Permanent placements

Revenue arising from permanent placements is recognised on acceptance of the candidate or on start date, subject to the contractual agreement. Provision is made for the expected cost of obligations where employees do not work for the specified contractual period.

Revenue earned on a retained basis

Recruitment and assignment fees are considered as a performance obligation, delivered over time. When revenue is recognised over time, it is necessary to determine the entity's performance towards satisfaction of the performance obligation. Revenue can therefore not be recognised until the entity has performed a service that will take it closer to fulfilling the performance obligation. Under IFRS15 revenue for permanent executive recruitment and assignment fees is based on a percentage of a candidate's remuneration package recognised over time as the services are provided, typically in two stages: shortlist and placement fee. Provision is made for the expected cost of obligations where employees do not work for the specified contractual period.

Commissions

Under IFRS 15, incremental costs incurred in obtaining a contract (such as sales commissions) are recognised as an asset and amortised over the life of the contract if they are expected to be recovered from the client. Given the short-term nature of the Group's contracts, the Group elected to take the practical expedient offered under IFRS 15 for contracts less than 12 months, allowing commissions to be expensed as incurred.

Development work

For fixed price development work, revenue is recognised on the percentage completion basis, using pre-specified milestones or a client sign-off to trigger revenue recognition and the estimate of profit. Revenue from business process outsourcing is recognised as services are rendered, based on a time and materials basis.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold improvements	term of the lease
Furniture, fixtures and equipment	5 Years
Office equipment	5 Years
Computer equipment	3 - 10 Years
Motor vehicles	25% reducing balance

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(f) Property, plant and equipment continued

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on disposal or retirement of an item of property, plant or equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, plant and equipment purchased to deliver outsourcing projects, which have been recharged to clients at cost, remain the legal property of the Group. The cost of the asset is capitalised within current assets and charged to cost of sales over the contract length.

(g) Investments

Investments in associated undertakings ('associated companies') are stated at the amount of the Group's share of net assets.

(h) Leases

Leases, from a lessee perspective, are recognised as a right-of-use asset and a corresponding lease liability at the date when the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a net present value basis and are recognised as part of 'Right-of-use asset','Short-term lease liabilities' and 'Long-term lease liabilities' in the consolidated statement of financial position.

Lease liabilities include the net present value of the following lease payments:
a) fixed payments less any lease incentives receivable;
b) variable lease payments that are based on an index or a rate;
c) amounts expected to be payable by the lessee under residual value guarantees, if any;
d) the exercise price of a purchase option if the Group is reasonably certain it will exercise that option; and
e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease (if that rate can be determined), or the incremental borrowing rate (IBR), being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. In determining the IBR to be used, the Group applies judgement to establish the suitable reference rate and credit spread.

Each lease payment is allocated between the liability and finance costs, within finance costs in the profit or loss.

Lease payments are presented as follows in the Group statement of cash flows:
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

Right-of-use assets are measured at cost comprising the following:
a) the amount of the initial measurement of lease liability;
b) any lease payments made at or before the commencement date less any lease incentive received;
c) any initial direct costs; and
d) any restoration costs.

The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis.

For short-term leases (lease term of less than 12 months) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(i) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

On the disposal of a foreign operation, all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(j) Intangible assets

Intangible assets which are acquired separately, or through a business combination, are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The Group does not have any assets, other than goodwill, with infinite useful lives. Any impairment is recognised immediately in profit or loss. Amortisation is included within administrative expenses.

Development costs are capitalised as an intangible asset if all of the requirements of IAS 38 'Intangible Assets' are met. The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The useful economic lives of separately identifiable assets are as follows:

Customer relationships	8 - 14 Years
Brands	1 - 10 Years
Internally developed software	6 Years

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(k) Impairment of property, plant and equipment and intangible assets (excluding goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is the higher of the asset's fair value less costs of sale and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the original carrying value prior to any impairment charges.

(l) Financial instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows expire or the Group transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Group's balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. For trade receivables, generally this results in recognition at nominal value less any allowance for doubtful debts.

Financial assets which are not classified as loans and receivables, but do not meet the held to collect business model and contractual cash flow criteria as set out in IFRS 9 are classified as 'fair value through other comprehensive income' ('FVOCI'). A financial asset is classified in this category if acquired for both collecting contractual cash flows and selling the financial asset. Financial assets in this category are classified as current assets. All other financial assets that cannot be classified under amortised cost or FVOCI are measured at fair value through profit or loss ('FVTPL').

Financial liabilities

Financial liabilities are classified as either FVTPL or 'other financial liabilities'. A financial liability is classified as FVTPL if it is held for trading or specifically designated as such to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the profit or loss.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(I)(i) Financial assets

Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments that are held to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

Debt instruments that are held to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI).

All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

a) The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
b) The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current period, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

Impairment of financial assets

IFRS 9 requires an expected credit loss model, rather than an incurred credit loss model to be applied. This requires the assessment of the expected credit loss on each class of financial asset at each reporting date. This assessment should take into consideration any changes in credit risk since the initial recognition of the financial asset. The main class of financial asset held by the Group are trade receivables, which are short-term in nature.

The expected loss provision is based on the Group's expectation of future credit losses over the current receivables balance based on an analysis of the aging and sector of the receivable. These expectations are based upon known issues affecting specific debtors as well as a combination of historic and general forward-looking information on factors affecting the Group's customers as a whole as well as an awareness of the economic conditions in the countries where the Group operates. These risk factors are considered both on initial recognition of the receivable and as part of the ongoing assessment.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event.
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The directors of the Group have reviewed and assessed existing financial assets using reasonable and supportable information to determine credit risk and concluded that there is no material financial impact on the Group.

(m) Share capital

Ordinary shares are classified as equity. Where any Group company purchases the Company's equity share capital (own shares), the consideration paid is deductible from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the Company's equity holders.

(n) Dividend distribution

Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the period in which the dividends are approved and paid.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(o) Employee benefits

Pension obligations

Wherever possible, the Group operates defined contribution pension schemes, under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligation to pay further contributions. Pension costs are charged to the statement of profit or loss in the period in which they arise. In Belgium and Switzerland, legislation requires the operation of pension schemes which contain an element of defined benefit, the obligations under which are fully insured and there are no unrecorded liabilities. Amounts related to these schemes were considered by the Group to be immaterial during the period thus Group accounted for these as defined contribution schemes.

Share-based payment transactions

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for the failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for benefits. The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Bonus plan

The Group recognises a liability and an expense for bonuses when contractually obliged.

Government grants

Government grants are accounted for under the accruals model. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in other income in the period it becomes receivable. This includes the Government Coronavirus Job Retention Scheme. The Group has not benefitted from other forms of government assistance or received grants relating to expenditure on non-current assets.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Discounting is applied only when the effect is material.

(q) Borrowing costs

Short-term borrowing costs including invoice discounting fees are written off as incurred. Long-term borrowing costs are recognised on an amortised cost basis over the relevant period of the borrowing term.

(r) Working capital facilities

The Group has access to working capital finance facilities provided by its bankers in the form of a confidential trade receivables finance facility which is secured by a floating charge over the Group's assets. The borrowings under this are included within current liabilities and described as borrowings on the Group's consolidated statement of financial position and the facility is secured specifically against the Group's trade receivables (see note 18). Trade receivables are included within trade receivables in the Group's consolidated statement of financial position. Refer to note 29 for further details of the facilities.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

3. Significant accounting policies continued

(s) Exceptional items

Exceptional items are significant items that are presented separately on the face of the consolidated statement of profit or loss due to their nature and/or size to assist in providing a better indication of the Group's underlying trading performance. Further information is provided in note 10 of the financial statements.

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. Management considers that these additional measures (commonly referred to as 'alternative performance measures' or 'APMs') provide shareholders with valuable additional information on the performance of the business. These measures are consistent with those used internally, and are considered critical to understanding the financial performance of the Group. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for exceptional or items considered to be distortive to trading performance which may affect IFRS measures, to aid shareholders in understanding the Group's performance. These APMs are not intended to be a substitute for, or superior to, IFRS measures. The only APM presented by the group is for exceptional items (Note 10). The APMs used relate to the EBITDA (excluding exceptional items) and operating profit (excluding exceptional items) as defined in the strategic report on page 2.

(t) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet.

(u) Tax

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

4. *Financial risk management*

Financing

The Group's principal financial instruments are overdrafts, cash and short-term deposits, an invoice discounting facility and a senior finance debt syndicated facility. The Group has other financial instruments such as trade receivables and trade payables that arise directly from its operations. Acquisitions are financed through a mixture of operating cash flow and equity. Working capital finance for day-to-day requirements is provided through operating cash generation, invoice discount facilities and short term overdraft facilities. Where applicable, funds are then made available for the financing of the Group's subsidiaries through intercompany loans.

Objectives, policies and strategies

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Chief Finance Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The most significant treasury exposures faced by the Group are raising finance, managing interest rates and currency positions as well as investing surplus cash in high-quality assets. The Board has established clear parameters, including levels of authority, on the type and use of financial instruments to manage these exposures. Transactions are only undertaken if they relate to underlying exposures and cannot be viewed as speculative.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital for the Group.

The Group's finance function reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The table below shows the full quantitative analysis of what the Group manages as capital.

	2024 £' 000	2023 £' 000
Borrowings	97,160	94,191
Total equity	101,849	106,237
Total funding	199,009	200,428
Gearing ratio %	48.8%	47.0%

Interest rate risk management

The Group's policy is to minimise interest charges through cash pooling and active cash management. The group also monitors inflation risk and any potential impact on its external debt servicing requirements.

Market risk and foreign exchange risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group's policy is to minimise foreign currency risk. The Group manages its exposure on equity investments in overseas subsidiaries through foreign currency borrowings. The currency risk of holding assets and liabilities in foreign currencies across the Group is managed by partially matching foreign currency assets with foreign currency liabilities.

The Group's operating profit exposure to foreign currency translation is primarily in respect of the US dollar and the Euro.

Credit risk

The Group has no significant concentration of credit risk. It has policies in place to ensure that sales of services are made to customers with an appropriate credit history and historically there are low levels of debt write-off throughout the Group. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Group does not have any significant credit risk exposure to a single customer.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

4. Financial risk management continued

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and committed credit facilities. Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facility, cash and invoice discounting) on the basis of expected cash flow. All borrowings are short term other than the syndicated senior finance facility. The Group's main invoice finance facility was most recently renewed in January 2023.

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated *assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ* from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

The presentation of selected items as exceptional items

The Group applies judgement in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of the Group's underlying business performance. *See note 10 for further details.*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Purchase price allocation

In the prior period, as part of the acquisition purchase price allocation management was required to make various judgements and estimations in relation to the values placed on intangible assets and goodwill allocated to each cash-generating unit. Management utilised various market analysis, and valuation techniques as well as forward-looking forecasts as at the time of acquisition which are inherently judgemental.

Impairment of goodwill and investments

Determining whether the carrying value of goodwill or an investment is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill or investment has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These include forward-looking forecasts which are inherently judgemental. The carrying amount of goodwill at 31 January 2024 was £95.9m. The carrying value of the investment held in the parent company at 31 January 2024 was £108.6m. The key assumptions and sensitivities in the value-in-use calculations are set out in note 15.

Revenue recognition (accrued income)

Contract revenue is recognised when the supply of professional services has been rendered. This includes an assessment of professional services received by the client for services provided by contractors between the date of the last received timesheet and the year end.

Revenue is accrued (accrued income) for contracts which are valid in the period, but where no timesheet has been received or approved, and therefore billing and payments to contractors have not taken place. The value of unsubmitted/ unapproved timesheets for each individual contractor is system generated and the number of hours worked by each contractor is adjusted for the amount expected to be recovered.

The key estimation uncertainty arises from accurately calculating the accrued income for missing timesheets and comparing this estimate to the value of subsequent timesheets received. Management's judgement is that only a portion of the value of missing timesheets would be submitted and then recovered from customers (based on average recovery over historic periods), typically between 50% and 85% across the group.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

6. Segment Information

IFRS 8 'Operating Segments' requires disclosure of information about the Group's operating segments. It requires a management approach under which segment information is presented on a similar basis to that used for internal reporting purposes. The chief operating decision maker in the business has been identified as the Group Board. Segments have been determined using geographical location and business line which are consistent with the Group's internal reporting. Business lines are Technology Recruitment and Technology Solutions.

The accounting policies adopted by each segment are consistent and as described in the Group's accounting policies described in note 3.

Revenue	**2024**	**2023**
Geographical	**£' 000**	**£' 000**
United Kingdom & Ireland	**373,708**	**365,363**
Mainland Europe	**196,454**	**204,527**
Benelux	161,993	163,328
Central Europe	34,459	41,199
United States	**155,050**	**156,271**
Asia Pacific	**17,891**	**22,255**
Total revenue	**743,103**	**748,416**
Service Line		
Technology Recruitment	659,596	677,441
Technology Solutions	83,507	70,975
Total revenue	**743,103**	**748,416**
Operating profit and profit before tax		
Geographical		
United Kingdom & Ireland	**13,783**	**13,465**
Mainland Europe	**3,610**	**7,378**
Benelux	4,454	7,300
Central Europe	(844)	78
United States	**9,174**	**6,652**
Asia Pacific	**3,527**	**3,359**
Total operating profit before group and central service costs and other income	**30,094**	**30,854**
Service Line		
Technology Recruitment	13,422	23,640
Technology Solutions	16,672	7,214
Total operating profit before group and central service costs and other income	**30,094**	**30,854**
Group and central service costs	**(9,914)**	**(8,380)**
Other income	**606**	**(174)**
Total operating profit before exceptional items	**20,786**	**22,300**
Exceptional items	**(10,964)**	**(7,015)**
Total operating profit	**9,822**	**15,285**
Finance costs	**(10,650)**	**(3,326)**
Exceptional finance costs	**(473)**	**(40)**
Profit before tax from continuing operations	**(1,301)**	**11,919**

The segment information reported above does not include any amounts for discontinued operations, which are described in more detail in note 32.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

7. Finance costs

	2024 £' 000	2023 £' 000
Net interest on bank borrowings	10,146	2,975
Interest expense on lease liabilities	504	351
Finance costs for financial liabilities not classified as at fair value through profit or loss	10,650	3,326

8. Operating profit

The following items have been included in arriving at operating profit from continuing operations:

	2024 £' 000	*Restated* 2023 £' 000
Bad debt provision and debts directly (released)/raised (Note 18)	(28)	(162)
Depreciation of property, plant and equipment	2,269	2,044
Depreciation on right of use assets	4,099	4,803
Amortisation of intangible assets	7,919	6,719
Short term lease expenses	1,240	1,196
Loss/(profit) on foreign exchange	553	(464)

Prior year comparatives have been restated to include all short term lease expenses which had previously been omitted.

9. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2024 £' 000	2023 £' 000
Fees payable to the Company's auditor for the audit of the Company's Annual Report	184	239
Fees payable to the Company's auditor for the audit of the Company's subsidiaries pursuant to legislation	552	446
Total audit fees	736	685
Total fees	**736**	**685**

No services were performed pursuant to contingent fee arrangements. There were no other non-audit fees incurred in the current period.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

10. Exceptional items

Exceptional items

	2024 £' 000	2023 £' 000
Acquisition costs	256	4,522
Impairment of intangible assets	-	2,355
Restructuring costs	1,749	-
Refinance costs	324	-
Deferred remuneration expense	7,023	-
Transaction costs	919	694
Property exit costs	-	(350)
Optimisation projects	408	59
Other	285	(265)
Total exceptional items	10,964	7,015

The deferred remuneration expense of £7.0m incurred during the period relates to payments made to employees in respect of consideration for previous acquisitions. The Group also incurred legal and advisor fees in relation to refinancing and amendments to its Senior Finance Facility (£0.3m) which completed on 9th February 2024 (see note 33 Subsequent Events for further details). The Group also incurred various non-recurring transaction costs (£0.9m) in relation to acquisition activities, restructuring costs (£1.7m) to improve efficiencies in organisational structure, and one-off expenditure in relation to optimisation projects (£0.4m) to maximise financial performance.

During the prior period, the group acquired Het Flexhuis BV and Knoldus Group (see note 31 for further details). The Group incurred exceptional costs related to the acquisitions including professional and legal fees. These amounted to £4.5m. During the prior period, the Group disposed of its Alumni sub-group (see note 32 for further details). The disposal resulted in the impairment of attributable brand and customer relationship assets totalling £2.4m. The Group also incurred various transaction costs in the prior year that included selling of a part of the business, restructuring of relevant divisions, investments in key areas.

Exceptional finance costs

	2024 £' 000	2023 £' 000
Exceptional finance costs	473	40

During the current financial year unwinding of discounting costs in relation to deferred remuneration expense of £0.5m were incurred. During the previous financial year loan arrangement fees of £0.04m were incurred.

11. Other income

	2024 £' 000	2023 £' 000
Interest received	606	340
Total other income from financial instruments measured at amortised cost	606	340

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

12. Employees and directors

Average number of people employed	UK & Ireland	Europe	Rest of World	Total
Executive directors	6	-	-	6
Sales	211	203	249	663
Administrative	132	88	169	389
Employees included within cost of sales	89	388	1,918	2,395
Total for the 12 month period ended 31 January 2024	**438**	**679**	**2,336**	**3,453**

Average number of people employed	UK & Ireland	Europe	*Restated* Rest of World	*Restated* Total
Executive directors	6	-	-	6
Sales	226	249	269	744
Administrative	133	104	179	416
Employees included within cost of sales	122	447	1,958	2,527
Total for the 12 month period ended 31 January 2023	**487**	**800**	**2,406**	**3,693**

No directors or employees were employed by the company during the period.

Total staff costs for the Group	2024 Cost of sales £' 000	2024 Admin expenses £' 000	2024 Total £' 000	2023 Cost of sales £' 000	*Restated* 2023 Admin expenses £' 000	*Restated* 2023 Total £' 000
Wages and salaries	56,506	59,069	115,575	56,423	62,581	119,004
Deferred remuneration (See note 10)	-	7,023	7,023	-	-	-
Social security costs	8,010	6,337	14,347	8,105	7,373	15,478
Pension costs	790	1,522	2,312	819	2,456	3,275
Total	**65,306**	**73,951**	**139,257**	**65,347**	**72,410**	**137,757**

*Prior year employee numbers and staff costs have been restated to include the numbers and costs of offshore staff that had previously been omitted. The previously reported Rest of World sales employee number of 63 has been restated to 269, the previously reported Rest of World Administrative employee number of 170 has have been restated to 179 and the previously reported Admin expenses Wages and Salaries of £56.1m has been restated to £62.6m. This restatement is isolated to the note disclosure and does not impact the Consolidated statement of profit or loss.

The Board of Directors are deemed to be the key management personnel. Directors' emoluments in respect of qualifying services to the Group were as follows:

Directors' remuneration	2024 £' 000	2023 £' 000
Aggregate emoluments	901	1,424
Pension contributions	79	74
Share-based payments	-	90
Total director's remuneration	**980**	**1,588**
Highest paid director		
Aggregate emoluments	359	692
Pension contributions	46	45
Share-based payments	-	50
Total highest paid director	**405**	**787**

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services.
During the period the directors received no emoluments for non-qualifying services which are required to be disclosed.
Retirement benefits under money purchase schemes accrued in respect of qualifying services for two directors (2023: two).

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

13. Tax	2024 £' 000	2023 £' 000
Corporation tax - UK	612	1,261
Corporation tax - overseas	4,973	5,149
Adjustments in respect of prior periods	(1,181)	893
Total current tax expense	4,404	7,303
Decrease in deferred tax liability	(2,625)	(2,187)
Total deferred tax credit	(2,625)	(2,187)
Total tax charge	**1,779**	**5,116**
Continuing and discontinued operations		
Tax charge from continuing operations	1,779	5,116
Tax charge from discontinued operations	-	-
	1,779	**5,116**

The tax rate used for the reconciliation above is the corporate tax rate of 24.00% (2023: 19.00%) which was in effect the entire period.

The differences are explained below for the 12 month period ended 31 January 2024 using the UK standard rate of corporation tax:

	2024 £' 000	2023 £' 000
(Loss)/profit before tax - continuing operations	(1,301)	11,919
Tax at standard UK corporation tax rate of 24.00% (FY23 19.00%)	**(312)**	**2,265**
Effects of:		
Expenses not deductible and other permanent items	2,598	1,592
Income not taxable	(41)	(7)
Tax losses for which no deferred tax is recognised	894	17
Adjustments to current tax in respect of prior year adjustments	(1,181)	893
Effect of changes in tax rates on deferred tax balances	(1)	(87)
Deferred tax adjustment in respect of prior years	(391)	(109)
Profits taxed at overseas rates	106	551
Recognition of previously unrecognised deferred tax asset	107	1
Total taxation	**1,779**	**5,116**
Current tax:		
Tax in the period	5,585	6,410
Adjustments in respect of prior periods	(1,181)	893
Total current tax	**4,404**	**7,303**
Deferred tax:		
Origination and reversal of timing differences	(2,233)	(2,135)
Effect of changes in tax rates on deferred tax balances	(1)	58
Prior period adjustment to deferred tax	(391)	(110)
Total deferred tax credit	**(2,625)**	**(2,187)**
Total tax charge	**1,779**	**5,116**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

13. Tax continued

The Finance Act 2020 included legislation to maintain the main rate of UK corporation at 19%, rather than reducing it to 17% from 1 April 2020. The change to the main rate of corporation tax was substantively enacted by the balance sheet date and therefore included in these financial statements. Temporary differences have been remeasured using these enacted tax rates that are expected to apply when the liability is settled or the asset realised.

The UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which became effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of deferred tax balances where applicable.

Income tax charge relating to foreign currency exchange differences that may be reclassified subsequently to profit or loss is £12k (FY23 £54k).

There are no uncertain tax positions to be disclosed nor are there any disclosable impacts from changes in tax legislation enacted or announced after the balance sheet date, in any tax jurisdiction which requires disclosure in accordance with IAS 10.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets or liabilities related to Pillar Two income taxes.

The UK government enacted the Pillar Two income taxes legislation from 1 January 2024. The Group has reviewed the safe harbour tests and their application and have concluded no top up tax is required on a jurisdictional basis. The Group is continuing to assess the impact of Pillar Two income taxes legislation on its future financial performance.

Deferred tax	2024 £' 000	2023 £' 000
Deferred tax assets:		
Deferred tax asset to be settled after more than 12 months	1,958	1,059
Deferred tax liabilities:		
Deferred tax liability to be settled after more than 12 months	(9,780)	(11,490)
Net deferred tax liability	(7,822)	(10,431)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The table above sets out the analysis of the deferred tax balances for financial reporting purposes.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

13. Tax continued

The deferred tax position is analysed below:

	Acquired intangibles	Accelerated capital allowances	Tax losses	Accrued interest charges	Other	Total
	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
1 February 2022	(12,509)	142	922	1,750	1,045	(8,650)
Acquired in acquisition	(3,621)	-	-	-	-	(3,621)
Disposals	-	-	(358)	-	-	(358)
Movement	2,115	(109)	131	(266)	316	2,187
Foreign exchange	-	-	-	-	11	11
31 January 2023	**(14,015)**	**33**	**695**	**1,484**	**1,372**	**(10,431)**
Movement	1,903	(54)	293	(38)	521	2,625
Foreign exchange	-	-	-	-	(16)	(16)
31 January 2024	**(12,112)**	**(21)**	**988**	**1,446**	**1,877**	**(7,822)**

Deferred tax assets arising from deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they are realised. The rates enacted or substantively enacted by the UK Government for the relevant periods of reversal are 25%. The rates enacted by the US Government for the relevant periods of reversal was 26% from 22 December 2017.

Due to the uncertainty of recoverability, deferred tax assets in respect of tax losses (except US tax losses), depreciation in excess of accelerated capital allowance and deductible temporary differences of £Nil (FY23 £Nil) have not been recognised.

Deferred tax on intangible assets relates to a deferred tax liability raised on separately identified intangible assets recognised as part of the acquisition of the Harvey Nash Group. The balance is released proportionately in line with the amortisation of the underlying intangible assets. £1,903k was released during the period.

14. Dividends

The dividends paid in the period were £1.4m (2023: £0.9m). This amounted to 1.85p per share (2023: 1.22p per share). No dividends were proposed subsequent to period end.

	2024	2023
	£' 000	£' 000
Dividends declared and paid during the period	**1,357**	**894**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

15. Intangible assets	Customer relation-ships	Brand: Harvey Nash	Brand: Alumni	Brand: TalentIT	Brand: Nashtech	Brand: Latitude 36	Brand: Knoldus	Brand: Flexhuis	Internally developed software	Total
	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
Cost										
At 31 January 2022	62,115	6,100	1,600	700	1,400	281	-	-	1,000	73,196
Acquisitions	12,244	-	-	-	-	-	249	2,099	-	14,592
Disposals	(2,100)	(100)	(1,600)	-	-	-	-	-	-	(3,800)
At 31 January 2023	**72,259**	**6,000**	**-**	**700**	**1,400**	**281**	**249**	**2,099**	**1,000**	**83,988**
At 31 January 2024	**72,259**	**6,000**	**-**	**700**	**1,400**	**281**	**249**	**2,099**	**1,000**	**83,988**
Amortisation										
At 31 January 2022	15,949	1,983	520	228	455	281	-	-	542	19,958
Charge for the year	5,568	603	53	70	140	-	13	105	167	6,719
Impairment	1,264	64	1,027	-	-	-	-	-	-	2,355
Disposals	(2,100)	(100)	(1,600)	-	-	-	-	-	-	(3,800)
At 31 January 2023	**20,681**	**2,550**	**-**	**298**	**595**	**281**	**13**	**105**	**709**	**25,232**
Charge for the year	6,496	600	-	70	140	-	236	210	167	7,919
At 31 January 2024	**27,177**	**3,150**	**-**	**368**	**735**	**281**	**249**	**315**	**876**	**33,151**
Carrying amount										
At 31 January 2023	51,578	3,450	-	402	805	-	236	1,994	291	**58,756**
At 31 January 2024	**45,082**	**2,850**	**-**	**332**	**665**	**-**	**-**	**1,784**	**124**	**50,837**

Included above are the following individually material assets at 31 January 2024:

- Harvey Nash customer relationships have a net book value of £20.5m (2023: £24.1m) and a remaining amortisation period of eight (2023: nine) years.
- Nashtech customer relationships have a net book value of £4.3m (2023: £5.0m) and a remaining amortisation period of seven (2023: eight) years.
- Latitude 36 customer relationships have a net book value of £9.3m (2023: £10.4m) and a remaining amortisation period of nine (2023: ten) years.
- Knoldus customer relationships have a net book value of £7.5m (2023: £8.5m) and a remaining amortisation period of seven (2023: eight) years.

The amortisation charge for the year is included within administrative expenses in the consolidated statement of profit or loss.

Goodwill	£' 000
At 31 January 2022	**69,563**
Acquisitions	27,512
Goodwill derecognised following disposal (Note 32)	(2,276)
At 31 January 2023	**94,799**
Acquisitions	133
Remeasurement	983
At 31 January 2024	**95,915**
Intangible assets (including goodwill)	
At 31 January 2023	**153,555**
At 31 January 2024	**146,752**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

15. Intangible assets continued

The carrying amounts of goodwill at acquisition and at period end allocated by cash-generating unit ('CGU') are as follows:

Goodwill	**2024** £' 000	**2023** £' 000
Tech Recruitment - UK & Ireland	30,895	30,762
Tech Recruitment - Belgium	11,700	11,700
Tech Recruitment - Netherlands	11,803	11,803
Tech Recruitment - Central Europe	1,803	1,803
Tech Recruitment - USA	10,986	10,986
Solutions - Nashtech	4,511	4,511
Solutions - Knoldus (Note 31)	24,217	23,234
	95,915	**94,799**

During the period the goodwill relating to Knoldus was retrospectively adjusted by £1.0m to reflect new information obtained about facts and circumstances that existed at acquisition and which falls within the measurement period of one year from acquisition date.
During the period the group acquired Rubik Talent Limited. Goodwill arising on the acquisition was £0.1m

During the period the goodwill in respect of each CGU was tested for impairment in accordance with IAS 36 'Impairment of Assets'. All CGU's were assessed to have a value-in-use in excess of their respective carrying values, thus no impairment adjustments to goodwill were considered necessary.

The assumptions applied in the impairment review are consistent with those applied within the Group's long-term strategic plan, approved by management and the Board. The assumptions are based on latest industry forecasts and the expectations of management given their past experience. The key assumptions in the value-in-use calculations are disclosed below.

	Pre-tax discount rate		**Average EBITDA growth rate in first five years**		**Long-term growth rate**	
Significant cash-generating unit	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Tech Recruitment - UK & Ireland	14.1%	17.7%	14.3%	12.6%	2.8%	2.6%
Tech Recruitment - Belgium	13.9%	17.7%	19.1%	23.5%	4.3%	5.1%
Tech Recruitment - Netherlands	12.3%	16.3%	9.2%	28.7%	4.9%	4.3%
Tech Recruitment - Central Europe	9.5%	17.4%	173.7%	432.8%	3.4%	3.8%
Tech Recruitment - USA	13.6%	17.3%	30.0%	21.9%	4.6%	3.5%
Solutions- Knoldus	11.8%	0.0%	14.6%	0.0%	4.6%	0.0%
Solutions - Nashtech	11.3%	15.8%	16.6%	38.7%	4.6%	4.3%

A five year average EBITDA growth rate has been utilised for all cash generating entities. The terminal growth rate is based on the long-term growth rate for each country and was on a non weighted average 4.2% (2023: 3.0%). The pre-tax discount rate used was based on the industry weighted average cost of capital for each country and was on a non weighted average 11.8% (2023: 17.0%). Management believes the forecasts are achievable.

Management has taken the current economic downturn into account and has applied an additional sensitivity percentage to ensure that Goodwill does not need to be impaired should there be a further downturn.

The group has carried out sensitivity analyses on the impairment tests of each cash generating unit to which goodwill has been allocated, by considering impact of changes to the discount rate, 5 year average EBITDA growth rate and long term growth rate. An increase of 2% in the applied discount rate to each cash generating unit would result in no impairment in any CGU. An average 5 year EBITDA growth rate of 10% in Tech Recruitment - Belgium, 84% in Tech Recruitment – Central Europe (being a decrease in average annual EBITDA from £894k to £369k) and 16% in Tech Recruitment - USA would result in an impairment of the CGUs. However, a 20% reduction in expected performance across the next 5 years would result in no impairment in any CGU. A reduction of 3% in the long-term growth rate would result in no impairment in any CGU.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

16. Property, plant and equipment

	Leasehold Improve-ments	Office Equip-ment	Furniture, fixtures and equipment	Computer equip-ment	Motor vehicles	Total
	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
Cost						
At 31 January 2022	2,628	413	1,996	13,057	18	18,112
Additions	551	199	116	2,159	-	3,025
Acquisitions of subsidiary	39	259	36	-	16	350
Disposals	(416)	(82)	(143)	(909)	-	(1,550)
Exchange adjustments	79	42	73	324	1	519
At 31 January 2023	**2,881**	**831**	**2,078**	**14,631**	**35**	**20,456**
Additions	285	80	11	2,789	-	3,165
Disposals	(380)	(56)	-	(1,406)	-	(1,842)
Exchange adjustments	(77)	(72)	(6)	(422)	(3)	(580)
At 31 January 2024	**2,709**	**783**	**2,083**	**15,592**	**32**	**21,199**
Accumulated depreciation						
At 31 January 2022	1,650	299	1,863	8,097	18	11,927
Charge for the year	209	118	88	1,629	-	2,044
Acquisitions of subsidiary	19	148	17	-	11	195
Disposals	(350)	(82)	(143)	(609)	-	(1,184)
Exchange adjustments	61	36	67	258	1	423
At 31 January 2023	**1,589**	**519**	**1,892**	**9,375**	**30**	**13,405**
Charge for the year	256	156	23	1,834	-	2,269
Disposals	(277)	(55)	-	(1,433)	-	(1,765)
Exchange adjustments	(52)	(60)	(9)	(288)	(1)	(410)
At 31 January 2024	**1,516**	**560**	**1,906**	**9,488**	**29**	**13,499**
Carrying amount						
At 31 January 2023	1,292	312	186	5,256	5	7,051
At 31 January 2024	**1,193**	**223**	**177**	**6,104**	**3**	**7,700**

On 1 July 2022 the Group acquired 100% of Flexhuis BV. On 12 January 2023 the Group acquired the Knoldus Holdings Inc. group. As a result under IFRS 3: Business combinations the Group acquired all property, plant and equipment as at that date. On 1 June 2022 the Group divested the Alumni sub-group.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

17. Right of use assets

	Property £' 000
Cost	
At 31 January 2022	**16,824**
Additions	4,361
Disposals	(5,835)
Acquisitions	68
Exchange adjustments	624
At 31 January 2023	**16,042**
Additions	1,478
Disposals	(1,995)
Exchange adjustments	(424)
At 31 January 2024	**15,101**
Accumulated depreciation	
At 31 January 2022	**6,924**
Charge for the year	4,803
Acquisitions	4
Disposals	(5,835)
Exchange adjustments	252
At 31 January 2023	**6,148**
Charge for the year	4,099
Disposals	(1,995)
Exchange adjustments	(230)
At 31 January 2024	**8,022**
Carrying amount	
At 31 January 2023	9,894
At 31 January 2024	**7,079**

On 1 July 2022 the Group acquired 100% of Flexhuis BV. On 13 January 2023 the Group acquired the Knoldus Holdings Inc. group. As a result under IFRS 3: Business combinations the Group acquired all right of use assets as at that date. On 1 June 2022 the Group divested the Alumni sub-group.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

17. Leases under IFRS16 continued

The carrying amount of the lease liability is as follows:

	2024 £' 000	2023 £' 000
Lease liability		
Opening balance	10,420	10,279
Amendment to opening balance	(484)	-
Additions	1,457	4,501
Acquisitions	-	68
Lease payments	(4,020)	(5,215)
Interest incurred	504	351
Exchange adjustments	(180)	436
At 31 January 2024	**7,697**	**10,420**
Current	4,630	6,972
Non-current	3,067	3,448
Total	**7,697**	**10,420**

In the current year, interest expense on leases amounted to £0.5 m (2023: £0.4 m) and was recognised within finance costs in the Consolidated statement of profit or loss (refer to note 7).

The total cash outflow for lease repayments in the current year was £4.0 m (2023: £5.2 m).

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

18. Trade and other receivables

	2024	2023
	£' 000	£' 000
Trade receivables	115,466	126,004
Less: Provision for estimated credit loss	(600)	(628)
	114,866	**125,376**
Other receivables	8,501	5,308
Prepayments	5,977	3,165
Accrued income	53,435	63,858
	182,779	**197,707**

Debtor days were 35.4 days (2023: 38.6 days). Debtor days are calculated by reference to outstanding debtors relative to amounts invoiced in the preceding months up to the year end.

Trade receivables that are less than three months past due are not considered impaired. As of 31 January 2024, trade receivables of £15.6m (2023: £21.9m) were aged over 30 days but not impaired. These relate to a number of independent customers for whom there is no recent history of default (i.e. a failure to fulfil its repayment obligations). The ageing analysis of these trade receivables is as follows:

Included within other receivables is £1.6m (2023: Nil) of deferred consideration receivable. Refer to note 28.

	2024	2023
	£' 000	£' 000
1-2 months	3,273	9,272
2-3 months	2,346	4,722
Over 3 months	10,001	7,885
	15,620	**21,879**

As of 31 January 2024, trade receivables of £0.6m (2023: £0.63m) were impaired and provided for.

The individually impaired receivables mainly relate to customers who are in difficult economic situations. All the impaired receivables are more than three months overdue. In the current period, the creation and release of provisions for impaired receivables have been included in 'administrative expenses' in the consolidated statement of profit or loss. The other classes within trade and other receivables do not contain impaired assets.

Movements on the Group provision for impairment of trade receivables are as follows:

Provisions	£' 000
At 1 February 2022	790
Provision utilised during the period	(162)
At 31 January 2023	**628**
Provision utilised during the period	(28)
At 31 January 2024	**600**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

18. Trade and other receivables continued

	Current	30-60 days	60-90 days	90+ days	Total
	£' 000	£' 000	£' 000	£' 000	£' 000
Default rate	0.00%	1.25%	2.50%	5.00%	
Gross carrying amount	**99,846**	**3,273**	**2,346**	**10,001**	**115,466**
Lifetime expected credit loss	-	**(41)**	**(59)**	**(500)**	**(600)**
	99,846	**3,232**	**2,287**	**9,501**	**114,866**

The Group has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss provision is based on the Group's expectation of future credit losses over the current receivables balance based on an analysis of the aging and sector of the receivable. These expectations are based upon known issues affecting specific debtors as well as a combination of historic and general forward-looking information on factors affecting the Group's customers as a whole as well as an awareness of the economic conditions in the countries where the Group operates. These risk factors are considered both on initial recognition of the receivable and as part of the ongoing assessment.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable listed above. The Group does not hold any collateral as security. The currency profile of trade and other receivables is shown below.

	2024	2023
	£' 000	£' 000
Sterling	51,275	52,913
Euro	96,832	111,280
US Dollar	23,502	24,829
Other currencies	11,170	8,685
	182,779	197,707

The directors consider the above trade and other receivables to be reflected at fair value.

19. Cash and cash equivalents

	2024	2023
	£' 000	£' 000
Bank balances	28,971	36,057
Petty cash	48	42
Total	**29,019**	**36,099**

20. Trade and other payables

	2024	2023
	£' 000	£' 000
Trade payables	53,277	79,620
Other tax and social security payable	22,330	25,311
Employee benefits payable	7,496	309
Accruals	71,263	65,361
Other payables	6,634	8,827
	161,000	**179,428**

The directors consider the above trade and other payables to be reflected at fair value.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

21. Share capital

	2024 £' 000	2023 £' 000
Authorised, Allotted and fully paid		
73,323,183 (2023: 73,323,183) ordinary shares of 0.001 pence each	1	1

The difference between the consideration and the par value of shares issued is recorded in the share premium account and amounts to £10m (2023: £10m).

22. Other reserves

Fair value and other non-distributable reserves of £15.4m (2023: £15.4m) remain unchanged in the current financial period and include £2.8m relating to a capital contribution movement as part of the historic share reduction exercise, £11.9m related to the fair value of the investment as part of the acquisition under IFRS3 and the remaining £0.7m related to the movement in fair value of contingent considerations outstanding, all of which took place in prior financial periods.

Other distributable reserve consists of £68.0m (2023: £68.0m) relating to the transfer from share capital and share premium as a result of the share reduction undertaken in a prior financial period.

Cumulative translation reserves for the year amounted to £0.7m (2023: £0.6m).

23. Retained earnings

	£' 000
At 31 January 2022	6,488
Profit for the year	6,689
Dividends paid	(894)
At 31 January 2023	**12,283**
Loss for the year	(3,080)
Dividends paid	(1,357)
At 31 January 2024	**7,846**

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

24. Group undertakings and related party transactions

Group undertakings Included in loans from group undertakings are the following outstanding balances as at 31 January 2024	**2024** **£' 000**	**2023** **£' 000**
Loans receivable		
DBAY Funds	1	1
The Power of Talent Midco Limited	1,007	1,000
The Power of Talent Plano Limited	12	6
The Power of Talent Topco Limited	80	39
The Power of Talent Finco Limited	14	7
The Power of Talent Kartanesi Limited	2,053	2,032
	3,167	**3,085**
Loans payable		
The Power of Talent Midco Limited	**(1,312)**	**(1,312)**

Loans receivable	**£' 000**	**£' 000**
Opening balance	3,085	995
Additions	82	2,090
Closing balance	**3,167**	**3,085**

DBAY Advisors and DBAY Funds are considered related parties due to their investment in and control of the Group's ultimate parent The Power of Talent Topco Limited.

The maximum exposure to credit risk at the reporting date is the carrying value of these loans receivable. The Group does not hold any collateral as security on the receivables. The Group has not pledged any collateral as security on the payables. The loans receivable and payable are denominated in Sterling, and are expected to be settled in cash. There is no fixed date of repayment.

25. Subsidiaries and Ultimate controlling party

The Group consists of a parent Company, Nash Squared Holdings Limited, incorporated in the UK and registered in England and Wales, and a number of directly and indirectly held subsidiaries around the world. Nash Squared Holdings Limited is the smallest group into which the Companies financial statements are consolidated. Copies of the group financial statements may be obtained from the Company Secretary at 3 Noble Street, London EC2V 7EE.□

All subsidiary undertakings principally affecting the profits and net assets of the Group are consolidated.

At 31 January 2024 the Group was a wholly owned subsidiary of The Power of Talent Kartanesi Ltd (company number: 11665541) incorporated and registered in England and Wales.

The ultimate parent of the Group is The Power of Talent Topco Limited (company number: 132333C) incorporated and registered in the Isle of Man, and which prepares consolidated accounts. The Power of Talent Topco Limited is the largest group of which the Company is a member that prepares consolidated financial statements including the results of the Company. Copies of the financial statements of The Power of Talent Topco Limited may be obtained from the Company Secretary, 2nd Floor, Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD

The ultimate controlling party is DBAY Advisors Limited (company number: 126150C) incorporated and registered in the Isle of Man.

A full list of the Company's subsidiaries at 31 January 2024 is shown on pages 64 - 66.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

26. Pensions

The Group operates separate defined contribution pension schemes in all locations. The Group's total contribution to such schemes for the 12 month period ended 31 January 2024 was £2.3m (2023: £3.3m).

The Group's largest pension scheme is a defined contribution scheme provided by Scottish Widows in the UK. Employer and employee contributions to the scheme range between 4% and 5% depending on the employee's length of service.

27. Short-term leases and leases of low-value assets

At 31 January 2024, the group is committed to £2.9m (2023: £2.1m) for short-term leases and leases of low-value assets

28 Other receivables

	2024	2023
Nash Technologies GmbH	**£' 000**	**£' 000**
Opening balance	2,024	1,924
Foreign exchange	(61)	100
Closing balance	**1,963**	**2,024**

Deferred consideration receivable	**£' 000**	**£' 000**
Opening balance	5,500	-
Additions	-	5,500
Closing balance	**5,500**	**5,500**

	£' 000	**£' 000**
Total other receivables	**7,463**	**7,524**

Other receivables - Current	**£' 000**	**£' 000**
Deferred consideration receivable	**1,600**	-

Other receivables - Non - current	**£' 000**	**£' 000**
Deferred consideration receivable	3,900	5,500
Nash Technologies GmbH	1,963	2,024
Total	**5,863**	**7,524**

The Group has a £2.0m (€2.3m) loan receivable from Nash Technologies GmbH (a former related party) included within non-current assets. The loan is due to mature on 01 April 2033, rate is 1.5% flat.

Deferred consideration arose on the disposal of its Alumni sub group. Refer to note 32 for further details. Amounts due within one year are included within other receivables (see note 18)

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

29 Financial Instruments

The Group's financial instruments comprise cash, bank overdraft, invoice discounting and various items such as trade receivables and trade payables that arise directly from its operations. The fair value of financial assets and liabilities is approximately equal to their book values. In accordance with paragraph 29 of IFRS 7 Financial Instruments: Disclosures. Disclosure of the fair value hierarchy has not been provided since it will be of limited relevance to users' understanding.

Additional disclosures are set out in the accounting policies relating to risk management. An explanation of the role that financial instruments have had during the period in the management of the Group's funding liquidity and foreign exchange is provided within note 4.

In accordance with IFRS 9 "Financial Instruments", the Group has reviewed all contracts and confirmed that none contain embedded derivatives that are required to be assessed and measured as per the requirements set out in the standard. There were no material embedded derivatives at 31 January 2024.

Borrowing facilities

Invoice discount facility

At 31 January 2024 the Group has a syndicated invoice discounting facility of £90m. This facility is allocated across the Group's operations as follows: £28.5m in the UK, EUR equivalent of £1.0m in Ireland, EUR equivalent of £38m in the Netherlands, EUR equivalent of £7.5m in Belgium and the USD equivalent of £15m in the USA.

The invoice discounting facilities are available on a rolling 12-month basis. The rates on all facilities are floating.

Drawn borrowing facilities (current)		2024 '000	2024 £'000		2023 '000	2023 £'000
Invoice discounting facilities – UK	£	18,936	18,936	£	17,196	17,196
Invoice discounting facilities – Ireland	€	71	59	€	345	303
Invoice discounting facilities – Belgium	€	3,124	2,667	€	4,540	3,995
Invoice discounting facilities – Netherlands	€	32,281	27,552	€	23,457	20,639
Invoice discounting facilities – USA	$	10,398	8,193	$	3,774	3,061
Invoice discounting facilities – Crimson	£	190	190	£	475	475
Total			**57,597**			**45,669**

Undrawn borrowing facilities		2024 '000	2024 £'000		2023 '000	2023 £'000
Invoice discounting facilities – UK	£	6,564	6,564	£	17,804	17,804
Invoice discounting facilities – Ireland	€	1,101	941	€	3,917	3,447
Invoice discounting facilities – Belgium	€	5,663	4,833	€	4,836	4,255
Invoice discounting facilities – Netherlands	€	12,241	10,448	€	10,639	9,361
Invoice discounting facilities – USA	$	8,640	6,807	$	8,556	6,939
Invoice discounting facilities – Crimson	£	2,810	2,810	£	2,525	2,525
Total			**32,403**			**44,331**

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29 Financial instruments continued

Borrowing facilities continued

Senior finance debt

As at 1 February 2022 the Group had an outstanding senior finance facility totalling £18.4m. During the previous financial period, on 10 January 2023 the Group repaid its existing facility and replaced it with a new 4 year Term Loan facility of £50m. The new Term Loan is repayable in quarterly instalments with a final repayment on maturity. Interest accrues at SONIA plus margin ranging between 4.50% and 5%. Arrangement fees of £1.5m arising have been netted against the outstanding loan balance and will be amortised over the life of the loan.

On 9th February 2024, the Group agreed an amendment of its Senior Finance Facility. The Term of the facility was updated to end on 9th February 2026, whilst quarterly repayments remain unchanged. The covenants were also updated as part of this amendment. The Group is required to comply with covenants in respect of interest cover (greater than 3.12-3.50 :1), debt cover (less than 3.18-2.00 :1), and daily liquidity (greater than £5m).

	2024	2023
Senior finance debt	**£' 000**	**£' 000**
Opening balance	48,522	18,443
Repayments	(9,333)	(18,443)
New loans	-	50,000
Arrangement fees to be amortised	374	(1,478)
Closing balance	**39,563**	**48,522**
Current	9,333	9,333
Non-current	30,230	39,189

Borrowing facilities - Current	**£' 000**	**£' 000**
Invoice discounting facility	57,597	45,669
Senior finance debt	9,333	9,333
Total	**66,930**	**55,002**

Borrowing facilities - Non - current	**£' 000**	**£' 000**
Senior finance debt	30,230	39,189

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29 Financial Instruments continued

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks. The Group primarily finances its operations using share capital, revenue and borrowings.
The accounting classification of each category of financial instruments and their carrying amounts are set out below.

	Notes	Measured at fair value through profit or loss £' 000	Measured at amortised cost £' 000
At 31 January 2024			
Financial assets			
Trade receivables and accrued income	18	-	168,301
Other receivables	18	-	8,501
Cash and cash equivalents	19	-	29,019
Financial liabilities			
Borrowings	29	-	97,160
Trade payables and accruals	20	-	124,540
Other payables	20	-	36,460
Lease liabilities	17	-	7,697
Deferred and contingent consideration	30	8,022	-
At 31 January 2023			
Financial assets			
Trade receivables and accrued income	18	-	189,234
Other receivables	18	-	5,308
Cash and cash equivalents	19	-	36,099
Financial liabilities			
Borrowings	29	-	94,191
Trade payables and accruals	20	-	144,981
Other payables	20	-	34,447
Lease liabilities	17	-	10,420
Deferred and contingent consideration	30	10,881	-

Financial liabilities at fair value through profit or loss comprise deferred and contingent consideration payable arising on business combinations.

The analysis of financial assets and liabilities measured at fair value by level is a requirement of IFRS 13 and the definitions are summarised here for completeness.

Assets and liabilities whose valuations are derived from inputs not based on observable market data are classified as Level 3.

All of the group's financial liabilities at fair value through profit or loss are classified as Level 3.

Valuations of deferred and contingent consideration associated with business combinations, are based on probability adjusted revenues and profits using the most recent management expectations of relevant business performance.

No gain or loss for the year relating to this deferred and contingent consideration has been recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

30 Deferred and contingent consideration

	2024 £' 000	2023 £' 000
Opening balance	10,881	6,758
Acquisitions	-	11,347
Consideration settled	(1,805)	(7,494)
Foreign exchange	(1,054)	270
Closing balance	**8,022**	**10,881**
Current	6,716	8,054
Non-current	1,306	2,827

Contingent consideration is the present value of expected earn-out payments contingent upon future trading or other criteria. Deferred consideration reflects obligations to pay specified amounts at future dates.

Deferred consideration arising on acquisitions in the prior period relates to the acquisition of Flexhuis BV and Knoldus Group. Refer to Note 31 for further details.

With respect to contingent consideration balances, during the year, there have not been any changes in recognised amounts/differences upon settlement; there have not been any changes in the range of outcomes. Valuation techniques are based on probability adjusted revenues and profits using the most recent management expectations of relevant business performance.

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31. Business combinations

Acquisition of Het Flexhuis BV

On 1 July 2022, the Group acquired 100% of the issued share capital of Het Flexhuis BV, a Dutch MSP (Managed Service Programme) provider specialising in the health care sector and incorporated in the Netherlands. The total purchase consideration was £12.1m and qualifies as a business as defined in IFRS 3 Business Combinations.

Flexhuis BV was acquired as it is a major MSP of talent and recruitment services. Het Flexhuis has established a strong reputation in the MSP market through its extensive expertise, well proven methodologies and custom designed tools and technology. Through this acquisition Nash Squared will be able to offer a high quality MSP solution which is an important strategic move forward for the Group.

The fair value of the net assets acquired is approximately equal to the acquiree's carrying amount. The excess of consideration above net asset values has been attributed to goodwill and other identified intangible assets.

The amounts of revenue and profit of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period were £1.4m and £0.8m respectively.

If the acquisition of Het Flexhuis had been completed on the first day of the financial year, the amounts of revenue and profit of the acquiree included in the consolidated statement of comprehensive income for the reporting period would have been £2.5m and £1.3m respectively.

Details of the purchase consideration, the net assets acquired and the goodwill recognised were as follows:	£' 000
Purchase consideration	
Cash paid	6,218
Deferred and contingent consideration	4,574
Total purchase consideration	**10,792**

The assets and liabilities arising at the date of acquisition were as follows:	£' 000
Cash	4,884
Property, plant and equipment	50
Trade and other receivables	14,879
Trade and other payables	(17,708)
Intangible assets identified	5,842
Deferred tax on intangible assets	(1,434)
Net identifiable assets acquired	**6,513**
Goodwill	4,279
Total purchase consideration	**10,792**

Cash outflow to acquire subsidiary	£' 000
Cash consideration	(6,218)
Cash balances acquired	4,884
Acquisition of subsidiary, net of cash acquired	**(1,334)**

A portion of contingent consideration is payable contingent upon the seller remaining in employment within the Group over the period of the earnout. Accordingly, in line with the requirements of IFRS 3, contingent consideration with a fair value of £1.6m has been treated as a transaction separate from the above disclosed business combination accounting and has instead been accounted for in accordance with IAS 19 Employee Benefits. Refer also to note 10 Exceptional items.

Notes to the Consolidated Financial Statements

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31. Business combinations continued

Acquisition of Knoldus Group

On 13 January 2023, the Group acquired 100% of the Knoldus Group, a Canadian headquartered Technology Solutions provider with operations in India, US, Netherlands and Singapore. The cash consideration paid was £32.1m. Knoldus Group provides data, cloud and machine learning, as well high-performance real-time data systems and qualifies as a business as defined in IFRS 3 Business Combinations.

Knoldus Group was acquired for strategic and commercial reasons, which will enable Nash Squared to strengthen their presence in North America, and add depth and scale to their cloud and data solutions offerings.

The fair value of the net assets acquired is approximately equal to the acquiree's carrying amount. The excess of consideration above net asset values has been attributed to goodwill and other identified intangible assets.

The amounts of revenue and profit of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period were £0.4m and £0.1m respectively.

If the acquisition had been completed on the first day of the financial year, the amounts of revenue and profit of the acquiree included in the consolidated statement of comprehensive income for the reporting period would have been £11.8m and £5.9m respectively.

Details of the purchase consideration, the net assets acquired and the goodwill recognised were as follows:	£' 000
Purchase consideration	
Cash paid	32,074
Deferred and contingent consideration	6,931
Total purchase consideration	**39,005**

The assets and liabilities arising at the date of acquisition were as follows:	£' 000
Cash	7,772
Property, plant and equipment	122
Trade and other receivables	6,339
Trade and other payables	(5,026)
Intangible assets identified	8,749
Deferred tax on intangible assets	(2,187)
Net identifiable assets acquired	**15,769**
Goodwill	23,234
Total purchase consideration	**39,003**

Cash outflow to acquire subsidiary	£' 000
Cash consideration	(32,074)
Cash balances acquired	7,772
Acquisition of subsidiary, net of cash acquired	**(24,302)**

A portion of deferred and contingent consideration is payable contingent upon the seller remaining in employment within the Group over the period of the earnout. Accordingly, in line with the requirements of IFRS 3, deferred and contingent consideration with a fair value of £20.2m has been treated as a transaction separate from the above disclosed business combination accounting and has instead been accounted for in accordance with IAS 19 Employee Benefits. Refer also to note 10 Exceptional items.

During the current financial period the goodwill relating to Knoldus was retrospectively adjusted by £1.0m to reflect new information obtained about facts and circumstances that existed at acquisition and which falls within the measurement period of one year from acquisiton date. Refer also to note 15 Intangible assets.

Notes to the Consolidated Financial Statements

For the 12 month period ended 31 January 2024

32. Discontinued operations

Disposal of Alumni Sub-group

On 1 June 2022 the Group disposed of its Alumni sub-group and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the four months ended 1 June 2022 (2023 column).

	2023 £' 000
Revenue	8,229
Expenses	(8,122)
Profit after tax	107
Loss on disposal of discontinued operations	(221)
Net (loss)/profit attributable to discontinued operations	(114)

During the prior year, Alumni Group contributed £0.1m to the Group's net operating cash flows, paid Nil in respect of investing activities and paid Nil in respect of financing activities.

Loss on disposal of discontinued operations

Net assets at disposal date	£' 000
Property, Plant & Equipment	113
Investments	3,208
Trade and other receivables	10,040
Cash	2,556
Trade and other payables	(9,676)
Current tax assets	356
Deferred tax assets	358
Net assets disposed	**6,955**
Goodwill	2,266
Total net assets disposed	**9,221**
Proceeds	
Cash consideration	3,500
Deferred consideration	5,500
Total Proceeds	**9,000**
Group loss on disposal of discontinued operations	**(221)**

33. Subsequent events

On 9th February 2024, the Group agreed an amendment of its Senior Finance Facility (see note 29 for further details). The Term of the facility was updated to end on 9th February 2026, whilst quarterly repayments remain unchanged. The covenants were also updated as part of this amendment. On 9th February 2024, Nash Squared Holdings Limited's parent entity The Power of Talent Kartanesi Ltd provided an intercompany loan of £20.4m to the Group.

Company Statement of Financial Position

For the 12 month period ended 31 January 2024

	Notes	2024 £' 000	*Restated* 2023 £' 000
ASSETS			
Non-current assets			
Investments	3	108,627	108,627
Loans receivable from group undertakings	4	44,759	40,260
		153,386	**148,887**
Current assets			
Trade and other receivables		-	-
Cash and cash equivalents		1	1
		1	**1**
Total assets		**153,387**	**148,888**
LIABILITIES			
Current liabilities			
Trade and other payables		(3)	(1,978)
Borrowings	7	(9,333)	(9,333)
		(9,336)	**(11,311)**
Non-current liabilities			
Borrowings	7	(30,230)	(39,189)
Loans payable to group undertakings	5	(39,325)	(18,955)
		(69,555)	**(58,144)**
Total liabilities		**(78,891)**	**(69,455)**
Net assets		**74,496**	**79,433**
EQUITY			
Ordinary shares	6	1	1
Share Premium	6	10,000	10,000
Fair value and other non-distributable reserves	6	14,751	14,751
Other distributable reserves	6	67,969	67,969
Retained loss		(18,225)	(13,288)
Total equity		**74,496**	**79,433**

Prior year comparatives have been restated. Refer to note 7 for more details.

The loss for the year ended 31 January 2024 in the financial statements of Nash Squared Holdings Limited, the Company, was £3.6m (2023: loss of £5.8m). As permitted by s408 Companies Act 2006, no profit or loss account is presented in respect of the parent Company.

The financial statements of Nash Squared Holdings Limited (registered number: 11464274) on pages 60 - 63 were approved by the board and authorised for issue on its behalf by Christopher Tilley.

Christopher Tilley Date: 30-May-24
Director

Company Statement of Changes in Equity

For the 12 month period ended 31 January 2024

	Share capital £' 000	Share premium £' 000	Fair value and other non-distributable reserves £' 000	Other distributable reserves £' 000	Retained earnings £' 000	Total £' 000
Balance at 31 January 2022	**1**	**10,000**	**14,751**	**67,969**	**(6,570)**	**86,151**
Loss for the period	-	-	-	-	(5,824)	(5,824)
Total comprehensive loss for the period	-	-	-	-	(5,824)	(5,824)
Dividends paid	-	-	-	-	(894)	(894)
Balance at 31 January 2023	**1**	**10,000**	**14,751**	**67,969**	**(13,288)**	**79,433**
Loss for the period	-	-	-	-	(3,580)	(3,580)
Total comprehensive loss for the period	-	-	-	-	(3,580)	(3,580)
Dividends paid	-	-	-	-	(1,357)	(1,357)
Balance at 31 January 2024	**1**	**10,000**	**14,751**	**67,969**	**(18,225)**	**74,496**

Notes to the Company Financial Statements

For the 12 month period ended 31 January 2024

1. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard ('FRS') 100, issued by the Financial Reporting Council ('FRC'). Accordingly, the financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, impairment of assets and certain related party transactions.

Where required, equivalent disclosures are given in the Group accounts.

The financial statements have been prepared on the historical cost basis, which is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

No critical judgements were applied in the parent company other those discussed in note 5 to the consolidated financial statements.

Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Impairment reviews are conducted annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs of sale and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Assessment of investment and intercompany receivable balances for impairment

Investments in subsidiary undertakings are stated at cost less accumulated provisions for impairment. Intercompany receivables are stated at amortised cost. The directors assess annually whether there are any indicators of impairment by considering the expected future profitability and cash generation of each business unit.

Notes to the Company Financial Statements

For the 12 month period ended 31 January 2024

3. Investment in subsidiaries

Shares in Group undertakings	2024 £' 000	2023 £' 000
Opening balance	108,627	108,627
Additions	-	-
Closing balance	**108,627**	**108,627**

The directors consider that the carrying value of the investments is supported by their underlying net assets. The carrying value of the investments was tested against discounted future cash flows during the period. The forecasts were based on pre-tax cash flows derived from the approved budget for Financial year 2025 and the long-term strategic plan. Management considers that these forecasts are achievable. Should future cash flows be unable to support the carrying value, an impairment would be recognised.

A full list of subsidiary companies and branches owned directly or indirectly by the Company as at 31 January 2024 is presented on pages 64 - 66.

4. Loans receivable from group undertakings

	2024 £' 000	2023 £' 000
Amounts owed by group undertakings	44,759	40,260

Included in the total above are amounts owed by subsidiary undertakings of £43.9m (2023: £39.4m) and amounts owed by parent undertakings of £0.9m (2023: £0.9m)

Amounts owed by Group undertakings are unsecured. The interest is charged at a 2.5% margin over SONIA in accordance with formal loan agreements between the parties. These are not expected to be repaid within the next 12 months.

5. Loans payable to group undertakings

	2024 £' 000	2023 £' 000
Amounts owed to group undertakings	39,325	18,955

Included in the total above are amounts owed to subsidiary undertakings of £38.0m (2023: £17.6m) and amounts owed to parent undertakings of £1.3m (2023: £1.3m)

Amounts owed to Group undertakings are unsecured. Interest is charged at a 2.5% margin over the bank base rate applicable in the jurisdiction of the lender, in accordance with formal loan agreements between the parties. These are not expected to be repaid within the next 12 months.

6. Share capital & other reserves

	2024 £' 000	2023 £' 000
Authorised, Allotted and fully paid		
73,323,183 ordinary shares of 0.001 pence each	1	1

The difference between the consideration and the par value of shares issued is recorded in the share premium account and amounts to £10m (2023: £10m).

Fair value and other non-distributable reserves of £14.7m (2023: £14.7m) remain unchanged in the current financial period and include £2.8m relating to a capital contribution movement as part of the historic share reduction exercise and £11.9m related to the fair value of the investment as part of the acquisition under IFRS3, all of which took place in prior financial periods.

Other distributable reserve consists of £68.0m (2023: £68.0m) relating to the transfer from share capital and share premium as a result of the share reduction undertaken in a prior financial period.

7. Borrowings

The prior year comparative balance for borrowings due in less than one year has been restated from Nil to £9.3m and the prior year comparative balance for borrowings due in more than one year has been restated from £48.5m to £39.2m to correct the maturity classification split of the senior debt facility.

Further details are provided in the senior finance debt section of note 29 to the consolidated financial statements.

Full list of Subsidiaries

Unless otherwise indicated, Nash Squared Holdings Limited indirectly holds investments in the ordinary share capital of the following subsidiaries.

		% Holding	Principal activity
United Kingdom			
3 Noble Street, London EC2V 7EE			
Nash Squared Ltd	directly held investment	100%	Holding company
Harvey Nash Ltd		100%	Recruitment consultancy
Crimson Ltd		100%	Recruitment consultancy
Harvey Nash Next Gen Ltd		100%	Recruitment consultancy
NashTech Ltd		100%	Software consultancy
Ireland			
Lower Ground Floor, 100 Mount Street, Dublin 2			
Harvey Nash (Ireland) Ltd		100%	Recruitment consultancy
NashTech Software Ltd		100%	Software consultancy
Netherlands			
Industrieweg 4, Maarssen, 3606 AS			
Harvey Nash BV		100%	Recruitment consultancy
Harvey Nash Group BV		100%	Holding company
Nash Perspective BV		100%	Recruitment consultancy
Harvey Nash Detachering BV		100%	Recruitment consultancy
Flexhuis BV		100%	Recruitment consultancy
Regus Amsterdam, Sloterdijk Teleport Towers, Kingsfordweg 1511043 GR			
Knoldus BV		100%	Software consultancy
Germany			
Grafenberger Allee 337a-c 40235 Düsseldorf			
Harvey Nash GmbH		100%	Recruitment consultancy
Nash Direct GmbH		100%	Recruitment consultancy
NashTech GmbH		100%	Software consultancy
Impact Executives (Germany) GmbH		100%	Non-trading
Belgium			
Nieuwe gentesteenweg 21/3, 1702 Groot-Bijgaarden			
Harvey Nash IT Consulting NV		100%	Recruitment consultancy
Harvey Nash NV		100%	Recruitment consultancy
Residentie Docklands, Indiëstraat 2, 2000 Antwerpen			
eMenka NV		100%	Recruitment consultancy
Talent IT BVBA		100%	Recruitment consultancy
Team4Talent BVBA		100%	Recruitment consultancy
Flexhuis Belgium BVBA		100%	Procurement
Switzerland			
Badenerstrasse 15, Postfach 8021 Zürich			
Harvey Nash AG		100%	Recruitment consultancy
Impact Executives Holdings AG		100%	Non-trading

Full list of Subsidiaries

	% Holding	Principal activity
Poland		
Mokotowska 49, 00-542 Warsaw		
Harvey Nash Alumni Sp. z o.o.	100%	Recruitment consultancy
Harvey Nash Technology Poland Sp. z o.o.	100%	Recruitment consultancy
NashTech Sp. z o.o.	100%	Software consultancy
India		
6-3-348, 3rd Floor, Midtown Road, 1 Banjara Hills, Hyderabad 500034		
Harvey Nash Private Limited	100%	Recruitment consultancy
SDF L11, NSEZ, Sector 81, Noida, UP 201304		
Knoldus Software LLP	100%	Software consultancy
Knoldus Technologies Pvt Ltd	100%	Software consultancy
Canada		
18 York Street, Suite 2500, Toronto, Ontario, M5J 0B2		
NashTech Cananda Inc	100%	Holding company
Knoldus Holdings Inc	100%	Software consultancy
Knoldus Inc.	100%	Software consultancy
United States of America		
1700 Route 23 North, Suite 100, Wayne, NJ 07470		
Harvey Nash Inc	100%	Recruitment consultancy
Harvey Nash Holdings Inc	100%	Non-trading
SBS Group Inc	100%	Non-trading
Broadbay Networks Inc	100%	Non-trading
Tech Discovery LLC	100%	Non-trading
Euro Systems International Inc	100%	Non-trading
Applied Concepts Inc	100%	Non-trading
Scientific & Business Systems Inc	100%	Non-trading
50 N, Brockway Street, Suite 3-12, Palatine, IL - 60067		
Knoldus Inc.	100%	Software consultancy
810, Crescent Centre Dr., Suite 120, Franklin, Tennessee 37067		
Latitude 36 Inc	100%	Recruitment consultancy
Japan		
Tokyo Square Garden 14F, WeWork, 3-1-1 Kyobashi, Chuo-ku, Tokyo, Japan 104-0031		
NashTech Japan KK	100%	Software consultancy
Singapore		
One Raffles Quay, North Tower, Level 25		
Harvey Nash Singapore PTE Ltd	100%	Non-trading
Level 08-09, The Metropolis Tower 2, 11 North Buona Vista Drive, Singapore 138589		
Knoldus Consulting Pte Ltd	100%	Software consultancy
71 Robinson Road, #13-129		
NashTech Singapore PTE Ltd	100%	Software consultancy

Full list of Subsidiaries

	% Holding	Principal activity
British Virgin Islands		
P.O Box 957, Offshore Incorporations Centre, Road Town, Tortola		
Harvey Nash Ltd (BVI)	100%	Non-trading
Vietnam		
364 Cong Hoa Street, Tan Binh District, Ho Chi Minh City		
Harvey Nash (Vietnam) Company Ltd	100%	Software consultancy
Australia		
Level 32, 200 George Street, Sydney NSW 2000		
NashTech Software Pty Ltd	100%	Software consultancy
Harvey Nash Ltd (Australian Branch of UK entity)	100%	Recruitment consultancy

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10787 Berlin

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D-70174 Stuttgart

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D-80636 München

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Hohe Bleichen 12
D-20354 Hamburg

Netherlands
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Industrieweg 4
3606 AS Maarssen

Groningen
Hereweg 120 (4th floor)
9725 AK Groningen

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Hyderabad 500034

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Sydney NSW 2000

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239 Xuan Thuy Road
Cau Giay District, Hanoi

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364 Cong Hoa Street
Tan Binh District
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Danang City

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