Company Registration number: 126348

Auxey Holdco Limited

Annual report and financial statements

For the year ended 31 December 2023

Auxey Holdco Limited

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Auxey Holdco Limited

Officers and professional advisers

Directors

R Blair (the Chair and Founder)
D Leigh (Chief Executive Officer)
M Rodger (Chief Growth Officer)
F Cohen (Non-executive director)
S Jones (OMERS Private Equity representative)
E Haley (OMERS Private Equity representative)
J Mussellwhite (OMERS Private Equity representative)
J Welch (Non-executive director)
G Stuart (Chief Financial Officer)

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Auxey Holdco Limited

Strategic Report

Review of trading results for the year ended 31 December 2023

This Strategic report has been prepared for Auxey Holdco Limited ("the Company") and its subsidiaries (together "the Group") trading as "AMS".

2023 proved to be a challenging year for AMS as many clients reduced hiring volumes due to unfavourable macro-economic conditions. This uncertainty, along with lower levels of attrition within clients, resulted in businesses reducing hiring volumes.

Despite these conditions AMS delivered a strong financial performance with earnings before interest, taxes, depreciation and amortisation ("EBITDA") and before exceptional items and amortisation of customer relationships and brand of £71.0m (2022: £92.5m). The Group reported an operating profit before exceptional items and amortisation of customer relationships and brand of £54.9m (2022: £77.1m). In 2023 the Group incurred £11.4m of exceptional costs items related to redundancy and restructuring programmes, onerous contracts, asset impairments and integration costs on previously acquired entities (2022: £4.6m).

The overall loss for the year after taxation was £70.5m, largely driven by interest charges on the group's shareholder debt and external bank borrowings (2022: loss of £31.0m).

The key financial metrics used by the group to monitor trading performance are net fee income ("NFI"), operating profit and EBITDA. Operating profit for this purpose is measured before exceptional items and amortisation of customer relationships and brand. The trading metrics of the Group are detailed below.

	2023 £m	**% change**	**2022 £m**	**% change**
Billings	2,480.6	-2.0%	2,532.5	16.4%
Revenue	559.4	-15.8%	664.6	59.0%
NFI (Gross profit)	470.5	-7.7%	509.8	54.0%
Operating profit (before exceptional items and amortisation of customer relationships and brands)	54.9	-28.8%	77.1	45.2%
EBITDA (before exceptional items and amortisation of customer relationships and brands)	71.0	-23.3%	92.5	39.0%

Billings represent invoiced amounts net of sales taxes; revenue represents net billings less subcontractor costs. A reconciliation between statutory operating profit and EBITDA (as defined above) is presented in the table below.

	2023 £m	**2022 £m**
Operating profit	20.9	50.1
Exceptional items (note 5)	11.4	4.6
Amortisation of customer relationships and brand (note 11)	22.6	22.4
	54.9	77.1
Depreciation of right of use and fixed assets	5.6	6.0
Amortisation of software and contract implementation costs	10.5	9.4
EBITDA (as defined above)	71.0	92.5

Strategic Report (continued)

Challenging market conditions in 2023 coupled with the high inflationary environment, interest rate hikes and geopolitical tensions added to the state of economic uncertainty which resulted in lower trading volumes for AMS. Reduced customer demand resulted in a 15.8% decrease in revenue, 7.7% decrease in gross profit and a 23.3% decrease in EBITDA. The Group made a conscious decision to continue its investment in Growth and Sales, Innovation and Technology capability despite the economic downturn.

The investment in the Growth and Sales team ensured that AMS continued to convert its pipeline of large new outsourcing wins and the pipeline continues to be strong across the business with an estimated £14m of EBITDA secured from new wins in 2023 when these contracts reach maturity.

Ongoing investment in the Innovation function enables the Group to accelerate development of its service lines, including further technology enablement and the roll out of a Tech Skilling proposition.

The acquisition of FlexAbility in India and Hire Power Inc in Canada during 2022 contributed positively to financial results in 2023 and enabled the Group to start to benefit from well established operations in lower cost near and far shore locations. In April 2023 Hire Power Inc merged with AMS legal entity in Canada, Alexander Mann Solutions Inc.

Cash generation of £13.2m was higher than the prior year (2022: £0.7m). Whilst Group operating profit decreased by 58.3%, operating cashflow was higher as 2022 results included 13 UK payroll payments in 2022 rather than the usual 12 and a working capital outflow resulting from a drop in the number of contractors required for the UK government track and trace programme as the UK moved to a “living with Covid” strategy. Working capital management in 2023 was strong with a focus on reducing time taken to invoice clients, average receivable collection days of 15 days and a reduction in overdue receivables.

As a result of the working capital inflow, the Group’s cash and cash equivalents increased by £12.7m (2022 decreased: £21.6m) in the year to close at £62.9m (2022: £50.2m).

The Group is primarily funded through shareholder debt and debt provided by third party banks. In August 2023, AMS completed a refinancing which resulted in the cancellation of the previous facilities (£200m and US$201.2m) and replaced them with new term loans of £115m and $332.5m. The Group’s net interest cost for 2023 of £91.9m increased considerably from the £77.1m in 2022, as a result of a higher margin on the refinanced debt, higher base rates, higher principal borrowing for the year due to both the acquisition of FlexAbility in July 2022 being funded by US$40m of additional debt and a further £17.5m increase in total senior debt as part of the refinancing to fund associated costs. In addition, at the time of the refinancing £3.8m of arrangement fees associated with securing the original debt package in 2018 were written off.

The Group had a net liabilities position at 31 December 2023 of £160.9m (2022: net liabilities £83.6m) as a result of the accumulating 9% coupon on shareholder debt of £400m coupled with amortisation of intangible assets, neither of which impact the Group’s cash generation and ongoing financial viability. In addition, the Group has a net current assets position at 31 December 2023 of £36.3m (2022: net current assets position of £39.1m).

As of April 2023 the Group had a mean gender pay gap of 8.2% (2021: 8.8%), which is better than the UK national gender pay gap of 10.7% according to the Office for National Statistics (“ONS”). The Group’s median gender pay gap is 4.7% which is considerably lower than the UK median gender pay gap of 14.3%.

Principal risks and uncertainties

The Group’s activities expose it to a number of financial and operational risks including: risk of a global economic slowdown, credit risk, interest rate, foreign exchange and liquidity risk, each discussed in further detail below.

Impact of the global economic slow-down

The Group benefits from a wide portfolio of clients in diverse sectors and geographies. Our private sector business experienced a slow-down in demand in 2023. The group mitigates its exposure to the risk of a prolonged economic slowdown through its increasingly diverse client portfolio coupled with a strategy of retaining a percentage of it staff on temporary or short-term contracts. The Group continues to remain close to our clients plans and requirements so that we can react quickly to any change in their demand.

AMS continues to reduce its dependence on a small number of key clients, being more diverse both geographically and by sector concentration.

War in Ukraine

The Group ceased working with Russian clients in February 2022 and the Group's Russian legal entity was fully liquidated in December 2023.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed facilities.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has a senior term and multicurrency facilities agreement with a syndicate of banks incorporating a £36.0m UK invoice discounting facility, a $5.0m USA invoice discounting facility, a £40.0m revolving credit facility, a £115.0m term loan facility and a $331.7m (amortised down from $332.5m) term loan facility. A quarterly 1% amortisation charge applies to the US term loan, starting in December 2023.

In August 2023, AMS completed a refinancing which resulted in the cancellation of the previous facilities and replaced them with new term loans of £115m and $332.5m (amortising) and a RCF of £40m. The term loans mature in June 2027 and the RCF terminates in December 2026.

In March 2024 the Group has refinanced its UK invoice discounting facility and this is now a £60m facility with an end date of 2026. The above facilities require compliance with covenants and the Directors monitor compliance on an ongoing basis.

Interest rate risk

The Group's balance sheet at the year-end was funded by a GBP denominated senior loan of £115m and USD denominated senior loan of $331.7m (amortised down from $332.5m) and it has entered into derivative contracts to hedge interest rate risk associated with the loans.

In July 2021, the Group entered into derivative contracts to hedge its interest rate risk for a period of 3 years with a SONIA cap at 1.5% for 60% of the original GBP loan of £200m and a USD LIBOR cap at 1.5% for 75% of the original USD loan of $161.2m. These positions were subsequently supplemented by a $110m USD/GBP floating to floating cross-currency interest rate swap in a view of realigning interest and debt currency mix to policy, post amendment and extension of the Senior Facility.

Foreign exchange risk

In addition to this, the Group's trading activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group aims wherever possible to match income and costs by currency and maintains foreign currency denominated bank accounts to minimise the exposure of converting currencies into sterling. The Group also draws funding in foreign currencies to minimise the foreign exchange exposure of funding the working capital requirements of its overseas subsidiaries. Only exposures that can be measured and may result in significant impacts to the corporate consolidated financial statements will be considered for hedging. In 2023, the Group has entered into forward contracts to hedge an appropriate percentage of its forecast Polish zloty and Philippines pesos funding requirements and an appropriate percentage of the profits denominated in Euros, Swiss Francs and Hong Kong Dollars.

Credit risk

The Group is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The Group mitigates this risk by ensuring that its counterparties do not represent excessive credit risk prior to the agreement of any transaction.

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

Auxey Holdco Limited

Strategic Report (continued)

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of expected credit losses. The Group maintains a well-established credit control function that monitors the Group's trade receivables and is in regular communication with the Group's clients. The Directors do not consider there to be a significant concentration of credit risk, with other exposure spread over a large number of counterparties and clients, who tend to be global, blue-chip corporations with high credit ratings. There is an element of risk that rests ultimately with the UK Government under the Public Sector Resourcing ("PSR") contingent contract, but this exposure is monitored closely.

Key performance indicators

The Group monitors a number of operational, financial and strategic indicators to ensure it is progressing against plan and adequately addressing any risks. As noted above, financial metrics measured include NFI, Operating Profit and EBITDA.

Financial key performance indicators

- EBITDA

EBITDA defined before exceptional items and amortisation of customer relationships and brands decreased 23.3% in 2023 reaching £71.0m (2022: £92.5m).

- Operating profit

Operating profit defined before exceptional items and amortisation of customer relationships and brands decreased 28.8% in 2023 reaching £54.9m (2022: £77.1m).

- NFI

NFI (gross profit) reached £470.5m in 2023 representing 7.7% decrease as compared to 2022 results (£509.8m).

Non-financial key performance indicators

- Employee engagement survey

AMS works with Glint to organise an annual employee engagement Every Voice Matter survey that delivers actionable insights into employees' experiences of working at AMS. Two surveys are run annually, in September and February. In 2023 on average 80% of all staff completed the survey (2022: 71%) providing strong representation of employee opinion. AMS average engagement score in 2023 decreased slightly to 76 (2022: 80), which represents a solid result given more challenging economic conditions.

- Diversity: Percentage of female senior leaders

AMS upholds the principle of equality in all forms across its business. At the end of 2023 female senior leaders constituted 61.7%, which is 3.4% increase compared to 2022.

- Carbon emissions (CO_2e tonnes)

AMS is committed to reduce its carbon footprint. In 2023 total UK gross emissions increased by 16% to 2057.009 CO_2e tonnes (within scope 1,2,3 as described on page 7). That is a result of increase in identified homeworking employees and business travel kept at usual level after economies reopened.

Approved by the Board of Directors
and signed on behalf of the Board

G Stuart
Director29 April 2024

Auxey Holdco Limited

Directors' report

The directors of Auxey Holdco Limited present their annual report on the affairs of the Company and its subsidiaries, alongside the financial statements and auditor's report for the year ended 31 December 2023.

Activities

The principal activity of the Company is that of an investment holding company. The principal activity of the Group, trading as "AMS", is the provision of talent acquisition and talent management services predominantly under long-term contracts.

The subsidiaries principally affecting the results or net liabilities of the Group in the year are listed in note 31 to the financial statements.

Ownership

The Company is incorporated in Jersey and is tax resident in the United Kingdom and is under the control of Auxey Holdings (Lux) S.A.S. OMERS Administration Corporation indirectly owns 100% of the participating (economic) interest and 30% of the voting interest of Auxey Holdings (Lux) S.A.S., and OCP Trust, of which OMERS Administration Corporation is a beneficiary, indirectly owns the remaining 70% voting interest of Auxey Holdings (Lux) S.A.S.

The directors believe that OMERS Private Equity's (as a private equity asset manager for OMERS Administration Corporation) knowledge and network together with their sector expertise are helping accelerate the Group's growth.

Strategic objectives

The Group's strategic objective is to generate significant growth through a combination of expansion of services with existing clients (into new service areas and geographies), acquiring new clients, increasing our footprint in the Americas, EMEA and Asia Pacific and through strategic acquisitions.

Business model

The Group is a leading provider of Recruitment Process Outsourcing ("RPO") solution with over 9,100 employees partnering with blue-chip organisations across the globe in a multitude of languages.

We deliver a distinctive blend of outsourcing solutions and a full range of consulting and specialist services. We provide unrivalled experience, capability and thought leadership to help clients attract, engage and retain the talent they need for business success.

The Group's global solutions increase the efficiency, effectiveness and competitive advantage of our clients' talent acquisition activities, and we adopt a total workforce approach that encompasses permanent and contingent workforces and internal mobility. We help our clients achieve superior outcomes through a combination of subject matter expertise, process optimisation and technology. Our business intelligence capability provides our clients with deep and relevant insights.

Our solutions are deeply embedded within each client's organisation and processes. Our employees are client branded and fully integrated into clients' infrastructure, operations and internal processes.

The Group maintains C-suite level relationships with key decision makers and we are involved in corporate and HR strategy with our clients which result in entrenched and progressive client relationships.

The Group provides a broad range of solutions, including:

• Total workforce solutions • Contingent workforce solutions

• Permanent workforce solutions • Early careers and campus • Executive Search • Volume hiring

• Advisory and Tech skilling

Directors' report (continued)

Business review

The loss after taxation for the year ended 31 December 2023 was £70.5m (2022: £31.0m).

In common with other businesses in the sector, the Group trading volumes were adversely impacted by the global economic slowdown. The loss after tax includes a 9% interest coupon of £53.3m (2022: £48.9m) that accrues on shareholder loans and amortisation of intangible assets of £22.6m (2022: £22.4m) in relation to the amortisation charge recognised on the Group's brand and customer contracts. The 9% interest coupon that is accruing on the shareholder loans is repayable on the earlier of an exit event or 15 June 2028. Neither of these costs has any cash impact in the year.

Future developments

The Group intends to continue to expand by developing present client relationships with further geographical growth and breadth of service offering, as well as by acquiring new clients.

The Board considered in depth potential impacts of the war in Ukraine and a global recession on the Group's viability and going concern status. The relevant disclosures are set out in the Directors' Report on page 12 and in note 3.

Financial risk management objectives and policies

The financial risk management objectives and policies are discussed in detail in the Strategic Report.

AMS is committed to operating its business in a sustainable manner and is dedicated to mitigating any potential risks to its financial performance.

Environmental, Social, and Governance (ESG) considerations are an integral part of our business strategy, and we have identified the following areas as being material to our operations:

Environmental

AMS acknowledges the impact of climate change on its business and is committed to reducing its carbon footprint. In 2023, AMS produced the following UK Carbon Emissions:

Reporting Year	2023 tCO_2e	2022 tCO_2e	Comments
Scope 1	1487.751	1281.342	AMS does not own any office space or company vehicles. With this in mind, AMS reports on homeworking as part of its Scope 1 emissions. AMS carbon emissions in Scope 1 have increased from 2022 due to the increase of identified Homeworkers in 2023
Scope 2	Gross: 36.503 Net: 3.665	Gross: 50.018 Net: 5.651	AMS’ Scope 2 emissions decreased due to the Bracknell office closing at the end of 2022. Energy supplied in our Belfast office for 2023 came from a green energy supplier. This resulted in a reduction in emissions from 2022 to 2023.
Scope 3 (Employee Commuting Business Travel)	865.831	725.649	AMS had an increase in Scope 3 emissions from 2022 to 2023 due to business travel and commuting continuing to resume to a normal level after the COVID-19 pandemic.
Total Emissions	**Gross:** 2390.085 **Net:** 2357.247	**Gross:** 2057.009 **Net:** 2012.642	`

In 2023, AMS achieved ‘Management’ Level status in the Carbon Disclosure Project, achieving a B level rating. AMS previously achieved a B- rating in 2022. In 2023 AMS also improved engagement communication on environmental performance with internal personnel and external stakeholders via different communication channels including its internal employee communication tool, Viva Engage, which allows employees to connect and share updates around the business.

AMS continued its partnership with Plant for the Planet, and has now planted over 19,000 trees since 2022 in locations in which it operates including Philippines, India, Ireland, Canada, Spain, Australia and USA.

In 2023, AMS achieved CarbonNeutral division certification in the UK, in accordance with the CarbonNeutral Protocol. This takes us one step closer to achieving our global target of being Carbon Neutral by 2025, whilst we drive down our emissions to achieve Carbon Net Zero by 2050.

AMS also produced its first Sustainability Report and supported events such as World Earth Hour during which all employees were granted additional time off to participate in a digital switch off to allow them to reflect on the environment and do something for their mental health and wellbeing. AMS also celebrated World Environmental Day by raising awareness across the organisation on how to #BeatPlasticPolution. In addition, AMS celebrated World Clean-up Day, where colleagues from various locations around the globe performed clean-up activities in their local community.

In 2024 AMS will set Science Based Targets with the Science Based Targets Initiative and will report on Global Carbon Emissions as well as continuing to engage employees on the impact AMS and they, as individuals, have on the environment. In addition, AMS will be moving office locations in London and Krakow. These offices will be more energy efficient and support our overall carbon reduction plan.

Social

We understand the importance of social responsibility and are committed to promoting diversity and inclusion within our organisation alongside ensuring social mobility and high standards for health and wellbeing.

Social mobility

Social mobility is linked to equality of opportunity: the extent to which people have the same chances to do well in life regardless of the socio-economic background of their parents, their gender, age, sexual orientation, race, ethnicity, birthplace, or other circumstances beyond their control.

The Social Mobility Employer Index is an annual benchmarking and assessment tool for employers and is the UK&I's leading authority on employer-led social mobility. In 2023 AMS was placed at number 39 in the top 75 employers in the Social Mobility Foundation Employer Index, rising through the ranks from our place at number 43 in 2022.

AMS has Executive Committee sponsorship together with the on-going support of the Senior Leadership Team, CEO and Chair in respect of its overall Social Mobility strategy and impact. Quarterly updates are sent to the business together with regular social media posts, client roundtables, PR activity including press releases as well as case studies which showcase the impact the business has made when partnering with clients in this space.

In addition, AMS has a Social Mobility Employee Resource Group (ERG). The ERG aims to shape the company's Social Mobility strategy globally and is sponsored by the Chief Growth & Commercial Officer and led by internal champions. The work is supported by six key pillar workstreams across outreach programmes, attraction, recruitment and selection, evidence of data, internal and external advocacy as well as a yearly survey of key indicators to understand the socio-economic profile of our organization. In 2023, we participated in over 20 outreach programmes with young people, utilising partnerships with the Princes Trust Northern Ireland, Business In the Community (BITC), Stephen Lawrence Scholarship Foundation, BEAM (a Social Enterprise supporting the homeless) and various schools and colleges, as well as participating in client roundtables and signing up to the 'Ban The Box' initiative. From a global perspective, we ran a very successful Social Mobility Awareness Week which began with the celebration of World Day of Social Justice on 20 February 2023 and included hearing stories from colleagues across all our regions about social mobility and the power of socio-economic and social justice.

Diversity and inclusion

In 2022, AMS founded a DEI (Diversity, Equity and Inclusion) Centre of Excellence (COE) The purpose of the COE is to ensure that DEI remains central to AMS both within the organisation and in how we deliver to our clients across our RPO and CWS solutions. During 2023, the DEI COE has continued to make progress with its internal strategy, developing a refreshed global DEI governance structure and setting up for success the Leads for our nine ERGs, including an agreed 10% time allocation for the role. AMS celebrated 20 Milestone Moments across the year, including its annual DEI & Citizenship on the topic of belonging in a global community, Disability Pride Month (with over 3,000 colleagues participating), and for the first time, South Asian Heritage Month.

AMS colleagues attended a record number of 10 LGBTQ+ Pride marches globally and have continued to see ERG growth – as high as 62% for our Disability ERG. We have strong DEI training completion rates across the business – including our courses Passport to Hire (97%), Recruiter DEI training (90%), Bias & Conscious Inclusion (81%), Allyship (81%) and Microaggressions (87%).

AMS increased ethnicity representation in its global leadership team from 4% to 16% via its 3-year Ethnicity Action Plan, committing to a renewed plan for 2024-26. The Group's second Annual DEI Report was published outlining progress over 2022, this year expanding diversity data capture across regions, including Canada, the USA, and EMEA. AMS released its Gender, Ethnicity & Social Mobility Report in the UK where we also reported on our Class Pay Gap for the first time.

AMS revalidated its 'Gold Status' for the Defence Employer Recognition Scheme for the next five years and signed the Tech Talent Charter in the UK. AMS won 'Outstanding Disability Network of the Year' at the British Diversity Awards in 2023 and will be sponsoring the 2024 awards for the Social Mobility Initiative of the Year category. In addition, AMS was nominated for a first joint DEI Award with a client, Arup, in the CIPD People Management Awards, and was shortlisted in the European Diversity Awards, The Bank of London Rainbow Honours, and British Ex-Forces in Business Awards.

Directors' report (continued)

Health and safety

In 2023, AMS consolidated the regional Health and Wellbeing (H&W) groups under a global leadership. Each regional group had worked independently in previous years, delivering a high standard set of events to support local needs. To leverage and enhance the H&W offering and learning opportunities to employees, AMS has created a centralised function that drives global initiative and coordinates local ones. Since 2023 H&W is sponsored by an Executive Committee member, together with the on-going support of the Senior Leadership Team.

In addition, AMS has a H&W ERG. The ERG aims to shape the Group's health and wellbeing strategy globally and is sponsored by a member of the senior leadership team and led by internal champions. AMS has also trained several Mental Health Ambassadors that can support colleagues facing difficult times. Wellbeing is measured as part of the Group's Employee Engagement Survey which takes place on a quarterly basis.

Other health & safety related initiatives include: group to raise awareness on PTSD; working in partnership with the Sustainability team to celebrate Earth Hour, providing time off to all employees, to be used in collaboration with International Day of Happiness.

Governance

AMS operates strong corporate governance and transparency through the application of its Corporate Governance Policy which provides a framework which governs the organisation in support of achieving its goals.

Relationships with our 3rd parties are fundamental to AMS's ability to maintain its operations and offer products and services to its employees and clients. We have a responsibility to ensure that products and services provided by 3rd parties do not expose our business / our client's businesses to risk, and that 3rd parties comply with applicable laws and regulations. As such, in 2023 we completed a thorough review of our Third-Party Assurance Programme as we continuously strive to improve and strengthen our standards and the due diligence we complete on our suppliers in order to mitigate any risks within our supply chain.

In 2023, we continued to strengthen our core governance policies including our Code of Conduct for both suppliers and AMS personnel alongside ensuring our mandatory compliance training programme is completed by all AMS staff.

AMS reports a summary of Risk and Compliance metrics, together with identified enterprise risks to the Board every two months. AMS also attends a quarterly ESG Roundtable hosted by OMERS.

We believe that ESG principles are fundamental to our long-term success, and we are committed to the continual integration of ESG into our business strategy.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, the Group intranet, and the annual appraisal process. Employees are consulted regularly on a wide range of matters affecting their current and future interests and are eligible for an annual bonus related to the overall profitability of the Group and their individual performance.

In addition, all employees are entitled to one additional day's holiday each year to work for a charity of their choice.

Directors' report (continued)

Gender mix across the Group as at 31 December 2023 was:

	Female	Male	Other	Undisclosed
Directors (Company)	2	7	-	-
Senior Management (bands 6-8)	276	166	-	5
All Workers	5,967	2,123	11	165

Gender mix across the Group as at 31 December 2022 was:

	Female	Male	Other	Undisclosed
Directors (Company)	2	7	-	-
Senior Management (bands 6-8)	238	169	-	1
All Workers	7,636	2,730	10	26

Disabled employees

Disability inclusion is a key strategic priority for our business, having appointed a Disability & Accessibility Lead in the DEI Centre of Excellence, and have a continued focus on hiring and retaining disabled talent. We have very active Disability and Neurodiversity Employee Resource Groups, which grew in membership by 62% over 2023, having a key purpose of educating colleagues on barriers experienced by disabled people and how as a business we can adopt inclusive and accessible practices. AMS has a dedicated Disability & Neurodiversity training playlist on its LMS which is regularly updated and it marked global Milestone Moments such as Accessibility Awareness Day and Disability Pride Month (with over 3,000 colleagues participating). In 2023 our Disability & Neurodiversity ERGs won 'Outstanding Disability Network of the Year' at the British Diversity Awards, and AMS Disability & Accessibility Lead Jamie Shields was named on the Shaw Trust Disability Power 100.

Charitable and political contributions

During the financial year the Group made charitable donations of £86,000 (2022: £62,000). The Group and the Company made no political donations in the year (2022: £nil).

Directors

The directors who have served during and since the year end are listed on page 1.

Sourcing talent, responsibly

We understand that we have a significant role to play in managing our business carefully and responsibly. We continuously focus on driving corporate responsibility through adopting appropriate policies, not only within the Group, but also within our global supply chain.

We are currently developing a supplier diversity strategy to promote inclusive practices across our supply chain, and creating more opportunity for minority owned businesses, maximising spend with these where possible. Our current supply partners include a range of certified minority- or women-owned businesses who deliver certain aspects of a client's solution such as sourcing.

The Group has formally documented its commitment to ensuring slavery is not present within any part of the business or across the supply chain. The Group is fully supportive of the Modern Slavery Act and its aims and will not knowingly support or deal with any business involved in slavery or human trafficking.

Directors' indemnity arrangements

The Group had directors' and officers' liability insurance in respect of itself and its directors at the end of 2023.

Going concern

As at 31 December 2023, the Group had a cash and cash equivalents balance of £62.9m and undrawn Confidential Invoice Discounting and Revolving Credit Facilities of £75m. The Group also has a £115m term loan facility and a $331.7m term loan facility, which are subject to financial and other covenants. A significant element of the indebtedness is the £645.8m shareholder loan notes, which are free from financial covenants. The shareholder loan notes are repayable on 15 June 2028 or on an exit event, whichever is earlier. The Board has reviewed the Group's forecasts for the financial year ending 31 December 2024 and the 18-month period to 30 June 2025 and, alongside their 'base case' forecasts, have considered the potential impact of downside scenarios which could possibly result from global economic downturn, the major variable being the impact of this on client volumes.

The Group has considered several variables that may have an impact on future trading due to the possibility of a global recession. The Group has run a number of downside scenarios that reflect various potential reductions in client demand together with the associated mitigating actions available such as headcount reductions and a reduction in discretionary spend including bonus.

Forecast stress testing scenarios have demonstrated that the Group could mitigate and withstand a further material and prolonged decrease in NFI and EBITDA without breaching the covenants attached to the banking facilities. The Directors have also modelled that the Group could also withstand the highly remote scenario of a 24% decline in NFI against the base case and a 64% decline in EBITDA for the 18 months through to June 2025 and still operate within existing facilities. The covenants are measured including a number of agreed 'pro-forma' adjustments to the actual results.

These forecasts, which include the impact on lending covenants, and take into account the Board's future expectations of the Group's performance and permissible covenant pro-forma adjustments, indicate that there is sufficient headroom within the bank facilities for the Group to continue to operate within those facilities and to comply with the financial covenants.

The Directors believe that the Group is adequately placed to manage its business risks successfully. On the basis of the Group's forecasts and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Subsequent events

In January 2024, the Group refinanced its currency and interest rate derivatives maturing in July 2024 by entering into a £170m (amortising) GBP interest rate swap, a $141.75m (accreting) USD interest rate collar and a $141m (amortising) USD/GBP floating to floating cross-currency interest rate swap. All these trades are forward-starting (from July 2024) and mature in Dec 2025. As a result of this exercise, the Group's interest and debt currency mix is realigned to the Treasury policy.

In March 2024, the Group refinanced its UK Confidential Invoice Discounting facility of £36m which was due to mature in December 2024. The new facility benefits from a limit of £60m and a new end date of December 2026.

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 of which the Group's auditor is unaware; and
- the director has taken all 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.

Directors' report (continued)

Auditor

In accordance with Companies (Jersey) Law 1991, the directors resolved for the re-appointment of Deloitte LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

G Stuart
Director

29 April 2024

Auxey Holdco Limited

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 have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The financial statements are required by law to 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 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 IFRS is 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 Company'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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Auxey Holdco Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Auxey Holdco 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 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been properly prepared in accordance with Companies (Jersey) Law, 1991.

We have audited the financial statements which comprise:

- the consolidated statement of profit and loss and 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 changes in cash flow; and
- the related notes 1 to [32].

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as issued by the IASB.

2. 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Impairment of goodwill; and • Revenue recognition: cut-off of permanent placement revenue Within this report, key audit matters are identified as follows:

	Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £6.3 million which was determined on the basis of an approximately 50:50 blend of 2% of forecast net fee income (NFI) and 4.5% of forecast EBITDA. In addition, the company only materiality that we used was £3.0 million which was determined on the basis of 2% of net assets.
Scoping	Audit work to respond to the risks of material misstatement in all significant components of the group was performed directly by the group audit engagement team.
Significant changes in our approach	We no longer consider revenue recognition to be a key audit matter within our enhanced audit report as the amounts recognised from new contracts are below audit materiality both individually and in aggregate.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the key assumptions made by the directors to capture potential downside risks, including the associated macro-economic assumptions around inflation and rising interest rates, with a particular focus on the headroom available and the group's cash resources, under severe but plausible stress scenarios;
- assessing the group's lending facilities, their availability and compliance with covenants; and
- evaluating the appropriateness of the financial statement disclosures in respect of going concern.

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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment of goodwill

Key audit matter description	At 31 December 2023, the Group has goodwill with a carrying value of £603.5m (2022: £609.1m). In accordance with IAS 36 Impairment of assets, management is required to perform an annual test for impairment to goodwill. The determination as to whether goodwill is to be impaired is considered a key audit matter by virtue of the level of judgement involved and the material level of goodwill. We consider management assumptions around future growth in net fee income and new business wins within the cash flow forecasts to be the most significant judgements in the assessment of goodwill impairment. We also consider there to be judgements around the determination of an appropriate discount rate to apply within the value in use ("VIU") model. Further details are included in notes 3 and 11 to the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following procedures: • obtained an understanding of the relevant controls around management's goodwill impairment review; • assessed whether management's determination of cash generating units ("CGUs") is within our understanding of the group's business; • understood and challenged the key assumptions driving the growth in net fee income and new business wins within the cash flow forecasts through an assessment of historic management forecasting accuracy and agreeing a sample of new business wins included in forecasts to appropriate evidence to support that these are realistic, pipeline opportunities; • assessed the discount rate applied by management, with the support of our valuations specialists; • performed sensitivity analysis on management's forecast to assess their reasonableness; and • assessed whether the disclosures within the financial statements are appropriate and in line with the requirements of the relevant accounting standard.
Key observations	We concurred with management that no impairment charge is required against the carrying value of goodwill at the reporting date and consider the disclosures in relation to goodwill impairment to be appropriate.

5.2. Revenue recognition: cut-off of permanent placement revenue

Key audit matter description	The group provides talent acquisition and talent management services to a variety of customers. The group's revenue comprises mainly (i) permanent placements and (ii) contingent workforce solutions (CWS). Under the accounting standard, one of the criteria to recognise revenue is 'when (or as) the entity satisfies the performance obligation'. For the group the key judgement for the recognition of revenue on permanent placements is therefore around the timing of satisfaction of the performance obligation and whether this occurs at the date of acceptance or at the start date. This is based on the contractual terms with each customer, depending on when the risks and rewards are transferred to the customer. Further details are included in notes 3 and 4 to the financial statements.
How the scope of our audit responded to the key audit matter	We have tested a sample of permanent placement revenues recognised around the period end to assess whether the performance obligation had been met in 2023, and therefore whether it was correct to recognise the revenue, through comparison against the terms of the contract.
Key observations	Based on the work performed we concluded that the accounting for the cut-off of permanent placement revenue is appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£6.3m (2022: £6.6m)	£3.0m (2022: £3.1m)
Basis for determining materiality	A 50:50 blend of 2% of forecast net fee income (NFI) and 4.5% of forecast EBITDA (2022: same benchmark).	2% of net assets (2022: 2% of net assets)
Rationale for the benchmark applied	The blend of NFI and EBITDA has been selected as the most appropriate benchmark as these represent key performance metrics for the group and are widely used as a basis for determining	Net assets is considered to be the most appropriate benchmark for an investment holding company.

Independent auditor's report to the members of Auxey Holdco Limited (continued)

	materiality for recruitment and outsourcing companies.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2022: 70%) of group materiality	70% (2022: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • the quality of the control environment and the fact that we were able to rely on controls as part of the audit in relation to contractor cost of sales; • our risk assessment, including our assessment of the company's overall control environment; and • our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.3m (2022: £0.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The group operates globally with components to the group situated in key geographies – Europe, the Americas, Asia Pacific, the Middle East and Africa. Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement in all significant components of the group was performed directly by the group audit engagement team.

The group audit engagement team performed full scope audit procedures on the company and specified audit procedures on selected trading entities in the group. These were determined to be the group's components in the United Kingdom, United States and India, and account for 77% of the group's net fee income (2022: 86%), 81% of profit before tax (2022: 98%) and 86% of net assets (2022: 89%). The group audit engagement team also performed full scope audit procedures on other UK intermediary holding entities.

At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or specified audit procedures.

Determined component materialities ranged from £0.7 million to £3.1 million (2022: £2.6 million to £3.1 million).

7.2. Our consideration of the control environment

We have obtained an understanding of the relevant controls such as those relating to the financial reporting cycle, and those in relation to our key audit matters.

In addition we have tested and relied on controls in relation to the group's contractor payroll costs business cycle.

7.3. Our consideration of climate-related risks

We have made enquiries of management to understand and challenge their risk assessment process around the identification of risk in relation to climate change. In addition, we have performed a risk assessment to consider and evaluate the possible impact of climate change on relevant account balances and disclosures in the financial statements. The directors have concluded that there are no significant financial reporting risks arising. Based on our evaluation of this assessment, we consider this to be reasonable.

Finally we have read the disclosures in relation to climate-related risks detailed within the Directors' Report to assess whether these are materially consistent with our knowledge of the group and the financial statements as a whole. We have no issues to report on this matter.

8. Other information

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

Our opinion on the financial statements does not cover the other information and 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.

9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

Independent auditor's report to the members of Auxey Holdco Limited (continued)

10. 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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: the impairment of goodwill and revenue recognition of permanent placements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Companies (Jersey) Law, tax legislation.

In addition, we considered provisions of other laws and regulations that 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.

11.2. Audit response to risks identified

As a result of performing the above, we identified the impairment of goodwill and revenue recognition of permanent placements as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company, or proper 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.

We have nothing to report in respect of these matters.

Independent auditor’s report to the members of Auxey Holdco Limited (continued)

13. Use of our report

This report is made solely to the company’s members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. 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.

Matt Ward FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 April 2024

Auxey Holdco Limited

Consolidated statement of profit and loss and other comprehensive income
For the year ended December 2023

	Notes	2023 Before exceptional items and amortisation of intangible assets £'000	2023 Exceptional items and amortisation of intangible assets £'000	2023 Statutory result £'000	2022 Before exceptional items and amortisation of intangible assets £'000	2022 Exceptional items and amortisation of intangible assets £'000	2022 Statutory result £'000
Revenue	4	559,398	-	559,398	664,556	-	664,556
Cost of sales		(88,876)	-	(88,876)	(154,771)	-	(154,771)
Gross profit		470,522	-	470,522	509,785	-	509,785
Administrative expenses	5	(415,644)	(33,999)	(449,643)	(432,669)	(27,009)	(459,678)
Operating profit		54,878	(33,999)	20,879	77,116	(27,009)	50,107
Finance income	6			8,827			9,981
Finance cost	6			(100,731)			(87,057)
Loss before taxation	8			(71,025)			(26,969)
Tax credit / (charge)	9			574			(4,027)
Loss after taxation for the year				(70,451)			(30,996)
Items that may be reclassified subsequently to profit or loss:							
Other comprehensive income/(loss):							
Remeasurement of net defined benefit liabilities				9			63
Tax on net defined benefit liabilities				(22)			-
Exchange loss on translation of foreign operations				(2,397)			(346)
Exchange (loss)/gain on translation of goodwill				(5,571)			9,231
Total comprehensive loss				(78,432)			(22,048)

All of the results presented above derive from continuing operations.

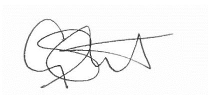
Auxey Holdco Limited

Consolidated statement of financial position
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Goodwill	11	603,547	609,118
Other intangible assets	11	240,099	260,534
Tangible assets	12	4,253	7,264
Right of use assets	13	3,217	4,486
Deferred tax	21	14,175	11,575
Capitalised contract implementation costs		2,919	4,556
		868,210	897,533
Current assets			
Trade and other receivables	14	210,474	277,279
Cash at bank and in hand	15	62,907	61,962
		273,381	339,241
Current liabilities	16	(237,047)	(300,136)
Net current assets		36,334	39,105
Total assets less current liabilities		904,544	936,638
Non-current liabilities	17	(1,006,425)	(958,071)
Provisions for liabilities	22	(58,993)	(62,159)
Net liabilities		(160,874)	(83,592)
Equity			
Share capital	25	1	1
Share premium	25	140,087	140,087
Share-based payment reserve	25	1,150	-
Foreign currency translation reserve		(7,047)	921
Retained earnings		(295,065)	(224,601)
Total Shareholders' deficit		(160,874)	(83,592)

The financial statements of Auxey Holdco Limited, registered number 126348, were approved by the board of directors and authorised for issue on 29 April 2024.

Signed on behalf of the board of directors



G Stuart
Director

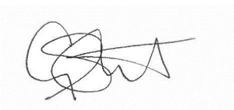
Auxey Holdco Limited

Company statement of financial position
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investment	31	94,751	93,402
Receivables from subsidiary company	19	718,768	659,505
		813,519	752,907
Current liabilities	16	(7,382)	(4,958)
Net current liabilities		(7,382)	(4,958)
Total assets less current liabilities		806,137	747,949
Non-current liabilities	17	(646,000)	(592,478)
Net assets		160,137	155,471
Equity			
Share capital	25	1	1
Share premium	25	140,087	140,087
Share-based payment reserve	25	1,150	-
Retained earnings		18,899	15,383
Total equity		160,137	155,471

The company reported a profit after tax for the year ended 31 December 2023 of £3,517,000 (2022: £3,680,000). The financial statements of Auxey Holdco Limited, registered number 126348, were approved by the board of directors and authorised for issue on 29 April 2024.

Signed on behalf of the board of directors



G Stuart
Director

Auxey Holdco Limited

Consolidated statement of changes in equity
For the year ended 31 December 2023

	Share capital	Share premium	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	1	140,087	-	(7,964)	(193,668)	(61,544)
Loss for the year	-	-	-	-	(30,996)	(30,996)
Comprehensive income for the year	-	-	-	8,885	63	8,948
At 31 December 2022	1	140,087	-	921	(224,601)	(83,592)
Shares issued in the year (note 25)	-	-	-	-	-	-
Income/(loss) for the year	-	-	1,150	-	(70,451)	(69,301)
Comprehensive loss for the year	-	-	-	(7,968)	(13)	(7,981)
At 31 December 2023	1	140,087	1,150	(7,047)	(295,065)	(160,874)

Company statement of changes in equity
For the year ended 31 December 2023

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	1	140,087	-	11,704	151,792
Total comprehensive profit for the year	-	-	-	3,679	3,679
At 31 December 2022	1	140,087	-	15,383	155,471
Shares issued in the year (note 25)	-	-	-	-	-
Total comprehensive profit for the year	-	-	1,150	3,516	4,666
At 31 December 2023	1	140,087	1,150	18,899	160,137

Auxey Holdco Limited

Consolidated statement of changes in cash flow
For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Net cash flow from operating activities	26	28,450	737
Purchase of intangible fixed assets- software	11	(9,693)	(9,735)
Purchase of tangible fixed assets	12	(969)	(3,676)
Cash acquired on acquisition of subsidiary		-	1,818
Acquisition of subsidiary		(805)	(41,437)
Net cash flow used in investing activities		(11,467)	(53,030)
Proceeds from borrowings from banks		376,026	33,263
Repayment of borrowings		(358,572)	
Finance costs		(17,150)	-
Lease liability repayment		(2,499)	(2,677)
Net cash flow from financing activities		(2,195)	30,586
Exchange (loss) / gain on cash and bank balances		(2,112)	153
Net increase/(decrease) in cash and bank balances		12,676	(21,554)
Cash and cash equivalents at the beginning of the financial year		50,231	71,785
Cash and cash equivalents at the end of the financial year	26	62,907	50,231

Cash and cash equivalents at the end of the financial year in the consolidated statement of changes in cash flow do not record any bank overdrafts (2022: £11,731,000). Further details are provided in note 26.

Auxey Holdco Limited does not hold any cash, therefore the company has taken an exemption in preparing a company statement of changes in cash flow.

1. General information

Auxey Holdco Limited (the "Company") is a company incorporated in Jersey and is tax resident in the United Kingdom. The Company is a private company limited by shares. The address of the Company's registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The principal activity of the Company is that of an investment holding company. The principal activity of the Group, trading as "AMS", is the provision of talent acquisition and talent management services usually under long-term contracts.

The presentational currency of the financial statements of the Group is British Pounds sterling.

2. Adoption of new and revised standards

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and, in some cases, had not yet been adopted by the UK:

- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IAS 1 (Amendments): Classification of Liabilities as Current or Non-current;
- IAS 1 (Amendments): Non-current Liabilities with Covenants
- IAS 7 and IFRS 7 (Amendments): Supplier Finance Arrangements; and
- IFRS 16 (Amendments): Onerous Contracts – Cost of Fulfilling a Contract.

The Directors expect that the adoption of the standards listed above will not have a material impact. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

(i) ***Other mandatory disclosures***

Standards and amendments that the Group has applied from 1 January 2023.

Standards and amendments to standards applicable to the Group that became effective during the year are listed below. These have neither material impact on the reported performance or financial statements of the Group nor impact on the Group's accounting policies and did not require retrospective adjustments:

- IFRS 17 Insurance Contracts;
- IAS 1 (Amendments) and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- IAS 12 (Amendments): Income Taxes related to International Tax Reform; and
- IAS 8 (Amendments): Definition of Accounting Estimates.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting years and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out above.

3. Accounting policies

Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with international accounting standards in conformity with International Financial Reporting Standards as issued by the IASB.

Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired. The principal accounting policies adopted are set out below which have been applied consistently with the prior period.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The Company has taken the exemption for the presentation of a Company only statement of profit and loss and other comprehensive income provided under Companies (Jersey) Law, 1991.

Going concern

As at 31 December 2023, the Group had a cash and cash equivalents balance of £62.9m and undrawn Confidential Invoice Discounting and Revolving Credit Facilities of £75m. The Group also has a £115m term loan facility and a $331.7m term loan facility, which are subject to financial and other covenants. A significant element of the indebtedness is the £645.8m shareholder loan notes, which are free from financial covenants. The shareholder loan notes are repayable on 15 June 2028 or on an exit event, whichever is earlier. The Board has reviewed the Group's forecasts for the financial year ending 31 December 2024 and the 18-month period to 30 June 2025 and, alongside their 'base case' forecasts, have considered the potential impact of downside scenarios which could possibly result from global economic downturn, the major variable being the impact of this on client volumes.

The Group has considered several variables that may have an impact on future trading due to the possibility of a global recession. The Group has run a number of downside scenarios that reflect various potential reductions in client demand together with the associated mitigating actions available such as headcount reductions and a reduction in discretionary spend including bonus.

Forecast stress testing scenarios have demonstrated that the Group could mitigate and withstand a further material and prolonged decrease in NFI and EBITDA without breaching the covenants attached to the banking facilities. The Directors have also modelled that the Group could also withstand the highly remote scenario of a 24% decline in NFI against the base case and a 64% decline in EBITDA for the 18 months through to June 2025 and still operate within existing facilities. The covenants are measured including a number of agreed 'pro-forma' adjustments to the actual results.

These forecasts, which include the impact on lending covenants, and take into account the Board's future expectations of the Group's performance and permissible covenant pro-forma adjustments, indicate that there is sufficient headroom within the bank facilities for the Group to continue to operate within those facilities and to comply with the financial covenants.

The Directors believe that the Group is adequately placed to manage its business risks successfully. On the basis of the Group's forecasts and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3. Accounting policies (continued)

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognised in the consolidated statement of comprehensive income as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

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.

Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration less the fair value of the identifiable tangible and intangible assets and liabilities acquired. 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 the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, 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 subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Other intangible assets include customer base, brand and amounts spent by the Group acquiring licences and the costs of purchasing and developing computer software, where intangible assets are acquired through business combinations and no active market for the assets exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Estimates relating to the future cash flows and discount rates used may have a material effect on the reported amounts of finite lives of intangible assets.

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is based on the useful lives of the assets concerned and recognised on a straight-line basis.

Research and development costs initial recognition

Research costs are expensed to the profit and loss account as they are incurred. Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the entity intends and is able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits.

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is carried out on a systematic basis as detailed below:

- The amortisation method reflects the pattern of benefits;
- If a pattern cannot be determined reliably, the straight line method is adopted; and
- The amortisation charge is recognised in the profit or loss.

3. Accounting policies (continued)

Financial assets and liabilities

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument and are measured at fair value on initial recognition. Transaction costs are included in the fair value on initial recognition except for financial assets designated at fair value through profit or loss where transaction costs are expensed in the profit or loss.

Financial assets are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all risks and rewards.

Transfers of financial assets with retention of all or substantially all risks and rewards include, for example, repurchase transactions and securities lending transactions. The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss, financial instruments held at amortised cost.

Amortised cost and effective interest rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (“ECL”). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the receivables and an analysis of the receivables’ current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group policy is to write off a receivable 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 when the trade receivables are over two years past due, whichever occurs earlier. There has been no change in the estimation techniques or significant assumptions made during this reporting year.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss consist of financial assets classified as held for trading and financial assets which, upon initial recognition, have been designated at fair value through profit or loss (fair value option). Financial assets are classified as held for trading if they are held with the intention to be sold in the short-term and for the purpose of generating profits. Derivatives are classified as held for trading unless designated as hedging instruments. The fair value option can be applied to contracts including one or more embedded derivatives, investments that are managed and evaluated on a fair value basis and situations in which such designation reduces measurement inconsistencies.

The nature of the financial assets and financial liabilities which have been designated at fair value through profit or loss and the criteria for such designation are described in the relevant notes to the financial statements. Gains and losses arising from changes in fair value are reported in the income statement on an ongoing basis under the item net financial income.

3. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position

Financial liabilities

Financial liabilities are measured at fair value on initial recognition. In the case of financial liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or the issuance of the financial liability are recognised in profit or loss. For other financial liabilities direct transaction cost are recognised as a deduction from the fair value. Financial liabilities are derecognised when extinguished, that is, when the obligation is discharged, cancelled, or expired.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are either classified as held for trading or designated as fair value through profit or loss on initial recognition (fair value option). The criteria for classification of financial liabilities under the fair value option are the same as for financial assets. Liabilities to policyholders and Debt securities are included in this category. Financial liabilities held for trading are primarily short positions in interest-bearing securities, equities and derivatives not designated as hedging instruments.

Gains and losses arising from changes in fair value are reported in the income statement on an ongoing basis under the item net financial income.

Other financial liabilities

The category other financial liabilities primarily include the Group's short-term and long-term borrowings. After initial recognition other financial liabilities are measured at amortised cost, using the effective interest method. The balance sheet items Deposits from credit institutions, Deposits and borrowings from the public and Debt securities are included in this category.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date.

The fair value of financial instruments quoted in an active market, for example derivatives, financial assets and financial liabilities held for trading, and available-for-sale financial assets, is based on quoted market prices. If the asset or liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances are used.

The fair value of financial instruments that are not quoted in an active market is determined by applying various valuation techniques with maximum use of observable inputs. The valuation techniques used are for example discounted cash flows, option pricing models, valuations with reference to recent transactions in the same instrument and valuations with reference to other financial instruments that are substantially the same. When valuing financial liabilities at fair value own credit standing is reflected.

Any differences between the transaction price and the fair value calculated using a valuation technique with unobservable inputs, the Day 1 profit, is amortised over the life of the transaction. Day 1 profit is then recognised in profit or loss either when realised through settlement or when inputs used to calculate fair value are based on observable prices or rates.

3. Accounting policies (continued)

Fair value is generally measured for individual financial instruments. In addition, portfolio adjustments are made to cover market risks and the credit risk of each of the counterparties on groups of financial assets and liabilities on the basis of the net exposure to these risks. When assets and liabilities have offsetting market risks mid-market prices are used for establishing fair value of the risk positions that offset each other. To reflect counterparty risk and own credit risk in OTC derivatives, adjustments are made based on the net exposure towards each counterpart.

Revenue recognition

The Group follows IFRS 15 “Revenue from Contracts with Customers”, in determining appropriate revenue recognition policies. In principle, therefore, the Group follows the fives step process when applying the revenue recognition policy:

- Identify the contracts with the customers;
- Identify the performance obligations in the contracts;
- Determine the transaction price;
- Allocation of the transaction price; and
- Recognise revenue when or as a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer. Revenue is shown net of value-added tax, sales tax, returns, rebates and discounts.

The group operates in one class of business, that of Talent Acquisition and Talent Management services.

Performance Obligations Satisfied at a Point in Time

Talent Acquisition performance obligations are satisfied at a point in time. The Group typically transfers control over the service to the customer upon the candidate accepting a job offer from the customer or the candidate commencing work for the customer.

Payment of the transaction price is due immediately at the point in which the candidate is placed.

Performance Obligations Satisfied Over Time

Talent Acquisition Management Service performance obligations are satisfied over time as the customer typically enjoys and consumes the benefits of our service over the contract term as we perform and transfer control of our management activities. The Group utilises an output method using time as a measure of progress to recognise revenue as our management activities are performed evenly throughout the year.

At the end of each month, the Group recognises the transaction price for the actual amount of the monthly hires placed successfully with the customer, by allocating the monthly fees to the distinct performance obligations provided to the customer during the year.

3. Accounting policies (continued)

Contract costs

No costs are recognised as an asset unless it is virtually certain that a contract will be obtained, and the contract is expected to result in future net cash inflows with a present value not less than the amounts recognised as an asset. Costs of implementation projects when not covered by implementation fees are carried forward and written off on a straight-line basis starting from the year commencing with service delivery to the client and ending at the earlier of contract end date or point of earliest possible termination at will by the client. Costs carried forward are disclosed as "capitalised contract implementation costs" in non-current assets falling due after 12 months and current assets falling due within one year.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	four years
Plant and machinery	four years
Computer equipment	three years

Residual value is calculated on prices prevailing at the date of acquisition.

Intangible assets

The useful life over which intangible assets are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. Useful lives are periodically reviewed to ensure that they remain appropriate. Management's estimates of useful life have a material impact on the amount of amortisation recorded in the year, but there is not considered to be a significant risk of material adjustment to the carrying values of intangible assets in the year to 31 December 2023 if these estimates were revised.

For computer software, the estimated useful life is based on management's view, considering historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. The useful life will not exceed the duration of a licence. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Impairment of fixed assets and intangible assets

At each reporting 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. Where it is not possible to estimate the recoverable amount of an individual asset the group estimates the recoverable amount of the cash-generating units to which the asset belongs.

Borrowings costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, using rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

3. Accounting policies (continued)

Invoice discounting

Amounts advanced through invoice discounting facilities are held on the balance sheet as part of cash and cash equivalents, with a corresponding amount recognised in current liabilities.

Finance and transaction costs related to invoice discounting are recognised in the profit and loss account as incurred.

Investments

Investments in subsidiaries are carried at cost less impairment. The carrying value of these investments is reviewed annually by the Directors to determine whether there has been any impairment to their values.

Dividends

Dividends payable

Dividends are recorded in the financial statements in the year in which they are approved by the Company's shareholders.

Dividends receivable

Dividends receivable from subsidiary undertakings are recorded in profit or loss in the year in which they are received.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and presented in Statement of Other comprehensive income.

Finance charges

Finance charges include interest payable on financial liabilities which are recognised in the Statement of Profit and Loss using the effective interest method.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants are presented as part of revenue.

Exceptional items

Exceptional items are defined as exceptional by virtue of their size or infrequency or relating to one-off events which, in the opinion of the Directors, are material, generally not expected to recur and unusual in nature or of such significance that they require separate disclosure on the face of the consolidated income statement in accordance with IAS 1, 'Presentation of Financial Statements'. An assessment is made of events occurring during the year on both a quantitative and qualitative basis to determine which events require separate disclosure because they do not relate to the Group's underlying performance. All such items are presented in arriving at operating profit/(loss). Example of items considered to be exceptional include cost of acquisition, restructuring and onerous costs or asset impairment costs.

Provisions

Provisions are recognised when;

- The group has a legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and

3. Accounting policies (continued)

- The amount has been reliably estimated

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contract provision

A contract is considered onerous if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. As soon as contract is assessed to be onerous the Group records a provision for the loss it expects to make over the life of the contract.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are

3. Accounting policies (continued)

subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Retirement benefit plans

Defined contribution plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group has no legal and constructive obligation to pay any further contributions in addition to the fixed contribution. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plan

In accordance with one client contract, the Group has an obligation to make contributions to a defined benefit plan. The pension benefit that an employee will receive on retirement is defined by reference to the employee’s length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, the Directors are required to make judgements, 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 Company’s accounting policies

The directors are of the opinion that there is a critical judgement in relation to the assessment of the useful life of other intangible assets, namely brand and customer relationships. The amortisation charge recognised is material (2023: £22.6m; 2022: £22.4m) and therefore any change to the determined useful life of these assets is likely to give rise to a material adjustment.

3. Accounting policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that 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.

Impairment of goodwill

Determining whether the Company's goodwill has been impaired requires estimations of each cash generating unit's (CGU) values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from each CGU and suitable discount rates in order to calculate present values – both of which require significant judgement. The carrying amount of goodwill at the balance sheet date was £603.6m (2022: £609.1m) with no impairment loss recognised in 2023. Details of assumptions made are given in note 11.

Share-based payment transactions of the parent company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

4. Revenue

Disaggregation of revenue

The Group operates in only one class of business, that of talent acquisition and talent management services and all its revenue, profit before tax and net assets/liabilities are generated from this class of business. Geographical analysis of business by revenue, profit before tax and net liabilities is set out below.

4. Revenue (continued)

	2023				2022			
	Revenue £'000	Gross profit £'000	Loss before tax £'000	Net Liabilities £'000	Revenue £'000	Gross profit £'000	Loss before tax £'000	Net Liabilities £'000
United Kingdom	254,279	230,485	(89,105)	(234,223)	269,240	230,849	(59,092)	(148,048)
Rest of Europe	69,487	55,061	5,410	16,397	67,331	52,923	5,547	13,097
Asia Pacific	64,084	49,634	3,907	19,737	73,280	47,143	6,980	19,338
America	171,548	135,342	8,762	37,215	254,705	178,870	19,596	32,021
	559,398	470,522	(71,025)	(160,874)	664,556	509,785	(26,969)	(83,592)

The Group derives its revenue from contracts with customers for the transfer of services over time and at a point in time in line with the Group accounting policy. The disaggregation of the timing of revenue is presented below.

	2023 Group £'000	2022 Group £'000
External revenue by timing of revenue		
Services transferred at a point in time	242,932	288,606
Services transferred over time	316,466	375,950
Total revenue	559,398	664,556

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2023 Group £'000	2022 Group £'000
Trade receivables	124,255	155,581
Contract costs capitalised	5,982	9,385
Amortisation of contract costs during the year	(4,986)	(4,750)
Contract assets (accrued income)	51,896	69,062
Contract liabilities (deferred income)	(13,292)	(10,494)

The contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date on contracts with its customers. The contract assets are transferred to receivables when invoiced. Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised on satisfaction of performance obligations at a future date.

5. Exceptional items and amortisation of intangibles reported within administrative expenses

During the course of 2023 the Group incurred £12.8m of costs that are disclosed as "exceptional items" in the statutory accounts (2022: £4.6m).

	2023 £'000	2022 £'000
Redundancy and restructuring costs	4,631	1,304
Onerous contracts	2,026	1,417
Professional fees and integration costs in relation to acquisitions	1,677	1,909
Impairment of capitalised contract cost	915	-
Impairment of software asset	2,196	-
	11,445	4,630
Amortisation of intangible assets	22,554	22,379
	33,999	27,009

Exceptional items and amortisation of intangibles reported within administrative expenses:

Redundancy and restructuring costs

The 2023 redundancy costs were due to restructuring. The Group incurred £4.7m in respect of specific restructuring programmes that were designed to leverage technology, offshore centres and the disbanding of the performance management function.

Onerous contracts

Onerous contracts represent the contracts for which the aggregate cost required to fulfil the agreement is higher than the economic benefit obtained from it. The onerous contract costs in amount of £0.1m related to onerous lease provisions for vacated premises at the Group's three locations. In addition, the Group incurred £1.9m in respect of onerous client contract.

Professional fees and integration costs in relation to acquisitions

Professional fees represent legal and consultancy costs incurred in acquisition and post-acquisition integration programmes for FlexAbility HR Solutions Private Limited and HirePower Inc that were acquired in 2022.

Impairment of capitalised contract cost asset

The impairment of capitalised contract cost was recognised in relation to a client with whom an onerous contract was identified. As a result, the capitalised implementation cost asset of £0.9m was written off in full in 2023.

Impairment of software asset

The impairment of a software asset relates to a digital recruitment tool that was developed with the assistance of third party providers and was ultimately deemed not to bring the required benefits.

6. Finance charges (net)

	2023 £'000	2022 £'000
Interest payable and similar charges		
Bank loans and overdrafts	86,101	72,077
Invoice discounting charges	1,670	870
Amortisation of arrangement fees and interest rate cap	7,090	2,247
Fair value interest rate SWAP	247	-
Fair value interest rate cap	5,219	-
Interest on lease liabilities	404	448
Exchange loss	-	11,415
	100,731	87,057
Interest receivable and similar income		
Interest receivable	(691)	(14)
Fair value interest rate cap	-	(9,967)
Exchange gains	(8,136)	-
	(8,827)	(9,981)
Finance charges (net)	91,904	77,076

7. Directors' emoluments and staff costs

	2023 £'000	2022 £'000
Directors' remuneration	1,663	2,645
Pension contributions	-	10
	1,663	2,655

None of the directors were members of money purchase pension schemes in 2023 (2022: one). The accrued pension entitlement is £nil (2022: £10,000).

Staff costs

The average number of employees in the Group (including executive directors) was:

	2023 No.	2022 No.
Sales	7,925	7,814
Administration	1,185	1,380
	9,110	9,194

7. Directors' emoluments and staff costs (continued)

	2023 £'000	2022 £'000
Their aggregate remuneration comprised:		
Wages and salaries	325,949	355,247
Social security costs	34,059	37,407
Other pension costs	10,047	9,299
	370,055	401,953

The Company had no employees during the financial year (2022: none).

8. Loss before taxation

	2023 £'000	2022 £'000
Loss before taxation is stated after:		
Depreciation of fixed assets	3,831	3,596
Depreciation of right of use assets	1,736	2,512
Amortisation of software	5,523	4,657
Amortisation of capitalised contract implementation costs	4,986	4,750
Amortisation of customers relationships and brand	22,553	22,188
Impairment of software	2,025	-
Net foreign exchange (gain)/loss	(8,040)	10,275
Share-based payment expense	1,349	-
Government grants (note 30)	(92)	(239)

Analysis of auditor's remuneration is:

	2023 £'000	2022 £'000
Fees payable to company's auditor for audit of company's annual accounts	315	263
Audit of company's subsidiaries	165	213
Audit-related services	10	10
Total audit fees	490	486
Other non-audit services	-	55
Total non-audit services	-	55

AMS has not incurred any non-audit related services provided to the Group in current financial year (2022: £55,000 relates to advisory service).

9. Tax on loss

	2023 £'000	2022 £'000
UK corporation tax - current year	1,020	3,210
Adjustments in relation to prior year	(294)	(105)
UK corporation tax	726	3,105
Overseas tax - current year	5,621	10,106
Adjustments in relation to prior year	799	(67)
Current tax charge	7,146	13,144
Deferred tax - current year	(8,601)	(7,505)
Adjustments in relation to prior year	1,094	(970)
Effect of changes in tax rate	(213)	(642)
Deferred tax	(7,720)	(9,117)
Tax on loss	(574)	4,027

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before taxation are as follows:

	2023 £'000	2022 £'000
Loss before taxation	(71,025)	(26,969)
Tax on loss at standard UK corporation tax rate of 23.5% (2022 - 19%)	(16,691)	(5,124)
Effects of:		
Adjustments in respect of prior years	1,599	(1,142)
Disallowed expenses	1,883	1,241
Effect of changes in tax rate	(213)	(642)
Effect of overseas tax rates	408	2,579
Other adjustments	(27)	4
Deferred tax not recognised	2	(313)
Interest not deductible	12,465	7,424
Total tax charge	(574)	4,027

In addition to the amount charged to the profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

9. Tax on loss (continued)

	2023 £'000	2022 £'000
Deferred tax - current year	3	-
Adjustments in relation to prior year	19	-
Deferred tax	22	-
Tax recognised in other comprehensive income	22	-

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023 and this rate was substantively enacted in the Finance Bill (No.2) on 24 May 2021. As a result, deferred tax balances as at 31 December 2023 have been measured at 25%.

10. Profit attributable to Auxey Holdco Limited

The Company has elected not to disclose an individual Company profit and loss account. The profit after tax for the financial year within the financial statements of the parent company, Auxey Holdco Limited, was £3,516,000 (2022: £3,679,000).

11. Intangible assets

Group	Goodwill £'000	Customer Relationships £'000	Brand £'000	Software £'000	Other Intangibles in Total £'000
Cost					
At 1 January 2023	609,118	247,609	97,750	24,015	369,374
Additions for the year		-	-	9,693	9,693
Disposal	-	-	-	(2,025)	(2,025)
Foreign currency translation	(5,571)	-	-	(73)	(73)
At 31 December 2023	603,547	247,609	97,750	31,610	376,969
Accumulated amortisation					
At 1 January 2023	-	54,960	43,468	10,412	108,840
Charge for the year	-	12,701	9,852	5,523	28,076
Disposal	-	-		(6)	(6)
Foreign currency translation	-	-	-	(40)	(40)
At 31 December 2023	-	67,661	53,320	15,889	136,870
Net book value					
At 31 December 2023	603,547	179,948	44,430	15,721	240,099

Customer relationships, brand and software are amortised over their estimated useful lives, which are on average 20, 10 and 4 years respectively.

11. Intangible assets (continued)

Group

	Goodwill £'000	Customer Relationships £'000	Brand £'000	Software £'000	Other Intangibles in Total £'000
Cost					
At 1 January 2022	570,587	243,638	96,981	14,189	354,808
Additions for the year	32,115	3,971	769	9,735	14,475
Foreign currency translation	6,416	-	-	91	91
At 31 December 2022	609,118	247,609	97,750	24,015	369,374
Accumulated amortisation					
At 1 January 2022	-	42,534	33,706	5,712	81,952
Charge for the year	-	12,426	9,762	4,657	26,845
Reclassification	-	-	-	43	43
At 31 December 2022	-	54,960	43,468	10,412	108,840
Net book value					
At 31 December 2022	609,118	192,649	54,282	13,603	260,534

Goodwill impairment test

The Group performs separate impairment tests for two identified cash generating units: the AMS Group (£585.4m) and The Up Group (TUG) (£18.2m)

AMS Group

The AMS goodwill impairment test was based on the 2024 budget and the latest projections for 2025-2028 that had been reviewed and agreed by the board of directors. The Group's WACC was calculated based on the Auxey Holdco cost of equity and cost of debt, using outsourcing / recruitment average betas and resulted in a WACC of 12.4% on a post-tax basis which factored in a small company risk premium of 1.5%. On this basis, the Group's equity value on 31st December 2023 was estimated at £642.1m as compared to net book value of goodwill at that date of £585.4m. A number of downside scenarios were run which reduced the contribution from new wins partially offset by reductions in capital expenditure and bonus spend. This resulted in an estimated value of equity at 2023 year-end of £596.5m, which is above the current net book value of goodwill. On these bases no impairment of goodwill was required.

The Up Group

TUG goodwill impairment test was based on the 2024 budget and the latest projections for 2025-2028 that had been reviewed and agreed by the board of directors. The WACC for TUG was calculated using the AMS WACC of 12.4% on a post-tax basis. The long-term growth rate of 2% was applied based on the BoE long term growth projections for OECD nations. On this basis, the company's value on 31 December 2023 was estimated at £24.6m as compared to net book value of goodwill at that date of £18.2m. A number of downside scenarios were run reducing budgeted EBITDA partially offset by decrease in capital expenditure spend. This resulted in estimated value of equity at 2023 year-end of £21.6m. On this basis no impairment of goodwill was required.

Software disposal

In 2023 the Group has made an impairment charge of £2.0m in respect of an investment in a recruitment digital tool that was developed in conjunction with 3rd party suppliers. The impairment decision was taken as, following a review of the capabilities of the tool it was concluded that the tool did not bring the required benefits.

12. Tangible fixed assets

Group	Computer equipment £'000	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2023	16,527	3,701	10	20,238
Additions	937	32	-	969
Disposal	(177)	(4)	-	(181)
Foreign currency translation adjustment	(313)	(52)	(1)	(366)
At 31 December 2023	16,974	3,677	9	20,660
Accumulated depreciation				
At 1 January 2023	10,240	2,724	10	12,974
Charge for the year	3,479	352	-	3,831
Disposal	(176)	(3)	-	(179)
Foreign currency translation adjustment	(187)	(31)	(1)	(219)
At 31 December 2023	13,356	3,042	9	16,407
Net book value				
At 31 December 2023	3,618	635	-	4,253
At 31 December 2022	6,287	977	-	7,264

Group	Computer equipment £'000	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2022	12,979	2,953	10	15,942
Additions	2,988	688	-	3,676
Disposal	(4)	-	-	(4)
Foreign currency translation adjustment	564	60	-	624
At 31 December 2022	16,527	3,701	10	20,238
Accumulated depreciation				
At 1 January 2022	6,695	2,354	10	9,059
Charge for the year	3,255	341	-	3,596
Disposal	(4)	-	-	(4)
Foreign currency translation adjustment	294	29	-	323
At 31 December 2022	10,240	2,724	10	12,974
Net book value				
At 31 December 2022	6,287	977	-	7,264

13. Right of use assets

	2023 Leasehold buildings £'000	2022 Leasehold buildings £'000
Cost		
At 1 January	14,859	15,202
Additions	523	1,015
Derecognition	(48)	-
Impairment charge (onerous contract)	-	(1,358)
At 31 December	15,334	14,859
Accumulated depreciation		
At 1 January	10,373	7,856
Foreign currency movement	8	6
Charge for the year	1,736	2,512
At 31 December	12,117	10,373
Net book value		
At 31 December	3,217	4,486

The Group leases buildings and the average lease term is five years (2022: five years).

During the year, the Group entered into one new lease and one lease was terminated. Two existing leases were modified during the year. This resulted in additions to the right-of-use assets of £0.53m and lease derecognition of £0.05m.

14. Trade and other receivables

	2023 Group £'000	Company £'000	2022 Group £'000	Company £'000
Trade receivables	124,255	-	155,581	-
Derivatives (note 18)	7,131	-	13,179	-
Other receivables	5,485	-	16,286	-
Corporation tax recoverable	10,870	-	3,282	-
Accrued income	51,896	-	69,062	-
Prepayments	7,774	-	15,060	-
Capitalised contract implementation costs	3,063	-	4,829	-
	210,474	-	277,279	-

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the receivables' current financial position, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group policy is to write off a trade debtor 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

14. Trade and other receivables (continued)

liquidation or has entered bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

In 2023, the Group has identified individual credit losses of £197,000 (2022: £48,500), for which full provision was made. Given the small size of the credit losses, no further provision for lifetime ECL is considered necessary for all aging buckets for trade receivables.

There has been no change in the estimation techniques or significant assumptions made during this reporting year.

Trade receivables can be analysed as follows:

	2023 £'000	2022 £'000
Amount receivable not past due	115,626	141,593
Amount past due but not impaired	8,826	14,037
	124,452	155,630
Less: allowance for expected credit losses	(197)	(49)
	124,255	155,581

Ageing of past due but not impaired receivable:

	2023 Group £'000	2022 Group £'000
Less than 30 days	8,007	9,382
31 to 60 days	1,030	2,187
61 to 90 days	210	945
91 to 120 days	355	723
Above 120 days	(776)	800
	8,826	14,037

15. Cash and bank balances

The Group's cash is held in bank deposits to enable the Group to meet the short-term liquidity requirements of the business. No cash is held in countries with restrictions on remittances.

16. Current liabilities

	2023		2022	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Derivatives (note 18)	868	-	1,114	-
Trade payables	8,112	-	11,591	-
Bank overdrafts	-	-	11,731	-
Bank loan - current liability	2,612	-	-	-
Corporation tax	4,697	-	3,577	-
Other taxes and social security	17,394	-	29,994	-
Other payables	3,326	7,382	5,563	4,958
Accruals	185,081	-	223,606	-
Deferred income	13,292	-	10,494	-
Lease liabilities (note 23)	1,665	-	2,466	-
	237,047	7,382	300,136	4,958

17. Non-current liabilities

	2023		2022	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Bank loans (note 20)	357,487	-	361,421	-
Shareholder loan (note 20)	645,801	645,801	592,478	592,478
Lease liabilities (note 23)	2,906	-	4,140	-
Share-based payment liabilities	199	199	-	-
Retirement benefit obligations (note 24)	32	-	32	-
	1,006,425	646,000	958,071	592,478

18. Derivative financial instruments

All derivatives are treated as financial assets or liabilities carried at fair value through profit or loss and hedge accounting is not used.

Derivative financial instruments

	2023 £'000	2022 £'000
Financial assets carried at fair value through profit or loss (FVTPL):		
Forward contracts		
Derivative assets	1,129	1,958
Derivative liabilities	(281)	(1,114)
Interest rate cap		
Derivative assets	6,002	11,221
Swaps		
Derivative liabilities	(587)	-
Total derivative assets	7,131	13,179
Total derivative liabilities	(868)	(1,114)

19. Receivable from subsidiary company

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Receivable from subsidiary company	-	718,768	-	659,505
	-	718,768	-	659,505

Auxey Holdco Limited issued a £440,778,000 loan note, denominated in GBP, to Auxey Finco Limited on 15 June 2018. The loan carries 9% interest and compounds on an annual basis. The loan is repayable to Auxey Holdco Limited on the 15 June 2028 or such other date following 15 June 2028 as agreed in writing between Auxey Holdco Limited and Auxey Finco Limited.

In addition, on 1 December 2020, Auxey Holdco Limited issued a loan note for £5,455,696 to Alexander Mann Group Limited in return for issuing 6,397 C shares and 9,400 D shares in Auxey Holdco Limited as partial consideration for the acquisition of Rocket Topco Limited. No repayment date has been set between the intercompany parties.

20. Borrowings

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Non-current liabilities				
Bank loans	372,923	-	366,381	-
Shareholder loans	645,801	645,801	592,478	592,478
Less capitalised arrangement fees	(15,436)	-	(4,961)	-
Total non-current liabilities	1,003,288	645,801	953,898	592,478
Current liabilities				
Bank loans	2,612	-	-	-
Total borrowings	1,005,900	645,801	953,898	592,478

The Group has a senior term and multicurrency facilities agreement with a syndicate of banks for £115m and US$331.7m (2022: £200m and US$201.2m.) As at 31 December 2023, the senior term and multicurrency facilities are fully utilised (2022: fully utilised).

In August 2023, AMS completed a refinancing which resulted in the cancellation of the previous facilities and replaced them with new term loans of £115m and $332.5m (amortising) and a RCF of £40m. The term loans mature in June 2027 and the RCF ends December 2026. In addition, at the time of the refinancing £3.8m of arrangement fees associated with securing the debt package in 2018 were written off and included in finance costs.

The Group has Confidential Invoice Discounting facilities of £36m and US$5m. As at 31 December 2023 the Group has no borrowings under these facilities (2022: £11.7m and US$5m).

The Group has a Revolving Credit Facility of £40m with £5.6m ringfenced for ancillary facilities (guarantees) and £34.4m available to draw. As at 31 December 2023, the Group has no borrowings under the Revolving Credit Facility (2022: nil).

Mentioned facilities have end dates ranging between December 2024 and June 2027. They require compliance with covenants and the Directors monitor compliance on an ongoing basis.

The Group also has a shareholder loan of £400m together with £245.8m of accrued interest. This shareholder loan accrues interest at 9% and is repayable on 15 June 2028 or an exit event, whichever is earlier. The interest compound on an annual basis.

20. Borrowings (continued)

An analysis of the maturity of the borrowings is as follows:

	Group £'000	Company £'000
Not later than one year	2,612	-
Later than one year but not later than two years	2,612	-
Later than two years but not later than five years	370,311	-
Later than five years	645,801	645,801
Less unamortised capitalised arrangement fees	(15,436)	-
	1,005,900	645,801

Under the terms of the Credit Agreement dated 15 June 2018 regarding a senior term and multicurrency facilities, the Group is required to prepay the loan in an amount equal to a percentage of Excess Cash Flow. The precise percentage of Excess Cash Flow is dependent on the leverage ratio achieved in the future periods, which is uncertain and therefore all loans are classified as later than two years but not later than five years.

Borrowings drawn under the Credit Agreement dated June 2018 amended and restated in 2021 and most recently in June 2023 in respect of the term loan and the revolving facility are secured by way of a floating charge over all the Group's assets.

Borrowings drawn under the Receivables Finance Agreement (invoice discounting) are secured against the Group's eligible trade receivables.

21. Deferred tax

Deferred tax asset

	2023 £'000	2022 £'000
At 1 January	11,575	6,646
On acquisition	-	16
Other adjustments	(59)	-
Credited to profit and loss account	2,681	4,913
Charged to OCI	(22)	-
At 31 December	14,175	11,575

	2023 £'000	2022 £'000
The amounts of deferred taxation provided at 25% (2022 - 25%) are:		
- Depreciation in excess of capital allowances	177	303
- Other temporary differences	13,998	11,272
	14,175	11,575

21. Deferred tax (continued)

Deferred tax liability

	2023 £'000	2022 £'000
At 1 January	(61,473)	(64,463)
On acquisition	-	(1,214)
Charged to profit and loss account	5,038	4,204
At 31 December	(56,435)	(61,473)

	2023 £'000	2022 £'000
The amounts of deferred taxation provided at 25% (2022 - 25%) are:		
- Fixed assets	(606)	(39)
-Temporary differences arising on acquired goodwill	(55,829)	(61,434)
	(56,435)	(61,473)

The deferred tax asset and liability have been recognised on the basis that it is considered more likely than not that there will be suitable taxable profits in the entity from which the future reversal of the underlying timing differences can be deducted. There are no unprovided deferred tax assets.

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023 and this rate was substantively enacted in the Finance Bill (No.2) on 24 May 2021. As a result, deferred tax balances as at 31 December 2023 have been measured at 25%.

22. Provision for liabilities

	Deferred tax liabilities (note 21)	Dilapidation	Onerous Contract	Total provisions
Group	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2022	64,463	632	-	65,095
On acquisition	1,214	-	-	1,214
Charged to profit and loss account	(4,204)	54	-	(4,150)
At 31 December 2022	61,473	686	-	62,159
Foreign currency movement	-	(9)	-	(9)
Charged to profit and loss account	(5,038)	(8)	1,889	(3,157)
At 31 December 2023	56,435	669	1,889	58,993

The Group has provided against the cost of rectification work required to restore leasehold premises to the same condition as at the inception of the leases. Provision at 31 December 2023 include the cost of redecoration and capital refurbishment. These are all expected to be paid by end 2024. During 2023 there was an increase of £103,000 in the provision due to additional dilapidation provisions made for Poland and UK which was offset by £111,000 dilapidation provision reduction in respect of property in China.

23. Lease liabilities

Analysed as:	2023 £'000	2022 £'000
Current	1,665	2,466
Non-current	2,906	4,140
	4,571	6,606

Maturity analysis	2023 £'000	2022 £'000
Year 1	1,665	2,466
Year 2	802	1,612
Year 3	866	707
Year 4	542	747
Year 5	468	498
Onwards	228	576
	4,571	6,606

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

24. Retirement benefit plans

	2023	2022
	£'000	£'000
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	(50)	-
Interest on obligation	(1)	-
Current services costs	(8)	-
Defined benefit obligation increased from business combination/transfer	-	(113)
Actuarial (loss)/gain arising from changes in financial assumptions	(7)	64
Experience gain/(loss) on plan liabilities	15	(1)
Foreign currency translation adjustment	1	-
Closing defined benefit obligation	(50)	(50)

	2023	2022
	£'000	£'000
Change in fair value Plan assets		
Opening fair value Plan assets	18	-
Return on plan assets	1	-
Increase in assets arising from business combination/transfer	-	18
Foreign currency translation adjustment	(1)	-
Closing fair value of plan assets	18	18

Analysis of the movement in the deficit during the year	2023	2022
	£'000	£'000
Pension deficit at 1 January	(32)	-
Defined benefit obligation increased from business combination/transfer	-	(113)
Increase in assets arising from business combination/transfer	-	18
Expense recognised in profit and loss	(9)	-
Re-measurement gain	9	63
Pension deficit at 31 December	(32)	(32)

On 1 November 2022, as a result of 27 employees transferring into the Group upon the award of a new client contract, the Group assumed an obligation under a defined benefit pension plan. On 31December 2023 all rights to obligation remain vested (16 current and 11 former employees). No payments of defined pension plan amounts to any employees were made.

During 2023 the Group has £8,000 of current service cost and £1,000 of interest recognised as an expense deriving from the defined benefit plan. The Group had a net defined benefit obligation of £32,000 and remeasurement gain of £9,000 recognised in the Statement of Other comprehensive income.

25. Share capital

	2023	2022
	£	£
Authorised:		
131,294 A preferred ordinary shares of £0.001 each	131	131
581,257 B preferred ordinary shares of £0.001 each	581	581
70,762 C preferred ordinary shares of £0.001 each	71	71
220,000 D ordinary shares of £0.001 each	220	220
5,000 E ordinary shares of £0.1 each	500	500
	1,503	1,503
Allotted, called up and fully paid:		
130,045 A preferred ordinary shares of £0.001 each	130	130
581,257 B preferred ordinary shares of £0.001 each	581	581
70,495 C preferred ordinary shares of £0.001 each	70	70
219,925 D ordinary shares of £0.001 each	220	207
5,000 E ordinary shares of £0.1 each	500	500
	1501	1,488
Share premium account		
Premium arising on issue of equity shares	140,087,000	140,087,000
Share based payment reserve	1,150,003	-

- Class A Preferred shares have voting rights and are entitled to participate in distributions in priority to all other shareholders
- Class B Preferred shares have voting rights and are entitled to participate in distributions in priority to all other shareholders
- Class C Preferred shares have no voting rights but are entitled to participate in distributions in priority to all other shareholders
- Class D Ordinary shares have no voting rights but are entitled to participate in distributions
- Class E Ordinary shares have voting rights and are entitled to participate in distributions

During the financial year the Company issued 13,229 D shares at a nominal value of £0.001 each.

In 2023 the Company’s D shares included within Senior Strategic and Strategic Contributor Share Offer plans were considered equity settled and in accordance to IFRS 2 Share Based Payments required an adjustment of £1.15m in order to bring them to their fair value. This cost is reported within administrative expenses.

26. Notes to cash flow statement

a. Reconciliation of net cash flow used in operating activities

		2023 £'000	2022 £'000
Operating profit for the year		20,879	50,107
Adjustments for:			
Depreciation and amortisation		38,629	37,804
Disposal of intangible fixed assets	11	2,025	-
Disposal of tangible fixed assets	12	181	4
Share-based payment expense		1,349	-
Decrease/(increase) in trade and other receivables		66,091	(73,962)
(Decrease)/increase in trade and other payables		(55,658)	29,721
Financing costs paid		(32,849)	(29,799)
Income tax paid		(12,197)	(13,138)
Net cash flow from operating activities		28,450	737

b. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and bank balances	62,907	61,962
Bank overdrafts (see note 16)	-	(11,731)
	62,907	50,231

c. Changes in liabilities arising from financing activities

	At 31 December 2022 £'000	Financing cash flow £'000	Exchange movements £'000	Interest accruals £'000	At 31 December 2023 £'000
Borrowings from banks	366,381	17,454	(8,300)	-	375,535
Borrowings from owners	592,478	-	-	53,323	645,801
Lease liabilities	6,606	(2,499)	-	464	4,571
Total liabilities from financing activities	965,465	14,955	(8,300)	53,787	1,025,907

27. Financial instruments

Categories of financial instruments

	2023		2022	
	Financial assets £'000	Financial liabilities £'000	Financial assets £'000	Financial liabilities £'000
Group				
Financial assets /(liabilities) at fair value through profit or loss	7,131	(868)	13,179	(1,114)
Trade and other receivables excluding prepayments	192,505	-	244,210	-
Cash and cash equivalents	62,907	-	50,231	-
Borrowings	-	(1,005,900)	-	(953,899)
Trade and other payables	-	(236,125)	-	(285,508)
	262,543	(1,242,893)	307,620	(1,240,521)

	2023		2022	
	Financial assets £'000	Financial liabilities £'000	Financial assets £'000	Financial liabilities £'000
Company				
Trade and other receivables excluding prepayments	718,768	-	659,505	-
Borrowings	-	(645,801)	-	(592,478)
Trade and other payables	-	(7,383)	-	(4,960)
	718,768	(653,184)	659,505	(597,438)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial asset at fair value through profit or loss	-	7,131	-	-
Financial liabilities at fair value through profit or loss	-	(868)	-	-

27. Financial instruments (continued)

Financial risk management objectives

The Group monitors and manages the financial risks relating to the operations of the Group by degree and magnitude of risks. These risks include liquidity risk, interest rate risk, foreign exchange currency risk and counterparty credit risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments where applicable to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed facilities.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has a senior term and multicurrency facilities agreement with a syndicate of banks incorporating a £36.0m UK invoice discounting facility, a $5.0m USA invoice discounting facility, a £40.0m revolving credit facility, a £115.0m term loan facility and a $331.7m (amortised down from $332.5m) term loan facility. A quarterly 1% amortisation charge applies to the US term loan, starting in Dec 2023.

In August 2023, AMS completed a refinancing which resulted in the cancellation of the previous facilities and replaced them with new term loans of £115m and $332.5m (amortising) and a RCF of £40m. The term loans mature in June 2027 and the RCF terminates in December 2026.

In March 2024 the Group has refinanced its UK invoice discounting facility and this is now a £60m facility with and end date of 2026. Above facilities require compliance with covenants and the Directors monitor compliance on an ongoing basis.

Interest rate risk management

The Group's balance sheet at the year-end was funded by a GBP denominated senior loan of £115m and USD denominated senior loan of $331.7m (amortised down from $332.5m) and it has entered into derivative contracts to hedge interest rate risk associated with the loans.

In July 2021, the Group entered into derivative contracts to hedge its interest rate risk for a period of 3 years with a SONIA cap at 1.5% for 60% of the original GBP loan of £200m and a USD LIBOR cap at 1.5% for 75% of the original USD loan of $161.2m. These positions were subsequently supplemented by a $110m USD/GBP floating to floating cross-currency interest rate swap in a view of realigning interest and debt currency mix to policy, post amendment and extension of the Senior Facility.

Hedge accounting under IFRS 9 is not applied in respect of the Group's financial instruments.

Foreign exchange risk management

In addition to this, the Group's trading activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group aims wherever possible to match income and costs by currency and maintains foreign currency denominated bank accounts to minimise the exposure of converting currencies into sterling. The Group also draws funding in foreign currencies to minimise the foreign exchange exposure of funding the working capital requirements of its overseas subsidiaries. Only exposures that can be measured and may result in significant impacts to the corporate consolidated financial statements will be considered for hedging. In 2023, the Group has entered into forward contracts to hedge an appropriate percentage of its forecast Polish zloty and Philippines pesos funding requirements and an appropriate percentage of the profits denominated in Euros, Swiss Francs and Hong Kong Dollars. Hedge accounting under IFRS 9 is not applied in respect of the Group's financial instruments.

27. Financial instruments (continued)

Credit risk management

The Group is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The Group mitigates this risk by ensuring that its counterparties do not represent excessive credit risk prior to the agreement of any transaction.

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group maintains a well-established credit control function that monitors the Group's trade receivables and is in regular communication with the Group's customers. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers, who tend to be global, blue chip corporations with high credit ratings. Exposure to counterparties is reviewed on a regular basis to avoid any excessive reliance on a single counterparty.

28. Ultimate controlling party and related party transactions

The Company is incorporated in Jersey and is a tax resident in the United Kingdom. The registered address of the Company is 44 Esplanade, St Helier, Jersey, JE4 9WG. The Company is under the control of Auxey Holdings (Lux) S.A.S. OMERS Administration Corporation indirectly owns 100% of the participating (economic) interest and 30% of the voting interest of Auxey Holdings (Lux) S.A.S., and OCP Trust, of which OMERS Administration Corporation is a beneficiary, indirectly owns the remaining 70% voting interest of Auxey Holdings (Lux) S.A.S. and is therefore considered to be the ultimate controlling party.

In 2023, the Group incurred a liability to Auxey Holdings (Lux) S.A.S of £400,000 (2022: £400,000) in connection with the management of the Group and £12,000 in connection to recharged administrative cost and expenses. Out of these costs £312,000 was paid. The group continues to defer £200,000 of the 2020 liability with the deferral continuing until such time as the parties agree. In addition, the Group charged £23,535 to OMERS Administration Corporation in connection to CRM project support service the payment of which was settled in 2023.

29. Pension arrangements

The pension cost charge for the current year of £10,047,000 (2022: £9,299,000) represents the amounts payable to defined contribution personal pension schemes.

30. Government grants

In 2022 and 2023, the Group utilised government support measures made available in various countries, including employee wage subsidy schemes and local business support. The total amount the Group received in respect of support for local business was £92,000 and this has been presented within revenue (2022: £239,000).

There are no unfulfilled conditions or contingencies attached to these grants.

31. Fixed asset investments – Company

Subsidiary undertakings	2023 Company £'000	2022 Company £'000
Cost and net book value		
At 31 December 2023	94,751	93,402

The Company holds investments in the following subsidiary undertakings:

Subsidiary Undertaking	Country of registration	Activity	Proportion of ordinary shares
Auxey Finco Limited*	England and Wales	Holding	100%
Auxey Midco Limited	England and Wales	Holding	100%
Auxey Bidco Limited	England and Wales	Holding	100%
Alexander Mann Group Limited	England and Wales	Holding	100%
Alexander Mann Associates Limited	England and Wales	Holding	100%
Alexander Mann Solutions Limited	England and Wales	Trading	100%
Amiqus Limited	England and Wales	Trading	100%
Alexander Mann BPO Limited	England and Wales	Trading	100%
Public Sector Resourcing Limited	England and Wales	Dormant	100%
Alexander Mann Solutions GmbH	Germany	Trading	100%
Alexander Mann Solutions APS	Denmark	Trading	100%
Alexander Mann Solutions AB	Sweden	Trading	100%
Alexander Mann Solutions GmbH	Switzerland	Trading	100%
Alexander Mann Solutions S.R.L.	Italy	Trading	100%
Alexander Mann Solutions Poland Sp. Z.o.o.	Poland	Trading	100%
Alexander Mann Solutions BVBA	Belgium	Trading	100%
Alexander Mann Solutions BV	Holland	Trading	100%
AMS Recruitment Process Outsourcing S.L.	Spain	Trading	100%
Alexander Mann Solutions Corporation	U.S.A	Trading	100%
Alexander Mann CWS LLC	U.S.A	Trading	100%
Alexander Mann BPO Solutions (Singapore) PTE Limited	Singapore	Trading	100%
Alexander Mann Solutions S.A.R.L.	France	Trading	100%
Alexander Mann Solutions Private Limited	India	Trading	100%
Flexability HR Solutions Private Limited	India	Trading	100%
Alexander Mann Solutions K.K.	Japan	Trading	100%
AMG Asia Pacific Pty Ltd	Australia	Trading	100%
Alexander Mann Solutions (HK) Limited	Hong Kong	Trading	100%
Alexander Mann Solutions s.r.o.	Czech Republic	Trading	100%
Alexander Mann Solutions (KFT)	Hungary	Trading	100%
Alexander Mann Solutions (Shanghai) Enterprise Management Consulting Ltd	China	Trading	100%
Alexander Mann Solutions Inc	Canada	Trading	100%
Karen HR Inc	Canada	Dormant	100%
Alexander Mann Outsourcing Solutions Limited	Ireland	Trading	100%
AMS Processo De Recrutamento E Terceirização Ltda	Brazil	Trading	100%

31. Fixed asset investments – Company (continued)

Subsidiary Undertaking	Country of registration	Activity	Proportion of ordinary shares
Alexander Mann Solutions S. De R.L. De C.V.	Mexico	Trading	100%
Alexander Mann Solutions AS	Norway	Trading	100%
Alexander Mann Solutions BPO Inc.	Philippines	Trading	100%
Alexander Mann Solutions (Pty) Ltd	South Africa	Trading	100%
AMS Recruitment S.A.(Costa Rica)	Costa Rica	Trading	100%
AMS Solutions Services d.o.o.	Croatia	Trading	100%
AMS Solutions d.o.o. Beograd	Serbia	Trading	100%
Rocket TopCo Limited	England and Wales	Holding	100%
Rocket AcqCo Limited	England and Wales	Holding	100%
Unique Profile Limited	England and Wales	Holding	100%
The Up Group Limited	England and Wales	Trading	100%
Scale Digital Limited	England and Wales	Dormant	100%
The Up Group Inc	England and Wales	Dormant	100%

* held directly by Auxey Holdco Limited.
The principal activity of all trading subsidiaries is the provision of Talent Acquisition and Management Services, usually under long term contracts.
The registered addresses of the subsidiaries above are listed in the appendix to the subsidiary note.

32. Subsequent events

In January 2024, the Group refinanced its currency and interest rate derivatives maturing in July 2024 by entering into a £170m (amortising) GBP interest rate swap, a $141.75m (accreting) USD interest rate collar and a $141m (amortising) USD/GBP floating to floating cross-currency interest rate swap. All these trades are forward-starting (from July 2024) and mature in Dec 2025. As a result of this exercise, the Group's interest and debt currency mix is realigned to the Treasury policy.

In March 2024, the Group refinanced its UK Confidential Invoice Discounting facility of £36m which was due to mature in December 2024. The new facility benefits from a limit of £60m and a new end date of December 2026.

Appendix – subsidiary undertakings

Subsidiary Undertaking	Registered Address
Auxey Finco Limited*	7-11 Bishopsgate, London, EC2N 3AQ
Auxey Midco Limited	7-11 Bishopsgate, London, EC2N 3AQ
Auxey Bidco Limited	7-11 Bishopsgate, London, EC2N 3AQ
Alexander Mann Group Limited	7-11 Bishopsgate, London, EC2N 3AQ
Alexander Mann Associates Limited	7-11 Bishopsgate, London, EC2N 3AQ
Alexander Mann Solutions Limited	7-11 Bishopsgate, London, EC2N 3AQ
Amiqus Limited	7-11 Bishopsgate, London, EC2N 3AQ
Alexander Mann BPO Limited	7-11 Bishopsgate, London, EC2N 3AQ
Public Sector Resourcing Limited	7-11 Bishopsgate, London, EC2N 3AQ
Alexander Mann Solutions GmbH	Rosenthaler Strasse 43 - 45, 10178 Berlin
Alexander Mann Solutions APS	Frederiksborggade 15, 1360 Copenhagen, Denmark
Alexander Mann Solutions AB	Hälle Lider 2 B, 1 tr, 459 32 Ljungskile, Sweden
Alexander Mann Solutions GmbH	Stockerstrasse 12, CH-8002 Zürich Switzerland
Alexander Mann Solutions S.R.L.	Corso Vercelli 40 CAP, 20145 Milano, Italy
Alexander Mann Solutions Poland Sp. Z.o.o.	Ul. Puszkarska 7f, 30-644, Krakow, Poland
Alexander Mann Solutions BVBA	Rond Point Schuman 6, Box 5, 1040 Brussels, Belgium
Alexander Mann Solutions BV	Joop Geesinkweg 901-999, 1114 AB Amsterdam- Duivendrecht, The Netherlands
AMS Recruitment Process Outsourcing S.L.	Av. Josep Tarradellas, 123, 9ª planta, 08029, Barcelona
Alexander Mann Solutions Corporation	1300 E 9th Street. Suite 400, Cleveland, OH, 44114. USA
Alexander Mann CWS LLC	1300 E 9th Street. Suite 400, Cleveland, OH, 44114. USA
Alexander Mann BPO Solutions (Singapore) PTE Limited	63 Robinson Road, Afro-Asia, #08-00, Singapore 068894
Alexander Mann Solutions S.A.R.L.	12/14 Rond-Point des Champs-Elysées, 75008, Paris, France
Alexander Mann Solutions Private Limited	B2, 402, Marathon Innova, Off Ganpatrao Kadam Marg, Opp Peninsula, Corporate Bank, Lower Parel, Mumbai, India
Flexability HR Solutions Private Limited	50, 6th Floor, Awfis Space Solutions, Chowringhee Road, Elgin, Kolkata, Kolkata, West Bengal, 700071
Alexander Mann Solutions K.K.	3-18-6 Toyo, Koto-ku, Tokyo, 135-0016, Japan
AMG Asia Pacific Pty Ltd	Level 27, 101 Collins St, Melbourne, Vic 3000
Alexander Mann Solutions (HK) Limited	Flat/RM 1108, 11/F Two Chinachem Central 26 Des Voeux Road Central HK
Alexander Mann Solutions s.r.o.	U Garáží 1611/1, 170 00 Prague 7, Czech Republic
Alexander Mann Solutions (KFT)	Kálmán Imre utca 1, Budapest, 1054 Hungary
Alexander Mann Solutions (Shanghai) Enterprise Management Consulting Ltd	Unit 701, ZRT Tower, No. 20, Lane 1228 Jiangchang Road,Jingan District, Shanghai, 200072
Alexander Mann Solutions Inc	1000, rue De La Gauchetière Ouest, Bureau 900, Montréal, QC, Canada H3B 5H4
Karen HR Inc	1000, rue De La Gauchetière Ouest, Bureau 900, Montréal, QC, Canada H3B 5H4
Alexander Mann Outsourcing Solutions Limited	Trinity House, Charleston Road, Ranelagh, Dublin 6 DO6, Ireland, C8X4
AMS Processo De Recrutamento E Terceirização Ltda	R Jesuino Arruda 797, Andar 10, Itaimi BIBI, CEP 04.532-082, Sao Paulo, UF: SP

Auxey Holdco Limited

Notes to the financial statements
For the year ended 31 December 2023

Subsidiary Undertaking	Registered Address
Alexander Mann Solutions S. De R.L. De C.V.	Insurgentes Sur 1787 Piso 4 Guadalupe Inn Col., Alvaro Obregon, Mexico D.F., 01020
Alexander Mann Solutions AS	Vassboten 1, Building 2, Cadastral unit no 67, Sandnes, Norway
Alexander Mann Solutions BPO Inc.	10F One Ayala East Tower, Ayala Avenue corner EDSA, Makati City
Alexander Mann Solutions (Pty) Ltd	West Tower Office, 2nd Floor, Nelson Mandela Square Maude Street, Sandown, Johannesburg, Gauteng 2146
AMS Recruitment S.A.(Costa Rica)	Santa Ana, Forum 1, Building E, Second Floor, San Jose, 10903, Costa Rica
AMS Solutions Services d.o.o.	Radnicka cesta 80, Zagreb
AMS Solutions d.o.o. Beograd	Bulevar Zorana DINDICA 64A, Belgrade 11070
Rocket TopCo Limited	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP
Rocket AcqCo Limited	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP
Unique Profile Limited	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP
The Up Group Limited	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP
Scale Digital Limited	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP
The Up Group Inc	30th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP