Empresaria

Empresaria Group plc

Annual report and accounts **2024**

Strategic report

Governance

Financial statements

For more information
visit our website
www.empresaria.com

Financial highlights

Net fee income

£50.4m

2023: £57.5m

Adjusted profit before tax

£2.2m

2023: £3.5m

Adjusted, diluted loss per share

1.0p

2023: earnings per share of 0.6p

Net debt

£15.3m

2023: £10.8m

Loss before tax

£5.2m

2023: Profit of £0.1m

Diluted loss per share

21.2p

2023: 5.9p

For definition of terms:
See glossary on page 99

Our purpose is to positively impact the lives of people, while delivering exceptional talent to our clients.

Chair's statement

"We believe our accelerated strategy will drive improved value for our shareholders."

Penny Freer
Chair

2024 performance

2024 was another challenging year for the Group with our performance continuing to be affected by the adverse trading conditions which have impacted the industry for the past two years. Despite this there were some positive performances with growth of 2% (CC LFL) in temporary and contract net fee income and a return to profit for our Americas region.

People

I want to acknowledge and thank all of our teams, including those in operations that we sold or closed, for their hard work and dedication during what has been a challenging year. Their perseverance and determination stood out, and it is our people that will enable us to succeed in our accelerated strategy and deliver value to shareholders.

Dividend

The Board has reviewed the dividend in line with 2024 results, the current trading environment and the financial position of the Company and Group. As a result, the Board is proposing not to pay a final dividend in respect of the year ended 31 December 2024 (31 December 2023: 1.0p per share).

Outlook

The challenging economic environment we have seen across the industry over the last two years has continued into 2025 and the trading outlook remains uncertain. We remain focussed on delivering improved operational performance in this environment while executing on our accelerated strategy which we believe will drive improved value for our shareholders.

Penny Freer
Chair
26 March 2025

At a glance

Who we are

Founded in 1996, Empresaria is a specialist staffing group currently operating across six diversified sectors in 15 countries and placing candidates in many more. Details on how the acceleration of our strategy will change the Group are set out in the Chief Executive's review on page 12. We are driven by our purpose to positively impact the lives of people, while delivering exceptional talent to our clients. We are listed on the AIM market of the London Stock Exchange.

We have expertise in
6 sectors

and operate from
15 countries

across
4 regions

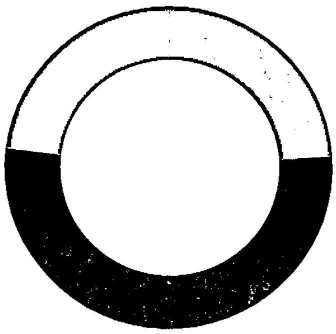
Our footprint

Our expertise currently covers six key sectors:

Professional **IT** **Healthcare** **Property, Construction & Engineering** **Commercial** **Offshore Services**

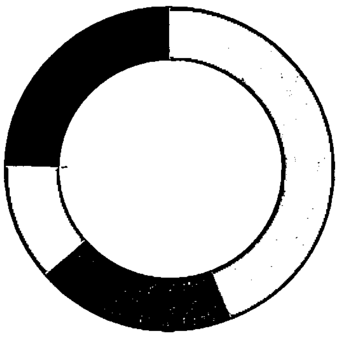
Our diversified operations

Service type
% of net fee income



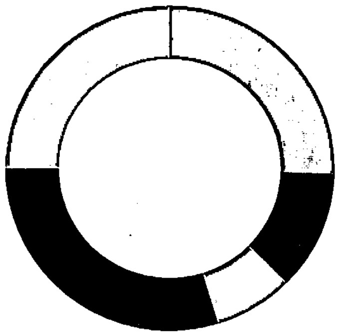
	2024	2023
Permanent	24%	29%
Temporary and contract	53%	49%
Offshore services	23%	22%

Region
% of net fee income



	2024	2023
UK & Europe	44%	43%
APAC	20%	23%
Americas	11%	10%
Offshore Services	25%	24%

Sector
% of net fee income



	2024	2023
Professional	25%	25%
IT	12%	17%
Healthcare	4%	3%
Property, Construction & Engineering	4%	3%
Commercial	30%	28%
Offshore Services	25%	24%

Investment case

Our accelerated strategy, announced in February 2025, focusses on three core sectors and two markets alongside our differentiating Offshore Services operation, combined with our plan to generate value from our non-core operations, creates a unique and compelling investment case.

Focussed core operations with significant potential

For more information:
See pages 16, 18 and 20

We have a strong presence and track record across IT, Professional and Healthcare in the UK and the US which are two of the largest staffing markets in the world. Our accelerated strategy will enable us to invest in and grow these operations more effectively.

Core operations providing services across

3 sectors

2 countries

Offshore Services differentiator

For more information:
See page 19

Our Offshore Services offering stands out from our peers and provides a unique value proposition. We see significant potential for continued growth by diversifying the range of services we provide and the client sectors we serve.

Offshore Services

25%

net fee income compound annual growth rate from 2017 to 2024

Valuable non-core operations

For more information:
See pages 12 and 21

Our non-core operations include profitable businesses that will generate significant value on sale. The reduction in complexity will allow us to significantly reduce our central cost and focus on our core operations.

Adjusted operating profit contribution from non-core operations in 2024

£4.5m

Experienced Board

For more information:
See pages 36 and 37

Our experienced Board has a strong track record in the staffing industry and extensive commercial and corporate experience.

Board staffing industry experience

>100

years

Current market conditions

Staffing market forecasts

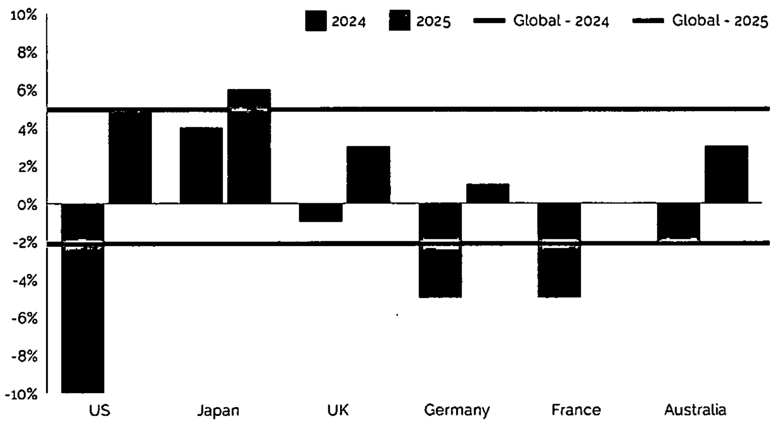
In November 2024, Staffing Industry Analysts ('SIA') projected that global staffing market revenue would contract by 2% in 2024 before rebounding with 5% growth in 2025. However, while all major staffing markets are forecast to show an improved position in 2025 there are expected to be some significant variances between them.

Our core markets of the UK and the US are both expected to return to growth after shrinking in 2024. The UK market is forecast for modest growth of 3% in 2025, having expected to have shrunk by 1% in 2024, although SIA highlights risks from the impact of the Employment Rights Bill and national insurance increases. In the US, a more dramatic swing from a 10% decline in 2024 to 5% growth in 2025 is forecast reflecting an expectation that lower interest rates, combined with the ending of election uncertainty, will create a tailwind.

Forecasts for 2025 across our non-core markets range from a modest 1% increase in Germany to double digit growth forecasts in a number of markets in Asia.

SIA staffing market growth forecasts

6 largest markets



Insights from our international workforce survey

Our recent international survey of more than 3,800 candidates identified key themes shaping employee expectations and career decisions.

Competitive pay

Our survey revealed that salary increases are in the top three career goals for candidates and 70% of respondents cited higher pay and benefits as their primary motivation for seeking a new role.

Growing demand for flexibility

73% of participants said flexible working hours would enhance their job satisfaction, while more than half indicated that the ability to work remotely or in a hybrid model would influence their decision to stay with their current employer.

Professional development

Most respondents reported being satisfied or very satisfied with the learning and development opportunities provided by their employers, while 71% were comfortable or very comfortable with the use of AI and technology in their roles.

Continued rise of BPO

The global Business Process Outsourcing ('BPO') market has continued to grow at pace with an estimated market size of $303bn in 2024 (Global View Research). This growth is forecast to continue with the global market expected to expand at 9.6% CAGR for the period 2024 to 2030, while in India this reaches 12.7% CAGR for the same period.

Our Offshore Services operation, while currently primarily delivering to staffing industry clients, provides a range of outsourced services and we see great opportunity to expand our client base to new client sectors. The strength of the wider BPO space illustrates the broader opportunities available.

Global skills shortages persist

Based on insights from over 1,000 companies, the World Economic Forum's Future of Jobs Report 2025 identifies the skills gap as the most significant hurdle to business transformation. Technological advancements, demographic changes, geoeconomic tensions and broader economic pressures are reshaping industries and professions worldwide with nearly 40% of workplace skills projected to change, and 63% of employers already view this gap as their biggest challenge. Technical skills in AI, big data and cybersecurity are expected to see rapid growth while human skills such as creative thinking, resilience, flexibility and agility will remain critical.

Our single candidate database allows us to provide clients access to a vast, diverse talent pool. Leveraging our recruitment technology and our database enables us to identify candidates quickly in a talent short market.

Our business model

Our resources

People

Our people are our greatest asset. We invest in our employees and provide our candidates with outstanding service and career opportunities.

Clients

Client relationships built on trust drive our success. We seek to provide our clients with the best experience and talent in the marketplace.

Financial resources

Our financial resources enable us to invest in our clients, our people and our business.

Our approach

Specialist sector expertise

Our focus and expertise in our core sectors of IT, Professional and Healthcare provides our clients with a specialist, rather than a generalist, service enabling us to more effectively meet their needs. In 2025, we will unify our UK and US operations under a single brand with specialist teams. This change will enable a seamless buying experience for our clients, while retaining our sector specific expertise and strengthening our brand position.

Range of staffing services

The Group has three main service lines: permanent recruitment, temporary and contract recruitment, and offshore services. We target a greater proportion of temporary and contract recruitment versus permanent recruitment as it is generally more stable through the economic cycle.

Specialist sales and delivery teams

The Group operates a '180 degree' operating model, separating its sales and delivery functions into specialist teams in order to deliver the best and most efficient service to clients and candidates, while creating meaningful career opportunities for our people.

Empowered and supported leadership

The Group empowers its leaders as experts in their markets. The support structures we have put in place enable our businesses to maximise their potential for success.

Our values

Innovation

Collaboration

Accountability

Responsibility

Excellence

Delivered through our strategy

For more information: See pages 12 and 13

Stakeholder engagement

For more information: See pages 30, 31 and 39

Reputation

We are experts in our chosen markets and sectors with long-standing client relationships.

Technology

We invest in our technology to enable us to connect with clients and candidates quickly and effectively.

Delivering long-term value

We are committed to generating sustainable, long-term value for our stakeholders

Our people

Our culture and values allow our employees and candidates to develop and flourish so they can realise their potential and achieve their career goals.

Our clients

We provide exceptional talent solutions to our clients. Our specialist approach and local market expertise enables them to achieve their strategic goals and objectives.

Our communities

Our purpose is to positively impact the lives of people. We make direct social and economic contributions in the countries we operate in and are engaged in supporting local community and charitable organisations. We also contribute to the local economy through tax payments and use of local suppliers.

Our investors

We aim to deliver sustainable returns for investors through growing earnings per share and dividends. Our accelerated strategy will improve our balance sheet and enable us to invest in our core businesses to grow our profits into the future.

Chief Executive's review

"We are confident that our more targeted strategy will accelerate growth in the UK and the US."

Rhona Driggs
Chief Executive Officer

2024 performance and progress

The industry faced another challenging year in 2024 with adverse market conditions that have persisted since late 2022. Permanent recruitment remains our most impacted area as clients continued with a cautious hiring approach amid ongoing uncertainty.

However, I am pleased that we delivered relatively resilient results against this backdrop. Our net fee income was down 6% (CC LFL) including growth of 2% from temporary and contract. Permanent placement net fee income was down significantly (reduced 21% CC LFL) while Offshore Services saw its first decline in net fee income since 2020 (down 6% CC LFL).

We are beginning to see the benefits from aligning our management structures by country with increased efficiency and operational synergies. Additionally, there has been a notable shift from transactional to relationship-based sales, with a strong emphasis on expanding our presence among mid-market and global clients.

As outlined in last year's annual report, our focus on core sectors and markets has resulted in the exit from several smaller, generally loss-making operations in markets or sub-sectors where we had no plans for further investment. As a result, during 2024 we sold our loss-making Healthcare operation in Finland, our UK Property business, and our Commercial operation in Japan, and closed our operations in China and Australia which had both made significant losses in recent years.

Accelerating our strategy

As we announced in February 2025, we are taking steps to accelerate our strategy. We remain committed to our three key pillars for growth: focus on our core sectors of IT, Professional and Healthcare, diversifying our service offering to clients, and delivering continued growth in Offshore Services. These will continue to underpin our strategy as we move forward.

Our first pillar will now be focussed on our core operations in the UK and the US. We plan to exit our non-core operations over the next two years, creating a streamlined Group based around:

- Core operations in the UK (IT and Professional);
- Core operations in the US (IT, Professional and Healthcare); and
- Offshore Services based in India.

The UK and the US are two of the world's largest staffing markets and provide significant opportunities for growth, cross-selling, and operational synergies. We have a strong presence and proven track record in these mature markets and we believe that this strategic shift will enable us to scale our businesses more efficiently and effectively.

Our focus on the UK and the US will enable us to invest in growth more efficiently and accelerate the delivery of impactful projects and initiatives. This includes enhancing our technology platform, strengthening our training programs, and improving our marketing efforts.

We plan to move to a single brand across our UK and US operations which will enable us to more effectively drive our market positioning while retaining the benefits of specialist teams. We believe this will be game changing for our operations, creating a single face to our clients, removing barriers to selling multiple services, and helping us deliver a more coherent message. We are finalising our plans for this and expect to launch later in 2025.

Our other two pillars are also key to delivering future success.

While current market conditions have presented challenges, we see promising opportunities to diversify our service offering to clients as the market recovers. With a strategic focus on the UK and the US, we aim to capitalise on recovery in the US contract staffing market in our Professional and IT businesses. Additionally, we see potential for expansion in both the UK and the US markets in recruitment process outsourcing.

We remain extremely confident in our Offshore Services operation and in its value to the Group. Although market conditions have led to a dip in results in 2024, historically, market recoveries have been a catalyst for rapid growth, as clients often need to quickly scale their delivery capabilities. We are focussed on ensuring we are well-positioned to respond when the market rebounds and have continued to invest in our sales team. We also see good opportunities to expand our range of services to our existing client base and to take our back office services, such as accounting and finance, to clients operating in sectors outside recruitment.

Our strategic objectives have been updated to reflect these changes and these, along with our key priorities for 2025, are summarised on page 13.

Outlook

This is one of the longest downturns in the market I've encountered in my staffing career. While the immediate outlook remains challenging, we are focussed on driving improved performance in this environment. We are confident that the actions we have already taken, and our more targeted strategy, will enable us to drive faster growth in our chosen sectors and markets, while strengthening our financial position and enhancing shareholder value.

Rhona Driggs

Rhona Driggs
Chief Executive Officer
26 March 2025

2025 strategic objectives

Strategic objective		2025 priorities
Build scale in the UK and the US	We are committed to driving scale in the UK and the US. We will do this by gaining additional market share with clients, providing them with services across multiple skillsets and developing new service offerings to drive additional revenue streams.	• Return the UK and the US to profit. • Develop a more integrated strategy across the UK and the US. • Continue to invest in IT projects to improve our delivery speed and productivity. • Invest in best-in-class sales training. • Implement a single brand across our UK and US operations.
Diversify our service offering to clients	A diversified service offering enables us to gain market share and to grow strategic relationships with larger volume clients. A diverse revenue stream creates a more stable revenue base and we aim for a temp to perm ratio (excluding offshore services) of 70:30.	• Expand RPO capabilities in the UK and the US. • Invest in developing presence in the US IT contract market. • Continue to scale MSP delivery in the UK, building on existing relationships and leveraging our expertise in the US.
Maximise the value of Offshore Services	Our Offshore Services offering has been a major success story in recent years. We are focussed on continuing to maximise growth in this operation alongside our traditional staffing operations.	• Continued investment in our sales team to drive accelerated growth as and when the staffing market recovers. • Expand our back-office client base, targeting sectors outside of recruitment. • Continue to identify and develop additional service offerings to drive sales with our existing client base.
Exit non-core operations to provide value for shareholders	The exit of our non-core operations is expected to provide significant value over the next two years by reducing debt and enabling a reduction in central overheads while generating funds to invest in our core operations.	• Continue to maximise 2025 results. • Target completion of some initial exits in 2025 provided appropriate valuations are achieved.

Key performance indicators

We will measure progress against our strategic objectives using the following performance measures.

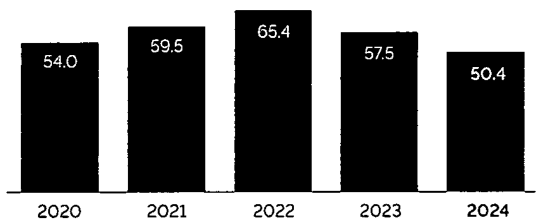
2025 strategic objectives

1. Build scale in the UK and the US
2. Diversify our service offering to clients
3. Maximise the value of Offshore Services
4. Exit non-core operations to provide value for shareholders

Net fee income

1 2 3

£50.4m



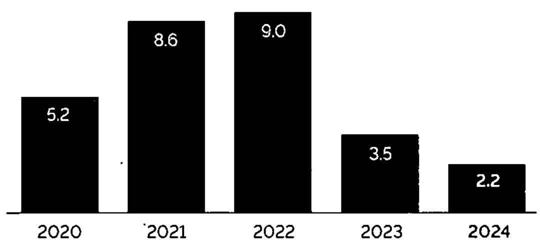
Why and how we measure
Net fee income is the Group's principal 'revenue' measure, incorporating permanent fees and the gross margin earned on temporary and contract workers and offshore services.

How we have performed
Net fee income has reduced by 12% in 2024, reflecting challenging market conditions and the exit from 5 individual smaller operations. On a CC LFL basis net fee income has reduced by 6%.

Adjusted profit before tax

1 2 3

£2.2m



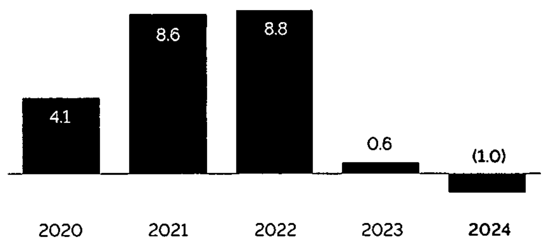
Why and how we measure
Adjusted profit before tax measures the Group's underlying profit performance and is stated before amortisation of intangible assets identified in business combinations, impairment of goodwill and other intangible assets, exceptional items, loss on sale of subsidiaries, and fair value charges on acquisition of non-controlling shares.

How we have performed
Adjusted profit before tax has reduced in 2024, reflecting the fall in net fee income partially offset by strong control of costs.

Adjusted, diluted earnings per share

1 2 3

(1.0)p

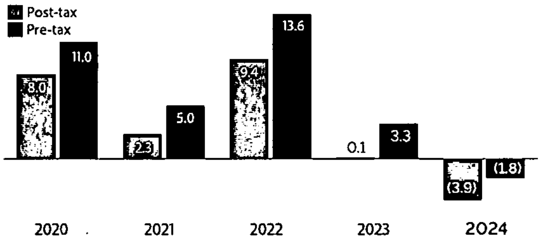


Why and how we measure
Adjusted, diluted earnings per share measures the underlying performance of the Group's earnings for its shareholders. Adjusted earnings is adjusted in the same manner as adjusted profit before tax along with any related or exceptional tax impacts.

How we have performed
Adjusted, diluted earnings per share has reduced in 2024 moving to a loss per share position. This reflects the reduction in profits compared to the prior year.

Free cash flow

£(3.9)m

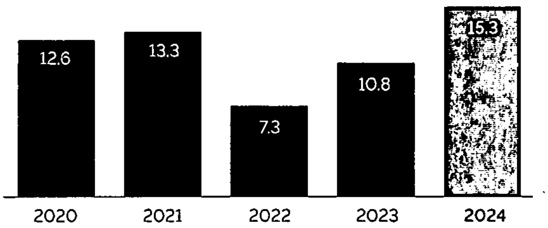


Why and how we measure
Free cash flow is the level of cash generated that is available for investment by the Group. It is calculated as net cash from operating activities per the cash flow statement less payments made under lease agreements. As an international business tax cash flows can be volatile, so a pre-tax free cash flow figure is also presented.

How we have performed
In 2024 free cash flow has reduced, reflecting the reduction in profits and the exceptional costs during the year.

Net debt 4

£15.3m

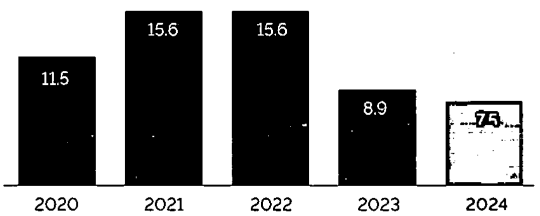


Why and how we measure
Eliminating the Group's net debt is a targeted output of our accelerated strategy announced in February 2025.

How we have performed
The Group's net debt has increased during the year, reflecting weaker trading results and exceptional items.

Conversion ratio 1

7.5%

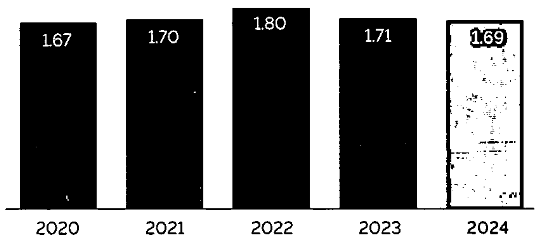


Why and how we measure
The conversion ratio measures how efficient we are at converting net fee income to profit. It is calculated as adjusted operating profit as a percentage of net fee income.

How we have performed
The conversion ratio has reduced slightly in the year. Although the drop in net fee income has been largely offset by reductions in costs, a full offset was not possible particularly in certain loss-making operations where further cost cuts would have endangered the ability of the operation to recover when market conditions improve. We continue to focus on efficiencies and productivity in the business with the longer-term ambition of achieving a 20% conversion ratio.

Staff productivity 1

1.69x



Why and how we measure
Staff productivity measures how effective our staff are at delivering income for the Group. It is measured as total net fee income divided by total staff costs within administrative costs.

How we have performed
Staff productivity has reduced slightly from the prior year, reflecting the impact of the challenging trading conditions in 2024.

Operating review

UK & Europe

% of Group net fee income

44%

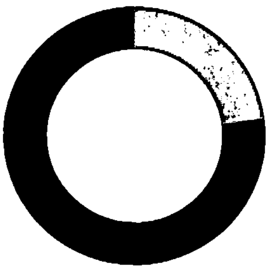
Locations

- Austria
- Germany
- UK

Financials

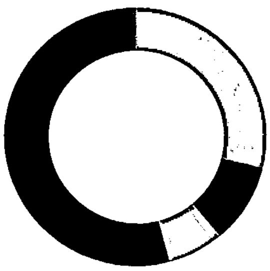
£m	2024	2023
Revenue	**112.7**	116.8
Net fee income	**22.7**	24.9
Adjusted operating profit	**2.7**	3.0
% of Group net fee income	**44%**	43%
Average number of staff	**225**	247

Net fee income by service



	2024	2023
Permanent	**23%**	25%
Temporary & contract	**77%**	75%

Net fee income by sector



	2024	2023
Professional	**29%**	30%
IT	**10%**	11%
Healthcare	**1%**	3%
PCE	**6%**	5%
Commercial	**54%**	51%

In UK & Europe, revenue reduced by 4% (increased by 1% CC LFL) and net fee income reduced by 9% (6% CC LFL). Adjusted operating profit was down by 10% (10% CC LFL) and reflected significant reductions in regional overheads compared to the prior year.

In the UK, net fee income reduced by 9% year-on-year. This was primarily driven by a reduction in permanent hiring, which was down 16%, with temporary and contract net fee income more resilient and down 2%. In both our core sectors of IT and Professional we saw significant reductions in net fee income with falls in demand across our client base. Towards the end of 2023 we brought our core operations in the UK under a single leader and embedded a single management structure in 2024. We expect this to deliver significant benefits including greater efficiency and, when combined with our plans to move to a single brand, improve our success in gaining market share with existing clients. Our private household services and corporate hospitality operation had a strong year with a 5% improvement in net fee income translating into more significant growth in profits with benefits seen from a more efficient cost base. During 2024, we sold our small operation that focussed on the new home sector.

In Germany, our Commercial operations delivered 9% growth in revenue, with a 1% increase in net fee income and a 12% increase in adjusted operating profit, all on a constant currency basis. We have seen good success in growing volume and revenue in our logistics operation in a sector and market where margins are challenged. The alignment of our operations under a single leader has driven cost efficiencies which have had a positive impact on adjusted operating profit. As highlighted in our interim statement, a significant bad debt expense was incurred in Germany in 2024 and this has been treated as an exceptional item as discussed in more detail in the Finance review on page 23.

Our Commercial operation in Austria operates primarily with clients in the automotive industry which continued to face significant challenges throughout 2024. As a result, we saw a significant decline in net fee income in the year which resulted in a small loss.

During 2024, we sold our loss-making Healthcare operation in Finland.

APAC

% of Group net fee income

20%

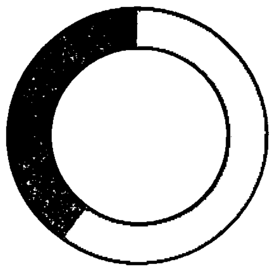
Financials

£m	2024	2023
Revenue	**45.5**	51.9
Net fee income	**10.1**	13.6
Adjusted operating loss	**(0.7)**	(0.8)
% of Group net fee income	**20%**	23%
Average number of staff	**231**	304

Locations

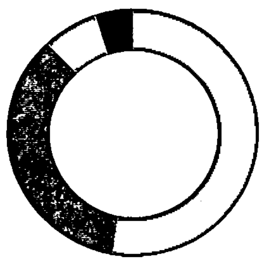
- Indonesia
- Japan
- Malaysia
- New Zealand
- Philippines
- Singapore
- Sweden
- Thailand

Net fee income by service



	2024	2023
Permanent	**60%**	65%
Temporary & contract	**40%**	35%

Net fee income by sector



	2024	2023
Professional	**53%**	46%
IT	**35%**	44%
Healthcare	**2%**	1%
PCE	**5%**	4%
Commercial	**5%**	6%

In APAC, our revenue reduced by 12% (4% CC LFL) and net fee income reduced by 26% (13% CC LFL). Overall, the region delivered a slightly reduced loss of £0.7m.

Although this region was affected in 2023 by the weakening of the wider recruitment market, particularly in IT, the impact had not been as great as in other regions. In 2024, we saw this impact come through fully, resulting in a more significant reduction in net fee income than we have seen elsewhere. Improved cost controls, including from the reduction of regional overheads, and improvements in operations that were loss-making in 2023, more than offset this impact resulting in a small reduction in the region's losses compared to prior year.

The largest year-on-year improvement was delivered by our aviation operation, which has offices in New Zealand, Singapore and Sweden. Net fee income grew by 23% which, alongside further reductions in the cost base, led to a significant reduction in losses compared to the prior year. Diversification has continued to be the driver of improved performance alongside strong growth in permanent recruitment, however we are now also seeing some recovery in our core pilot leasing offering.

Our two largest profit contributors in 2024 were Indonesia and Japan. In Indonesia, net fee income grew by 7% in constant currency although profits reduced slightly from prior year reflecting increases to the cost base including the impact of legislation reducing the retirement age.

In Japan, our IT recruitment operation has continued to struggle in the current challenging market with net fee income falling by 25% in constant currency including a 41% fall in permanent recruitment. As a result, profits in Japan were significantly down on prior year.

Our Singapore operation is going through significant change as we brought new experienced management into the business to drive improved performance. Although this operation continued to deliver losses in 2024, we are confident in its recovery and future prospects.

Elsewhere, the Philippines and Thailand both saw reductions in net fee income but remained profitable against challenging market conditions.

In Malaysia, we saw good progress with net fee income growing by 12% in constant currency and good progress on profits. While this remains our smallest operation in the region it is a market with strong drivers for growth including from increased foreign investment.

During 2024, we closed our loss-making Professional operations in Australia and China, and sold our small Commercial operation in Japan.

Operating review continued

Americas

% of Group net fee income

11%

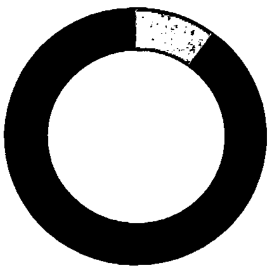
Financials

£m	2024	2023
Revenue	**62.2**	55.9
Net fee income	**6.0**	6.1
Adjusted operating profit/(loss)	**0.1**	(0.9)
% of Group net fee income	**11%**	10%
Average number of staff	**121**	131

Locations

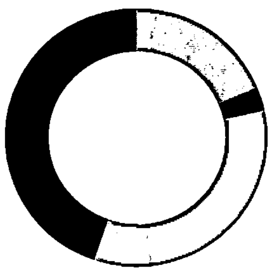
- Chile
- Peru
- USA

Net fee income by service



	2024	2023
Permanent	**10%**	26%
Temporary & contract	**90%**	74%

Net fee income by sector



	2024	2023
Professional	**19%**	15%
IT	**3%**	16%
Healthcare	**27%**	20%
PCE	**6%**	4%
Commercial	**45%**	45%

In the Americas, good progress was made in 2024 with revenue up by 11% (23% CC LFL), net fee income down by 2% (up by 5% CC LFL) and strong cost control resulting in the region returning to profit.

In the US, we delivered a much reduced loss, although net fee income continued to fall, reducing by 4% on 2023 in constant currency.

Our US Healthcare operation, which has underperformed in the last couple of years, delivered a much improved performance in the second half of 2024 with strong delivery underpinning a return to profitability and year-on-year growth in net fee income. While the underlying healthcare market in the US remains challenging, we are pleased with the improvements in the performance of this operation and believe it has very strong growth potential.

Our US IT operation continued to face a very challenging market which resulted in further falls in net fee income in 2024. However, strong control over costs meant that the losses in this operation were significantly reduced from the prior year. We are focussed on strengthening our sales capabilities as we move into 2025 in order to drive a return to growth in net fee income.

Our Professional operation in the US launched in 2023 in a very challenging market. Despite this we have had some good success in cross-selling Professional roles to our existing client base and we have invested in our sales team as we look to grow our presence.

In South America, our Chile operation has continued to deliver good growth with a 9% increase in net fee income and a 23% increase in profit, both on a constant currency basis. In our smaller operation in Peru we saw significant growth in net fee income of 33% in constant currency, with profits also increasing.

Offshore Services

% of Group net fee income

25%

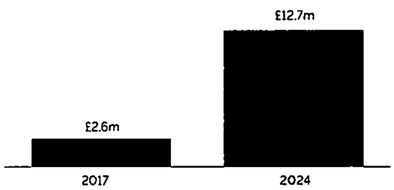
Financials

£m	2024	2023
Revenue	**26.9**	26.9
Net fee income	**12.7**	14.0
Adjusted operating profit	**5.8**	7.5
% of Group net fee income	**25%**	24%
Average number of staff	**2,521**	2,565

Locations

- India
- Philippines

Net fee income growth



25% CAGR

Having grown net fee income by a compound annual growth rate of 32% from 2017 to 2023, Offshore Services had a more challenging 2024 with revenue unchanged (up 4% CC LFL), net fee income down by 9% (6% CC LFL) and profits down 23% (19% CC LFL).

Our operations support the staffing sector, principally in the UK and the US, and provide every aspect of the end-to-end recruitment process alongside compliance, finance and accounting, and other services. Clients are predominantly third-party staffing companies, but this operation also plays an important role in supporting our businesses across the Group. We operate from two locations in India and one in the Philippines.

In the UK, demand from our healthcare clients fell at the end of 2023 and the start of 2024 after significant growth in the previous two years. Although demand remained fairly stable for much of the rest of 2024 this resulted in a year-on-year reduction in net fee income. At the end of 2024 we saw renewed pressure on clients as the NHS continues to look to manage agency spend. Billable seats closed the year down 6% on the end of 2023.

In the US, we had seen challenging demand throughout 2023, particularly from IT recruitment clients, and this remained the case during the first half of 2024. The second half of the year saw some improvement and as a result our billable seat count ended the year 8% higher than at the end of 2023.

Overall revenues remained unchanged, despite the fall in net fee income, reflecting increases in revenue from low margin payroll services for temporary and contract staff provided to India based clients of other operations in the Group.

Operating profit reduced by more than net fee income reflecting inflationary increases in the cost base and ongoing investments in sales teams and infrastructure to ensure the operation is well positioned to capitalise as and when market growth returns.

Operating review continued

Core operations

% of Group net fee income

37%

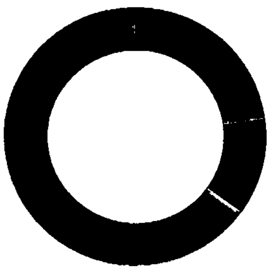
Financials

£m	2024	2023
Revenue	**59.1**	58.2
Net fee income	**18.7**	21.5
Adjusted operating profit	**4.4**	6.0
% of Group net fee income	**37%**	37%
Average number of staff:		
US and UK	**59**	87
Offshore Services	**2,521**	2,565

Locations

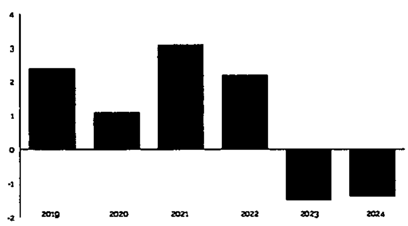
- UK
- US
- India
- Philippines

Net fee income by operation



	2024	2023
UK	**23%**	26%
US	**12%**	11%
Offshore Services	**65%**	63%

UK and US adjusted operating profit history



Our core operations are IT, Professional and Healthcare recruitment businesses in the UK and the US, and our Offshore Services business that operates from locations in India and the Philippines. These operations are the focus of our accelerated strategy and the additional financial information in this section is provided to enable a fuller understanding of them. Commentary on 2024 performance is provided under the relevant region elsewhere in the Operating review.

Non-core operations

% of Group net fee income

61%

Financials

£m	2024	2023
Revenue	**181.5**	181.2
Net fee income	**30.6**	32.9
Adjusted operating profit	**4.5**	4.9
% of Group net fee income	**61%**	57%
Average number of staff	**478**	510

Locations

- Austria
- Chile
- Germany
- Indonesia
- Japan
- Malaysia
- New Zealand
- Peru
- Philippines
- Singapore
- Sweden
- Thailand
- UK

As announced in February 2025, and discussed in more detail in the Chief Executive's review on page 12, the Group plans to exit from its non-core operations over the next two years. The additional financial information in this section is provided to enable a fuller understanding of the contribution of these operations to the Group. The information presented excludes operations exited during 2023 and 2024, and adjusted operating profit excludes any regional overheads. Commentary on performance is provided under the relevant region elsewhere in the Operating review.

Finance review

"The Group is targeting eliminating its net debt as part of its accelerated strategy."

Tim Anderson
Chief Financial Officer

Revenue
£246.2m
2023: £250.3m

Net fee income
£50.4m
2023: £57.5m

Adjusted profit before tax
£2.2m
2023: £3.5m

Overview

The Group's 2024 results reflect ongoing challenging market conditions with revenue down 2% (up 5% CC LFL), net fee income down 12% (6% CC LFL) and adjusted operating profit down 25% (21% CC LFL). This reduction in adjusted operating profit is reflected in a 37% reduction in adjusted profit before tax to £2.2m, and an adjusted, diluted loss per share of 1.0p.

Net debt has increased to £15.3m at 31 December 2024 (31 December 2023: £10.8m). This increase was driven by reduced trading results, a comparatively high tax charge due to profit mix and a significant exceptional bad debt expense partially offset by the sale of three small operations in the year. The Group is targeting to eliminate its net debt through improved trading results and the disposal of non-core operations as part of its accelerated strategy. Facility headroom at 31 December 2024 was £4.1m (excluding invoice financing).

Income statement

Revenue decreased by 2% (up 5% CC LFL) with net fee income decreasing by 12% (6% CC LFL). The greater fall in net fee income reflects the revenue mix with net fee income from permanent placement down 28% (21% CC LFL), offshores services down 10% (6% CC LFL) and temporary and contract down 4% (up 2% CC LFL). Although staff productivity reduced slightly, ongoing cost actions partially offset the reduction in net fee income with adjusted operating profit down 25% (21% CC LFL) to £3.8m.

A detailed analysis of the results by region is provided in the Operating review on pages 16 to 21. Central costs increased to £4.1m (2023: £3.7m) with 2023 having benefited from some credits not repeated in 2024.

	2024 £m	2023 £m	% change	% change CC LFL[2]
Revenue	**246.2**	250.3	-2%	+5%
Net fee income	**50.4**	57.5	-12%	-6%
Operating (loss)/profit	**(3.6)**	1.7	-312%	
Adjusted operating profit[1]	**3.8**	5.1	-25%	-21%
(Loss)/profit before tax	**(5.2)**	0.1	n/a	
Adjusted profit before tax[1]	**2.2**	3.5	-37%	
Diluted loss per share	**(21.2)p**	(5.9)p	-259%	
Adjusted, diluted (loss)/ earnings per share[1]	**(1.0)p**	0.6p	-267%	

[1] Adjusted to exclude amortisation of intangible assets identified in business combinations, impairment of goodwill and other intangible assets, exceptional items, loss on sale of subsidiaries, fair value charges on acquisition of non-controlling shares and, in the case of earnings, any related or exceptional tax. See note 12 for a reconciliation between profit before tax and adjusted profit before tax.

[2] CC LFL – Constant currency and excluding exited operations. Calculated by translating the 2023 results at the 2024 exchange rates and excluding the results of operations exited in 2023 and 2024 from both years.

Adjusted profit before tax decreased by 37% to £2.2m reflecting the reduction in adjusted operating profit. Net interest was unchanged with improved cash management offsetting the impact of higher net debt. The reported loss before tax of £5.2m (2023: profit of £0.1m) additionally reflects amortisation of intangible assets identified in business combinations of £1.2m (2023: £1.2m), impairment of goodwill of £1.1m (2023: £1.5m), exceptional items of £4.1m (2023: £0.6m), a loss on sale of subsidiaries of £0.6m (2023: £nil) and a fair value charge on acquisition of non-controlling shares of £0.4m (2022: £0.1m).

Exceptional items reflect the closure of our operations in Australia (£0.2m) and China (£0.6m including goodwill impairment of £0.4m) in the year. An exceptional bad debt expense of £3.2m was recognised in our operations in Germany when a significant client, weLOG, went into provisional administration. We continue to remain engaged with the process but currently do not expect any significant amount of this debt to be recovered. A further £0.2m was incurred in restructuring our senior management team in Germany, bringing this under one leader, while a credit of £0.1m is reflected for unused provisions relating to the closure of our Vietnam operation in late 2023.

The impairment of goodwill was all in our Americas region and reflects weak results in recent years in our IT operation in the US and Commercial operation in Peru, with a more pessimistic view on the time frame for these to improve given the current market environment. Further details are provided in note 15.

The loss on sale of subsidiaries reflects the accounting impact of the sale of three small operations: our Commercial operation in Japan, our Healthcare operation in Finland, and our operation working with the new home sector in the UK. Although an accounting loss was recorded, these sales had a positive impact on our net debt position of £0.7m. The fair value charge on acquisition of non-controlling interests primarily related to our acquisition of the remaining shares in our Philippines operation in the first half of 2024.

The total tax charge for the year is £3.7m (2023: £1.4m). This includes an exceptional tax charge of £3.7m in respect of UK tax losses that were previously recognised as a deferred tax asset in the balance sheet but at 31 December 2024 have been derecognised reflecting current forecasts. On an adjusted basis, the effective rate is 55% (2023: 46%). The effective tax rate is higher than the underlying tax rates due to a number of factors, including:

- expenses not deductible for tax purposes (£0.2m);
- withholding taxes, dividend taxes, and deferred tax liabilities on unremitted earnings in respect of our overseas operations (£0.3m); and
- deferred tax assets not recognised for certain tax losses around the Group (£0.7m),

partially offset by:

- expenses with enhanced deductions for tax purposes (£0.1m); and
- the recognition of prior year losses (£0.1m).

The adjusted, diluted loss per share of 1.0p (2023: earnings per share of 0.6p) reflects the decrease in adjusted profit before tax, partially offset by a reduction in the amount allocated to non-controlling interests. Reported diluted earnings per share decreased to a loss of 21.2p reflecting the above and the impact of impairment charges and exceptional items in the year.

Balance sheet

	2024 £m	2023 £m
Goodwill and other intangible assets	**32.3**	36.6
Trade and other receivables	**39.7**	43.5
Cash and cash equivalents	**17.2**	17.1
Right-of-use assets	**5.9**	6.4
Other assets	**6.0**	9.3
Total assets	**101.1**	112.9
Trade and other payables	**(27.8)**	(31.5)
Borrowings	**(32.5)**	(27.9)
Lease liabilities	**(6.2)**	(6.9)
Other liabilities	**(3.2)**	(3.7)
Total liabilities	**(69.7)**	(70.0)
Net assets	**31.4**	42.9

Goodwill and other intangible assets arise from the investments and acquisitions the Group has made. At 31 December 2024 the balance was £32.3m (2023: £36.6m) with the movement in 2024 due to £1.4m of amortisation of intangible assets (2023: £1.4m), foreign exchange losses of £0.7m (2023: losses of £1.0m), goodwill impairment charges including on closure of operations of £1.5m (2023: £1.5m), sale of subsidiaries of £0.9m (2023: £nil) and additions of £0.2m (2023: £0.4m).

Trade and other receivables include trade receivables of £29.7m (2023: £31.0m). Average debtor days for the Group in 2024 reduced to 39 (2023: 41), with debtor days at 31 December 2024 of 40 (2023: 41). The income statement includes a charge of £3.2m (2023: £0.3m) in respect of impairment losses on trade receivables which for 2024 all related to the exceptional bad debt expenses detailed above.

Cash and borrowings are discussed in the financing section below.

Finance review continued

Cash flow

The Group measures its free cash flow as a key performance indicator and defines this as net cash from operating activities per the cash flow statement after deducting payments made under lease agreements.

	2024 £m	2023 £m
Net cash inflow from operating activities per cash flow statement	1.4	5.5
Deduct payments made under lease agreements	(5.3)	(5.4)
Free cash flow	**(3.9)**	0.1
Taxation	2.1	3.2
Free cash flow (pre-tax)	**(1.8)**	3.3

Free cash flow was an outflow in 2024 compared to a small inflow in 2023, with the largest drivers being the reduction in adjusted profit, costs to close loss-making operations, and a significant exceptional bad debt expense. The Group also presents a pre-tax free cash flow measure as tax payments in an international business can be volatile.

The reconciliation from free cash flow to the movement in net debt is as follows:

	2024 £m	2023 £m
Free cash flow	(3.9)	0.1
Sale of subsidiaries	0.7	-
Purchase of shares in existing subsidiaries	(0.2)	(0.1)
Purchase of property, plant and equipment, and software	(0.8)	(1.4)
Dividends paid to owners of Empresaria Group plc	(0.5)	(0.7)
Dividends paid to non-controlling interests	(0.8)	(0.9)
Purchase of own shares in Employee Benefit Trust	-	(0.3)
Other items	1.0	(0.2)
Increase in net debt	**(4.5)**	(3.5)

Sale of subsidiaries in the year improved net debt by £0.7m. Purchase of property, plant and equipment, and software of £0.8m principally relates to our Offshore Services operation. Spend is much reduced from 2023 reflecting the lower level of average headcount and a reduced need to expand capacity given the lower net fee income in the year. Dividends paid to our shareholders were £0.5m (2023: £0.7m) reflecting the reduced dividend paid in the year. The Group has previously purchased Empresaria shares, transferring these into the Employee Benefit Trust to satisfy future share option exercises. As there are currently no outstanding vested share options and the Employee benefit trust holds 0.8m shares, no purchases were made in 2024. Dividends paid to non-controlling interests in the year were £0.8m (2023: £0.9m).

Financing

The Group's treasury function is managed centrally and the Group's financial risk management policies are set out in note 24.

	2024 £m	2023 £m
Cash and cash equivalents	17.2	17.1
Overdrafts	(14.3)	(15.2)
Invoice financing	(4.1)	(3.2)
Bank loans	(14.1)	(9.5)
Total borrowings	(32.5)	(27.9)
Net debt	**(15.3)**	(10.8)

Net debt at 31 December 2024 increased to £15.3m (2023: £10.8m) reflecting the cash flows discussed above.

During 2024, the month-end average net debt position was £12.1m (2023: £7.9m) with a month end high of £15.3m at 31 December (2023: £10.8m at 31 December) and a month end low of £8.9m at 31 January (2023: £5.6m at 31 January).

Our debt to debtors ratio (net debt as a percentage of trade receivables) has increased to 52% (2023: 35%) reflecting the increase in net debt.

Total borrowings were £32.5m (2023: £27.9m) with bank overdrafts of £14.3m (2023: £15.2m), invoice financing of £4.1m (2023: £3.2m) and bank loans of £14.1m (2023: £9.5m). The Group's borrowings are principally held to fund working capital requirements and are mainly due within one year. As at 31 December 2024, £14.0m of borrowings are shown as non-current (2023: £9.2m).

The Group maintains a range of facilities to manage its working capital and financing requirements. At 31 December 2024, the Group had facilities totalling £39.6m (2023: £50.8m).

	2024 £m	2023 £m
UK facilities		
Overdrafts	8.0	10.0
Revolving credit facility	15.0	15.0
Invoice financing facility	3.8	7.5
Total UK facilities	26.8	32.5
Continental Europe facilities	7.0	12.1
APAC facilities	0.9	1.8
Americas facilities	4.9	4.4
	39.6	50.8
Undrawn facilities (excluding invoice financing)	4.1	17.8

A number of reductions have been made to the Group's facilities in 2024. In the UK, the invoice financing facility was reduced to reflect current trading levels and requirements and a £2.0m reduction was made to the Group's overdraft. In Germany, the benefits of moving to cash pooling in 2023 enabled a significant reduction in our overdraft facility from €13.0m to €8.5m. Elsewhere, small reductions have been made to facilities that had not been drawn in recent years. The level of undrawn facilities has therefore reduced significantly but the Group remains confident that it has sufficient headroom and it continues to have significant funds in certain overseas entities that could be accessed, albeit with a withholding tax cost, if needed.

Covenants are tested on a quarterly basis in respect of the Group's £15.0m revolving credit facility and all covenants were met during the year. The covenants, and our performance against them at 31 December 2024, are as follows:

Covenant	Target	Actual
Net debt: EBITDA	<2.5 times	2.2
Interest cover	>3.0 times	4.1

The interest cover covenant target was previously set at 4.0 times, but for 31 December 2024 the Group's banker agreed to reduce this to 3.0 times. Subsequent to the balance sheet date the Group has extended this facility for a further 6 months to September 2026 and both covenants have been set at 3.0 times for the remainder of the term.

Dividend

During the year, the Group paid a dividend of 1.0p per share in respect of the year ended 31 December 2023. Given the current trading environment and financial position the Group is not proposing to pay a dividend in respect of the year ended 31 December 2024. As a result of the impairment charges booked in 2024, the Company had negative distributable reserves as at 31 December 2024. We are considering options to resolve this in order to allow the Company to return to paying a dividend as and when the wider trading and financial position supports this.

Going concern

The Board has undertaken a recent and thorough review of the Group's budget, forecasts, strategy and associated risks and sensitivities. Given these, the Group is expected to be able to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these accounts. As a result, the going concern basis continues to be appropriate in preparing the financial statements. Further details on going concern are found in note 1.

Tim Anderson
Chief Financial Officer
26 March 2025

Risks and uncertainties

The Board has ultimate responsibility for establishing the Group's appetite for risk and for effective risk management across the Group. The risk management process followed by the Board is designed to improve the likelihood of delivering against the Group's strategy, protect the interests of shareholders and other stakeholders, improve the quality of decision making and help safeguard our assets. We have an established process for identifying and monitoring the key operational and strategic risks in the Group. The risk management process incorporates a risk appetite policy and a Group risk register.

Risk appetite

The Board wishes to minimise the exposure to risks but accepts and recognises that a trade-off exists between risk and reward in delivering our strategy. The Board has set a number of internal targets that frame its appetite for risk, with boundaries defining the limits the Group should operate within, and trigger points to help monitor and identify where there is an increased risk of reaching those boundaries.

Risk register

The Group's risk register is regularly reviewed at Board meetings with risks added, amended or removed as appropriate and actions updated. The Group's risk register is prepared based on individual business risk registers which are updated during the annual budget cycle and reviewed regularly during the year. The Audit & Risk Committee oversees the internal and financial control framework to help mitigate risk.

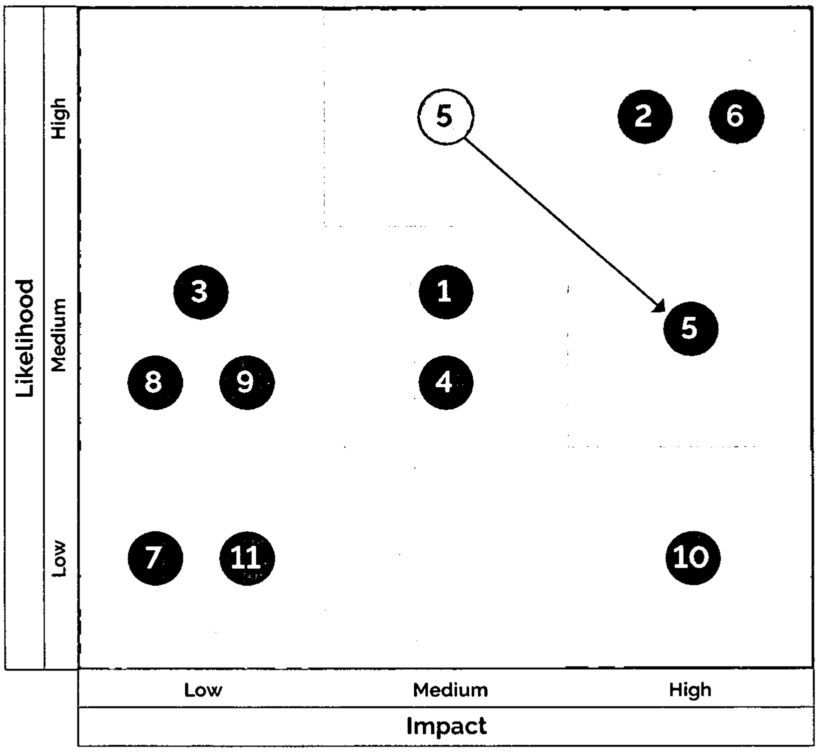
Control environment

The Group operates a system of internal controls which includes but is not limited to: a clear delegated authority to operational management, formal risk appraisals through the annual budget process, a comprehensive financial reporting system, investment and capital expenditure approval processes, and self-certification by operating company management of compliance with controls and the Group's policies and procedures. Day-to-day risk management is the responsibility of operational management.

The risk management process identified a number of risks across the Group, as detailed in the chart below. The principal risks that are most likely to affect business operations, and hence the financial results and delivery of strategy, are explained in more detail in the following pages.

Risk matrix chart

1. Political and social changes
2. Economic environment
3. Loss of key staff
4. Technology
5. Financial
6. Cyber security and data protection
7. Management capacity
8. Competition
9. Exposure to key clients
10. Payments to temporary workers
11. Investments poorly executed



1

Political and social changes

Risks

The Group's businesses are subject to legislation, regulation and changes in political sentiment in their markets. This particularly impacts temporary recruitment, which is regulated to protect the rights of workers, and developing staffing markets where new regulations are introduced as the market develops. Any changes to labour regulations, tax laws or political views on the staffing industry could have an impact on how we operate and on the financial performance of the Group. If local laws and regulations are not followed it could lead to sanctions being taken against the business, including penalties, fines and licences being revoked.

Change in risk profile –

A number of elections in key countries such as the UK, the US and India during 2024 created some uncertainty for employers globally. While we have seen no clear direct impact on trading, this could continue to impact employer confidence either positively or negatively as we move into 2025 and new governments continue to implement policies.

The UK Employment Rights Bill has the potential to increase costs for employers in the UK. However, the measures in this wide ranging bill do not all impact at once and are not expected to have a major adverse impact on the recruitment industry.

The ongoing war in Ukraine has not had a significant impact on the Group.

How we mitigate the risk

The Group closely monitors the legal and regulatory environment in all our markets. We maintain membership of many local industry associations and use professional advisers with local knowledge and understanding of the relevant laws and labour regulations to ensure we are compliant.

We are experts in our markets, which helps us to respond effectively to changes in legislation.

Our diversification across sectors and geographies helps us mitigate the negative impacts from political and social changes.

2

Economic environment

Risks

The performance of staffing businesses has historically shown a strong correlation with the performance of the economies in which they operate. An economic slowdown will impact on the demand for recruitment services and could reduce the Group's profits.

Change in risk profile –

In the markets we operate in, GDP growth in 2024 was generally in line with 2023 and remained at fairly modest levels, particularly in our larger markets. Inflation pressures have eased somewhat and although unemployment rates have increased, they remain at generally modest levels.

The overall staffing market is expected to have shrunk by 2% in 2024, but this includes significant variations between markets. Forecasts for 2025 are more positive with global growth of 5%, including 5% in the US and 3% in the UK. See current market conditions on page 8 for more details.

How we mitigate the risk

A global economic downturn impacts all businesses but the Group's business model and strategy helps mitigate the impact from an economic downturn in any one market:

- Diversification across sectors and geographies.
- Developing and scaling our UK and US operations will create businesses that are more robust and have greater ability to withstand economic downturns.
- Exiting non-core operations reduces the disproportionate exposure from our smaller operations which have historically been the most volatile.
- Recruitment net fee income weighted towards temporary and contract which is typically less volatile than permanent during the economic cycle.

Risks and uncertainties continued

3

Loss of key staff

Risks

The Group's success relies on recruiting and retaining key staff.

The loss of a key staff member without a suitable successor in place could impact trading and profitability. The choice of the wrong manager for a business could lead to sub-optimal decision-making and losing ground to competitors or failing to operate procedures properly and so being at risk of reputational damage or penalties.

Change in risk profile –

The Group streamlined its leadership structure across 2023 and 2024, bringing its core sectors under a single leader in each country. Having a single, common structure across our core sectors creates improved career paths for our teams and allows for more succession planning opportunities.

These changes enabled the Group to reduce the size of its senior management team without adverse impact.

How we mitigate the risk

Our operating structures are aligned across our core sector operations. This creates opportunities for career progression both within and between operations, as well as allowing for improved succession planning.

Appropriate incentive plans are in place that are aligned with the Group's short and long term objectives.

4

Technology

Risks

Technology impacts both how we operate and the nature of the roles we are looking to fill.

A failure to invest in technology can lead to a competitive disadvantage, inefficient or costly processes and being more susceptible to cyber security risks.

Technology changes impact the roles at our clients and the pool of clients themselves. A failure to understand how technology is impacting the wider world of work may lead to missed opportunities in new areas, a lack of understanding of how roles have changed, or the failure to identify opportunities to replace roles which technology eliminates.

Artificial Intelligence in its various forms is impacting both of these areas. A failure to understand or respond to this could exacerbate the impacts above.

Change in risk profile –

In 2024, we implemented an analytics tool for our front office platform which gives all our users improved data metrics and insights which will help increase our efficiency and effectiveness.

New user groups covering our core recruitment technologies were implemented in 2024 which has created valuable feedback and input into the Group's IT roadmap.

How we mitigate the risk

The Group builds strong partnerships with its key technology providers in order to ensure we are well placed to benefit from developments in existing and new products.

The Group has a central IT function, focussed on the IT strategy of the Group, and supported by operational expertise. This team continually reviews new products and ideas as they arise. Alongside this our user groups provide valuable input into our IT strategy.

Our individual operations are experts in the sectors they support and ensure that they keep abreast of the latest developments.

5
Financial

Risks

The Group uses debt to fund its working capital and investment requirements. If the Group was unable to secure funding at required levels it could be unable to take advantage of opportunities for growth or could be forced to dispose of parts of the business to repay debt.

Any increase in interest rates will increase costs and so reduce profit.

As an international business, the Group is exposed to movements in foreign currency exchange rates. Movements in exchange rates impact the reporting of the Group's profits and may impact the value of cash and other assets held by the Group.

Change in risk profile –

Current trading conditions have led to a deterioration in the Group's key financial metrics including those related to its covenant compliance. The Group has agreed a six-month extension of its revolving credit facility along with an easing of the related covenants. This mitigates this risk and ensures the Group expects to remain fully compliant with its covenant obligations.

Facility headroom has reduced during the period reflecting an increase in net debt and a reduction in certain facilities. The Group continues to expect to have sufficient headroom and has significant cash balances in certain overseas entities which could be drawn upon if required.

Base rates peaked in 2023 and started to reduce during 2024. These reductions will have a positive impact on the Group's interest costs and interest cover covenant.

Sterling exchange rate movements have adversely impacted the translation of the results and net assets of overseas operations in 2024 compared to 2023.

The Group's accelerated strategy, announced in February 2025, is expected to improve the Group's financial position as a result of the sale of non-core operations.

How we mitigate the risk

The Group finances its operations through operating cash flows, bank borrowings and issuing new equity. Treasury management is led by the Group finance team, who manage and monitor funding requirements and maintain the Group's key banking relationships.

Approximately 80% of the Group's business is based outside the UK, resulting in exposure to movements in exchange rates on translation of overseas operations. The Group does not currently hedge this risk as there is, to some degree, a natural hedge from our geographical diversification. Intragroup balances are hedged where possible, using cash or overdraft balances to act as a natural currency hedge.

A limited number of forward contracts are used to hedge trading currency risks for our operation in India which derives almost all of its revenue from outside of India.

6
Cyber security and data protection –

Risks

The risk of cyber-attacks is an ever present one. A successful breach could lead to the loss of sensitive data, damage to our reputation, business disruption or the loss of commercially sensitive information.

With stringent regulatory environments around data protection there is a risk of failing to comply with regulations, leading to fines and damage to brand reputation.

Change in risk profile

The Group has implemented improved training for its staff to raise awareness of risks and reduce the likelihood of successful attacks. As part of this a fake-phishing programme has been introduced to test the effectiveness of training and knowledge of our teams.

How we mitigate the risk

We have policies in place to safeguard assets and data within the Group, which is supported by training to ensure we meet a minimum standard of security. As we invest further in technology, we will also continue to invest in ensuring our cyber security measures and policies keep pace and reflect the changes in the Group.

The Group operates in, or places candidates in, a large number of jurisdictions, each with their own data protection requirements. Group data protection policies create a high level of compliance with individual operations required to enhance these for any specific local requirements. The Group engages with a third-party data protection officer service to help ensure and monitor compliance.

Engaging with our stakeholders

Stakeholder	How we engage
Our employees	Creating a positive culture which allows all our employees to thrive is key to the success of our business. We are focussed on ensuring we are attracting top talent, driving continuous learning and development, and creating meaningful career opportunities for our people. Our aligned operating structures are designed to provide clear career pathways for our teams. Staying connected and engaging our teams across the Group is a key priority. We drive collaboration through: • In person leadership conference and quarterly leadership events; • CEO chats; • Training programmes and workshops; • User groups for our recruitment technology; and • Top talent programmes. Diverse teams drive successful business results, and we are proud of the diversity we have at Empresaria. We carry out a regular DE&I survey to ensure we are creating an inclusive workplace where everyone can flourish.
Our candidates	Connecting the right talent with the right opportunities is at the heart of what we do. We are committed to providing a positive and seamless experience for those who trust us with their careers, whether securing a permanent role or a temporary assignment. Regular communication and engagement is critical, and we engage with our candidates in a number of ways, including through: direct contact from our consultants; our brand websites, technology portals and social media channels; candidate surveys; and in person events. By building trust and strong relationships we go beyond the transactional to become a long-term career partner.
Our clients	Our clients are at the heart of everything we do and we look to build deep, long-term relationships with them. Our success is built on their success, and we can only achieve this by acting as a partner and trusted adviser. Our streamlined management structure and focus on offering a diversified set of services, enables us to meet our clients' needs whether that is through cross selling our sector expertise or delivering new solutions.
Our communities	Our operations and their teams work with local communities and charities to positively impact the lives of those who need support. Each business targets specific organisations that reflect the needs of those communities. Further details are provided on page 31.
Our shareholders	We engage with shareholders to ensure they understand the Group's strategy and objectives, to provide regular business and financial updates, and to manage expectations. Relations with shareholders and potential investors are managed principally by the Executive Directors, who are contactable both directly and via our brokers and our financial PR adviser. The Executive Directors make regular presentations to investors, meet with shareholders to discuss and obtain their views, present to the wider investor community using the Investor Meet Company platform and proactively communicate during the year. The annual and interim presentations to investors are made available on the Company's website. The Company also retains a financial PR adviser, house broker and equity research analyst, who provide feedback from existing shareholders and potential investors.

Contributing to communities

Our purpose of positively impacting the lives of people extends beyond our recruitment activity and we are committed to having a positive impact on the communities in which we operate.

Across the globe our teams are regularly involved in activities that provide help, support or money to good causes in their local communities. Examples of activity across the Group in 2024 include:

- **In the UK** we supported a number of causes including:
  - Coffee morning and cake sale in support of Macmillan Cancer Support;
  - Partnered with Manchester Metropolitan University through the "Mentor Me" scheme, offering mentoring, mock interviews, and career advice; and
  - Working with Hackney Food Bank distributing essential food supplies to those in need.
- **In India** we supported a number of causes through our People Possible Foundation including:
  - Distributed 5,918 items of footwear with Sole to Sole;
  - Planted 757 saplings around Ahmedabad; and
  - Distributed 4,000 winter jackets to underprivileged individuals in Ahmedabad and Jaipur through the winter months.
- **In Chile** we supported Teleton, an institution dedicated to children's rehabilitation and social inclusion.
- **In Indonesia** we supported an event for underprivileged children providing sponsorship and volunteers for workshops and games.
- **In Thailand** we donated to the Gift of Happiness Foundation which supports underprivileged children across Thailand.

S172 statement

This statement sets out how the Board seeks to understand the views of the Company's key stakeholders and how their interests and the matters set out in section 172 of the UK Companies Act 2006 have been considered in Board discussions and decision-making.

During the year, the Directors consider that they have acted and made decisions in a way that would most likely promote the success of the Group for the benefit of its members as a whole, with particular regard for:

- the likely consequences of any decision in the long term: See strategic objectives on page 13. Our business model on pages 10 and 11 and Risks and uncertainties on pages 26 to 29;
- the interests of the Group's employees: See Engaging with our stakeholders on page 30;
- the need to foster the Company's business relationships with suppliers, clients and others: See Engaging with our stakeholders on page 30;
- the impact of the Company's operations on the community and environment: See Engaging with our stakeholders on pages 30 and 31 and the non-financial and sustainability information statement on page 32;
- the desirability of the Company maintaining a reputation for high standards of business conduct: See Engaging with our stakeholders on page 30 and corporate governance statement on page 40; and
- the need to act fairly between members of the Company: See Engaging with our stakeholders on page 30 and the Corporate governance statement on page 39.

The principal decisions taken through the year are discussed in greater detail throughout the Strategic report. These key decisions included:

- the sale or closure of five small operations: See Chief Executive's review on page 12;
- the acceleration of the Group's strategy including the decision to exit non-core operations: See Chief Executive's review of page 12; and
- the decision not to recommend a dividend for 2024: See Chair's statement on page 3.

Non-financial and sustainability information statement

This statement enables users of this annual report to understand the Company's development, performance and position, and the impact of its activity, on those matters set out in section 414CB of the Companies Act 2006.

Reporting requirement	Where addressed
Environmental matters	**Environmental matters and climate-related financial disclosures** See page 32
Employees	**Engaging with our stakeholders** See page 30 **Directors' report** See pages 48 and 49 **Code of conduct** See www.empresaria.com
Social matters	**Engaging with our stakeholders** See page 30 **Contributing to our communities** See page 31
Respect for human rights	**Modern slavery statement** See www.empresaria.com **Code of conduct** See www.empresaria.com
Anti-corruption and anti-bribery	**Code of conduct** See www.empresaria.com

Additional information can be found throughout the Strategic report on pages 1 to 32.

Environmental matters and climate-related financial disclosures

Our industry typically has a low environmental impact, however the Group is committed to minimising this impact as much as possible. Our 2024 initiatives included: participation in recycling programmes for office waste, use of renewable energy, reliance on electronic media for marketing and communications, including providing this annual report in electronic format unless requested otherwise, and the use of video conferencing to minimise travel as far as is practical.

The Group's activity is not directly impacted by climate-related risks and opportunities and so, as allowed for in the Companies Act 2006, has not provided the full disclosures under section 414CB as it does not believe these are necessary for an understanding of the Company's business. The Group considers climate related risks and opportunities as part of its normal risk management processes.

Climate change risks and opportunities impact our existing and potential clients and the wider world of work and indirectly this has the potential to impact the Group's activities as the nature of roles and organisations change and new ones emerge. As a specialist staffing group our teams are experts in their fields. They keep abreast of developments whether caused by climate change, technology changes or other factors, ensuring that we are matching our activity to the current and future skillsets our clients need. In this way we ensure that we are identifying and responding to climate-related risks and opportunities as they arise.

Introduction to corporate governance

"A strong governance framework operates throughout the Group."

Penny Freer
Chair

I am pleased to present an update on corporate governance for the year ended 31 December 2024.

Introduction

Strong and effective governance remains at the heart of the Group's purpose and the successful development and execution of our strategy. Our supportive governance structure has been crucial in another year of change for the Group. Amidst persistently challenging market conditions and industry-wide weakening of demand, the Board has continued to closely manage costs and is delivering on our strategy to simplify the Group and streamline our operations, which has included the divestment of individual non-core operations in the UK, Japan, Finland, Australia and China. The strong collaborative culture and the depth of experience of the Board has been instrumental in the development of our strategy and continued support through its delivery.

As Chair, my role is to lead and guide the Board so that it can discharge its duties effectively. I am responsible for promoting best practice in corporate governance and for overseeing the development, adoption, delivery and communication of an effective corporate governance model for the Company. The Board collectively develops and determines the Group's purpose, strategy and overall commercial objectives. The Board ensures that the Group adopts policies and procedures that it considers appropriate having regard to its size and activities.

The Board is committed to ensuring that a strong governance framework operates throughout the Group, recognising that good corporate governance is a vital component to support management in their delivery of the Group's strategic objectives and to operate a sustainable business for the benefit of all stakeholders. The process of identifying, developing and maintaining high standards of corporate governance is ongoing and dynamic, to reflect changes in the Group and its business, the composition of the Board and developments in corporate governance.

The QCA Code

Having regard to all the circumstances, including the size of the Company, the regulatory framework that applies to AIM companies and the expectations of the Company's stakeholders, the Board considers that the Corporate Governance Code issued by the Quoted Companies Alliance ('QCA') remains the most appropriate corporate governance code to apply. The Board considers that the Company does not depart from any of the principles of the 2018 edition of the QCA Code and this corporate governance statement explains how we apply the QCA Code to support the Group's medium and longer-term success. The Board has adopted the 2023 edition of the QCA Code from the start of the 2025 financial year and it anticipates that the Company will not depart from any of the principles of the 2023 edition.

The QCA's ten principles of corporate governance

QCA principles	Compliant	Further reading
Deliver growth		
1. Establish a strategy and business model which promote long-term value for shareholders.	✔	For more information: **See pages 10, 11, 12 and 13**
2. Seek to understand and meet shareholder needs and expectations.	✔	For more information: **See pages 30 and 39**
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.	✔	For more information: **See pages 30, 31 and 39**
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	✔	For more information: **See pages 26 to 29**
Maintain a dynamic management framework		
5. Maintain the board as a well-functioning, balanced team led by the chair.	✔	For more information: **See pages 34 to 41**
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.	✔	For more information: **See pages 34 to 44**
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.	✔	For more information: **See page 40**
8. Promote a corporate culture that is based on ethical values and behaviours.	✔	For more information: **See pages 2, 10, 11, 30, 31 and 40**
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board.	✔	For more information: **See pages 26 to 29 and 31**
Build trust		
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	✔	For more information: **See pages 30 and 38 to 40**

Board of Directors and Secretary

Committee membership

Committee Chair

A Audit & Risk Committee

R Remuneration Committee

N Nomination Committee

Penny Freer

Chair

N

Appointed: December 2005

Skills and experience:
Penny was appointed Interim Chair of the Board in June 2022 and Chair in March 2023. Penny has worked in investment banking for over 25 years. Until 2004 Penny was Head of Equity Capital Markets at Robert W Baird and from 2004 to 2005, Deputy Chair of Robert W Baird Limited. Prior to this she was Head of Small/ Mid Cap Equities for Credit Lyonnais. Penny is Chair of AP Ventures LLP and holds various other board appointments.

Other key external appointments:
Chair of The Henderson Smaller Companies Investment Trust plc and Non-Executive Director of Weir Group PLC

Rhona Driggs

Chief Executive Officer

Appointed: November 2018

Skills and experience:
Rhona was appointed as Chief Executive Officer in June 2019 having previously served as Chief Operating Officer since November 2018. Rhona has over 30 years' experience working in international companies within the staffing sector and has a proven record of delivering growth and driving innovation. She has been recognised for the past nine consecutive years as one of the Staffing Industry Analysts' 'Global Power 150', a list of the Most Influential Women in Staffing' and was recognised in 2024, for the fifth consecutive year, as one of Europe's Top 100 most influential leaders in staffing. Rhona's most recent role before joining Empresaria was President of Volt Global Solutions, with responsibility for the Managed Services division. Prior to that, Rhona was Executive Vice President for the commercial and technical staffing operations in North America where she ran a $1.2 billion staffing business. She has an in-depth knowledge of the latest trends and operating models in the sector.

Other key external appointments:
None

Tim Anderson

Chief Financial Officer

Appointed: March 2018

Skills and experience:
Tim has over 20 years' post qualified experience working for listed and private equity backed businesses across a number of sectors. Tim joined Empresaria in 2018 from a leading cellular immunotherapy company, where he was Group Finance Director. Prior to this, Tim held a number of finance positions in three FTSE 100 businesses, covering all aspects of finance. Tim has a proven track record in developing the finance teams and structures of organisations with a focus on driving efficiencies, developing strong control frameworks and supporting strategic objectives. Tim has significant experience of mergers and acquisitions having worked for a number of acquisitive organisations. Tim is a member of the Institute of Chartered Accountants in England and Wales, after qualifying with KPMG.

Other key external appointments:
None

Zach Miles

Non-Executive Director

A R N

Appointed: October 2008

Skills and experience:
Zach has 30 years' experience working in the staffing sector, as a Finance Director, CEO and Chair. Before joining Empresaria, Zach held the position of Chair and Chief Executive Officer of Vedior N.V. until his retirement in September 2008. He was a member of the Board of Management from 1999, and Chair from February 2004. Before joining Vedior, Zach was CFO and a member of the Board of Directors of Select Appointments (Holdings) Plc. His career in the recruitment industry began in 1988. He was formerly a partner in the international accountancy firm Arthur Andersen and is a qualified Chartered Accountant.

Other key external appointments:
Chair of Bright Network (UK) Limited

Steve Bellamy

Non-Executive Director

A R N

Appointed: January 2023

Skills and experience:
Steve is a Chartered Accountant with extensive experience as a Chair and Non-Executive Director with a wide range of both public and private companies.
He is currently the Senior Independent Director at Caffyns PLC and in 2024, was appointed Chair at TheWorks.co.uk plc. Prior, recent appointments include Non-Executive Director of Advanced Medical Solutions Group plc and Michelmersh Brick Holdings plc, and Chair of Becrypt Limited and Concirrus Limited. Steve was also formerly Chief Operating Officer and Finance Director of Sherwood International plc.

Other key external appointments:
Senior Independent Director of Caffyns PLC and Chair of TheWorks.co.uk plc

Ranjit de Sousa

Non-Executive Director

A R N

Appointed: February 2023

Skills and experience:
Ranjit worked for The Adecco Group for 16 years and held a number of senior executive roles. His most recent appointment there was Global President of Lee Hecht Harrison where he delivered market leading growth rates and two consecutive years of record performance. Ranjit was also a Board Member of the World Employment Confederation. He is an advisor to various businesses, including in the work-tech sector, advising on strategic focus, growth acceleration and funding of ventures.

Other key external appointments:
None

James Chapman

General Counsel and Company Secretary

Appointed: June 2015

Skills and experience:
James is a practising solicitor with over 20 years' experience working with Empresaria. He qualified as a solicitor in 2001 with international legal practice Osborne Clarke, specialising in corporate finance (principally M&A, capital markets/IPO, fundraising and restructuring) and acting for a range of corporate and investment bank clients. James joined Empresaria in 2009 to establish the Group's in-house legal team and was appointed Company Secretary in June 2015. He manages the Group's in-house legal and company secretarial teams and is responsible for advising the Board on legal and governance matters.

Other key external appointments:
None

Corporate governance statement

The role and functioning of the Board

The Board is comprised of a Non-Executive Chair, two Executive Directors and three Non-Executive Directors. The Directors have a balance and depth of skills, experience, independence and knowledge of the Group and the staffing industry, which enables them to discharge their respective duties and responsibilities effectively.

The Board is collectively responsible for the long-term success of the Company. The Group's strategy, business model and annual budget are developed by the Chief Executive Officer and the Chief Financial Officer, and submitted for consideration, challenge and approval by the Board. The Board collectively challenges and develops a strategy that is approved by the whole Board. The management team, led by the Chief Executive Officer, is responsible for implementing the strategy that has been approved by the Board, and managing the business at an operational level. This strategy and business model, designed to promote long-term benefit for all stakeholders, including delivery of long-term value for shareholders, is described in the Strategic report on pages 1 to 32 and on the Company's website.

The Company is controlled through the Board, which has established Committees for Audit & Risk, Remuneration and Nominations, to which it delegates clearly defined powers. The terms of reference for the Committees are reviewed annually. During the year, the terms of reference for all the Committees were reviewed and the Board was satisfied they remain fit for purpose. Each Committee's terms of reference can be found on the Company's website.

There is a formal schedule of matters reserved for consideration by the Board, which includes responsibility for the following:

- approval of overall strategy and objectives;
- approval of the annual budget and monitoring progress towards its achievement;
- changes to the Group's principal activities;
- changes to the senior management structure;
- changes to capital structure;
- approval of annual and interim financial statements;
- approval of related party transactions;
- approval of financing arrangements and treasury policy;
- approval of material investments and disposals;
- approval of material unbudgeted expenditure; and
- approval of significant Group policies.

These reserved matters are reviewed by the Board, at least annually, to ensure they remain appropriate and complete. In August 2024, the Board considered and made changes to the schedule of matters reserved for full Board approval. In addition, the Board reviews, at least annually, the schedule of operational matters, which are delegated to management of the operating subsidiaries. These were also considered by the Board in August 2024 and agreed changes were made.

Non-Executive Directors are required to devote such time as is necessary for the proper performance of the duties of their office. The Executive Directors are full-time employees.

Prior to the beginning of each year, Board and Committee meetings are scheduled in line with the key financial reporting dates. A document pack, comprising a full agenda and documents to be tabled, is distributed to all relevant Directors a week prior to each meeting. Any specific actions arising during meetings are agreed by the Board or Committee (as applicable) and a follow-up procedure monitors their completion. Monthly financial and operational reviews are distributed to the Board, irrespective of whether a scheduled meeting is to take place. This assists the Board to keep informed of developments on a regular basis.

All Officers are invited to submit items for discussion for each meeting agenda and time is also allocated at each meeting to discuss any other business, which all Officers are invited by the Chair to raise.

All Non-Executive Directors participate in strategy development and decisions required to implement actions to progress towards meeting the Group's objectives.

The Chair is responsible for the effective running of the Board and for ensuring that all Directors play a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives. The Chief Executive Officer's primary role is to deal with the running of the Group's business and executive management of the Group.

During the year, there was 100% eligible attendance at all meetings of the Board and Committees. The following table shows the number of formal scheduled meetings held during the year, the attendance of each Director and their full years in office at the forthcoming 2025 AGM:

	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Tenure
Penny Freer (Non-Executive Director / Chair)	8/8	-	2/2	1/1	19 years
Zach Miles[1] (Non-Executive Director)	8/8	5/5	4/4	1/1	16 years
Steve Bellamy (Non-Executive Director)	8/8	5/5	4/4	1/1	2 years
Ranjit de Sousa (Non-Executive Director)	8/8	5/5	4/4	1/1	2 years
Rhona Driggs (Chief Executive Officer)	8/8	-	-	-	6 years
Tim Anderson (Chief Financial Officer)	8/8	-	-	-	7 years

[1] Zach Miles is retiring at the forthcoming AGM.

In addition to these formal scheduled meetings, the full Board or relevant Committee convene unscheduled meetings as and when appropriate through the year, to discuss matters in a timely manner without waiting for the next formal meeting. During 2024, for example, there were several ad hoc meetings for the full Board to discuss the Group's strategy and matters arising from the decisions taken, and for the Remuneration Committee in working with external remuneration consultants in relation to the Company's Long Term Incentive Plan for senior management.

There is a clear division of responsibilities between the Chair and Chief Executive Officer, with no one individual having unfettered powers of decision. The Company Secretary, a solicitor since 2001, advises the Board and reports directly to the Chair on corporate governance matters, supports the Chair in the effective functioning of the Board and its Committees and facilitates the receipt by the Board of high-quality information in a timely manner. He also heads up the Group's in-house legal team and advises the Board on legal and governance matters, helping to make sure that Board procedures and applicable rules and regulations are observed. The Directors are also able to take independent professional advice in the furtherance of their duties as necessary.

Engagement with shareholders

The Board seeks to engage with shareholders to maintain a mutual understanding of objectives between them and the Company and to manage their expectations. Relations with shareholders and potential investors are managed principally by the Chair and Executive Directors. Shareholders and potential investors are invited to ask questions at any time by emailing companysec@empresaria.com or via the Company's financial PR adviser by emailing empresaria@almastrategic.com and further contact details are set out on the 'Investor and Adviser Contacts' page of the Company's website. All shareholders are invited to attend the Company's Annual General Meeting and ask questions. In line with our commitment to maintaining effective communication structures for all sections of our shareholder base, the Executive Directors delivered online presentations, via the Investor Meet Company platform, to present our preliminary results in March 2024 and our interim results in August 2024. This platform allows for questions to be submitted both before and during the live presentation. The annual and interim presentations made to investors and a description of the Company's investment case, strategic objectives and business model are all made available on the Company's website. The Company retains a financial PR adviser and a house broker who provides equity research analysis. They both provide feedback to the Board from existing shareholders and potential investors.

Stakeholders and social responsibilities

The Group's business model relies on developing and maintaining strong relationships with our employees, candidates, temporary workers, clients and regulatory authorities. The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business. Stakeholder engagement and feedback is taken seriously throughout the Group. Regular communication is made with all the Group companies and employees. The Group places considerable value on the involvement of our employees and keeps 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, information available on the Company's website and Workplace from Meta. The Group uses social media to engage directly with stakeholders through various channels, including Facebook, Workplace and LinkedIn. The Group also engages with regulators and government agencies, for example in response to consultations or proposals, both directly and through membership of worldwide trade associations.

Risk management

Risk is ultimately the responsibility of the Board and details of the principal risks identified are set out on pages 26 to 29.

The Board is ultimately responsible for risk management and internal controls and determining the nature and extent of the principal risks the Company is willing to take to achieve its purpose and strategic objectives. The regular monitoring and consideration of risk is delegated to the oversight of the Audit & Risk Committee ('ARC'). The ARC has the responsibility to keep under review the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems. Risk is on the agenda for each scheduled meeting of the ARC. The ARC works with executive management to identify principal risks to the Company, such as those that could affect the Company's purpose, strategy, business model, future performance, solvency and liquidity. The ARC assesses the materiality and likelihood of each risk occurring. The ARC reviews the identified risks, assesses their materiality and likelihood of their occurring and considers them against the Board's risk appetite. The ARC oversees the appropriateness of the Group's risk management systems and policies, makes recommendations as it sees fit, agrees the operational actions for the executive management to take to avoid or mitigate risks and monitors the actions taken. The ARC reports to the Board following each risk review, to ensure that all Directors are kept informed at regular intervals through the year and provide opportunities to raise any questions, challenge assumptions and consider additional potential risks.

Experience, skills and capabilities

Biographical details of each of the Company's Officers, detailing relevant experience, skills and capabilities, can be found on pages 36 to 37.

The Nomination Committee meets formally at least once a year to monitor and review the structure, size and composition of the Board and its Committees. It considers succession planning and makes recommendations to the Board for any appointments or other changes, to ensure that the right skills and expertise are maintained by the Company for effective management. All members of the Board participate in the recruitment of members to the Board.

Corporate governance statement continued

The Directors determine the training requirements appropriate to their role and the needs of the Group. Directors attend relevant industry conferences and workshops throughout the year. The members of the Committees refresh their skills and knowledge by attending briefings and seminars and reviewing publications provided by various professional services firms and by audit and other regulatory bodies.

Board performance

Formal Executive Director performance evaluations are conducted annually in preparation for the review and approval of annual remuneration packages. An element of the annual executive bonus plan is subject to achievement of personal performance targets, set by the Remuneration Committee, that are tied to delivery of the Company's strategy. Each Non-Executive Director's performance is evaluated as an outcome of the formal performance evaluations of the Committee(s) of which they are a member. Performance evaluations identify and record achievements, training requirements and areas for improvement in relation to annual objectives and performance of their respective roles, in order to consider effectiveness. Objectives for the forthcoming year are defined along with identification of how achievements will be met, target dates and details of resource constraints or issues to ensure that actions are planned and taken as a result of the evaluation process.

Promotion of corporate culture

The Company actively promotes integrity in its dealings with our employees, candidates, temporary workers, clients, suppliers and shareholders, and the authorities of the countries in which our brands operate. The Board recognises that the reputations of our brands are valuable assets gained over a long period and must be protected. The Group has a number of policies, including those for dealing with bribery, gifts, hospitality, corruption, fraud, tax evasion, modern slavery and inside information. The Board requires that all Group companies and employees adhere to the Empresaria Code of Conduct.

All employees must comply with the laws and regulations of the countries in which they operate and those responsible for the management of each operating subsidiary confirm to the Board annually their compliance with these and with the Group's policies and Code of Conduct. The Group's whistleblowing policy is publicised to all employees and an established anonymous whistleblowing system is in place. There are several methods by which employees may ask questions of, and provide feedback directly to, members of the Company's senior management and the Board.

Our operating subsidiaries are required to ensure that advertising and public communications avoid untruths or overstatements. They are also expected to build relationships with suppliers based on mutual trust and endeavour to pay suppliers on time and in accordance with agreed terms of business. The work of our Group-wide DE&I committee helps us shape the Group's approach to this critical area and we remain committed to ensure equal opportunities for all staff, at every level, throughout the Group.

Independence and succession planning

The independence of all Non-Executive Directors is reviewed annually, with reference to their tenure, independence of character and judgement and whether any circumstances or relationships exist that could affect their judgement. The Board assesses what would be the most desirable number of Non-Executive Directors for the Board, having regard to the size of the Group, the scope of its operations and the efficient functioning of the Board and the executive management team. The Board looks at the manner in which the component parts of the Board function together, the skills and external experiences of the Non-Executive Directors, their involvement and insight in Board and Committee meetings and their ability to challenge management objectively.

The Board is conscious of the continuing need to refresh the Board and is aware that there is a balance to be struck when considering the tenures of Non-Executive Directors and the importance of succession planning. The Board has adopted a policy of Non-Executive Directors not serving terms longer than nine years save in exceptional circumstances. Zach Miles, a Non-Executive Director who has served on the Board since 2008, will not seek re-election at the forthcoming AGM. The Board would like to thank Zach for his significant contributions during his tenure. The Chair, Penny Freer, has been a Non-Executive Director since 2005 and she has informed the Board of her decision to step down by the time of the Company's AGM to be held in 2026. The Board agrees that Penny's experience and leadership in navigating the strategic developments in the Group warrant her remaining as a Non-Executive Director at this time, notwithstanding her tenure, but this should not extend beyond the 2026 AGM.

The Board continues to consider the tenure of Penny Freer but agrees that she continues to demonstrate independence of character and judgment in all her contributions to the Board and decision-making. Her extensive experience and deep understanding of the Company's business and people is invaluable, particularly in the development of the Company's current strategy. Having regard to all such considerations, the Board is of the view that Penny Freer, Steve Bellamy and Ranjit de Sousa remain independent.

In accordance with the Companies Act 2006 and the Company's Articles of Association, each of the Directors has a duty to avoid a situation where they have, or might have, a direct or indirect interest that conflicts, or potentially may conflict, with the Company's interests. The Company has established procedures for the disclosure by Directors of any such conflicts for the Board to consider and, if appropriate, authorise. If such a conflict exists, the relevant Director is excused from consideration of the relevant matter. All additional external responsibilities taken on by Directors during the year were considered by the Board for any actual or potential conflicts that may arise. The Board is satisfied that the independence of the Directors who have additional external responsibilities is not compromised.

Section 172 statement:
See page 31

Governance structure

Board of Directors

Chair:	Penny Freer
Executive:	Rhona Driggs, Tim Anderson
Non-Executive:	Zach Miles, Steve Bellamy, Ranjit de Sousa
Secretary:	James Chapman

Responsible for protecting and advancing stakeholders' interests, providing overall direction for the Group and maintaining a framework of delegated authorities and controls.

Audit & Risk Committee

Audit & Risk Committee report:
See pages 42 to 43

Audit & Risk Committee

- Steve Bellamy (Chair)
- Zach Miles
- Ranjit de Sousa

Monitors and reviews the integrity of financial statements, oversees the relationship with the external auditor and has oversight for internal control and risk.

Nomination Committee

Nomination Committee report:
See page 44

Nomination Committee

- Penny Freer (Chair)
- Zach Miles
- Steve Bellamy
- Ranjit de Sousa

Monitors and reviews the structure, size and composition of the Board and considers succession planning, to ensure the right skills and expertise, independence and diversity are maintained for effective management.

Remuneration Committee

Directors' remuneration report:
See pages 45 to 47

Remuneration Committee

- Ranjit de Sousa (Interim Chair)
- Zach Miles
- Steve Bellamy

Considers and sets remuneration policy for the Board and monitors the level and structure of remuneration and incentive schemes for senior management.

Audit & Risk Committee report

"Safeguarding shareholder value and supporting the Group's long term strategy by providing oversight of internal controls, risk management and financial reporting."

Steve Bellamy
Chair of the Audit & Risk Committee

Meetings **5**

Attendance **100%**

The independent Non-Executive Directors who served on the Committee during the year are:

	Date of appointment to the Committee
Steve Bellamy (Chair) Chartered Accountant	16 January 2023
Zach Miles Chartered Accountant	1 October 2008
Ranjit de Sousa	20 February 2023

Role and composition of the Audit & Risk Committee

The Audit & Risk Committee has responsibility, on behalf of the Board, to monitor the integrity of the financial statements of the Company, review the adequacy of internal control and risk management systems, and to oversee the relationship with the external auditor. The Committee challenges the external auditor and the Group's executive management and makes such recommendations to the Board that it deems appropriate, on any area within its remit. The terms of reference for the Committee, which are reviewed at least annually, can be found on the Company's website.

The Committee's activities are primarily scheduled around the key events in the Company's annual financial reporting cycle. In addition to financial reporting, the Committee fulfils a vital role in the Company's governance framework, providing valuable independent challenge and oversight across the Group's non-financial reporting and internal control procedures.

The Committee is appointed by the Board from the independent Non-Executive Directors of the Company, with a minimum requirement of two such Directors, at least one of whom should be financially qualified. The Chair and Zach Miles are both qualified chartered accountants. The Chair has extensive governance, operational and financial experience across a range of industries and Zach Miles has particular experience of both the Group and the staffing industry as a whole. Ranjit de Sousa also has extensive experience in the staffing industry. The Board considers that the Committee has both financial competence and competence relevant to the sector in which the Group operates.

Appointments to the Committee are for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.

Meetings

The Committee is required to meet at least three times per year. During 2024, the Committee held five formal meetings, which were scheduled around the Company's financial reporting timetable. The Committee invites the Chief Financial Officer and senior representatives of the external auditor to attend all of its meetings and, where appropriate, requires them to withdraw from such meetings. An annual meeting is scheduled, near the end of the annual audit process, for the external auditor to meet with the Committee without management present. The Chair maintains direct communications with the external auditor through the year and the external auditor can request a meeting with the Committee at any time.

Audit & Risk Committee activity

Financial and business reporting

During 2024, the Committee reviewed the 2023 financial statements, the 2024 interim statement (unaudited), carried out a going concern review and corresponded with the FRC in relation to the 2023 financial statements.

Reviews of the financial statements included audit coverage, accounting policies, significant financial reporting issues and key judgements and estimates underpinning the financial statements, including:

- going concern;
- carrying value of goodwill;
- investments in subsidiaries;
- appropriateness of provision balances; and
- tax accounting, including deferred tax.

For the going concern review, the Committee examined the assumptions supporting the Group's profit and cash flow forecasts and the sensitivities applied to those forecasts, the banking facilities available and the assessment of the Group's covenant compliance based on the forecasts. Details of the matters reviewed are included in notes 1, 3 and 15 to the consolidated financial statements and notes 1, 2 and 7 of the Parent Company financial statements.

For the areas discussed, the Committee was satisfied with the judgements made and the accounting treatments adopted.

The Company received enquiries from the Financial Reporting Council (FRC) in relation to the Company's 2023 financial statements. The Committee worked with management and the external auditor to answer the enquiries. The answers were accepted by the FRC and the FRC confirmed their enquiry was closed.

Risk management and internal control

Risk management is the responsibility of the Board, oversight of which is the responsibility of the Committee. Further details about the process followed and the principal risks and uncertainties that could affect business operations can be found in the Strategic report on pages 26 to 29. The Committee keeps under review the adequacy and effectiveness of the Company's internal controls and risk management systems and the Chief Financial Officer tables an updated risk register for discussion at each Committee meeting.

The Committee considered the need for a separate internal audit function. Due to the scope of external audits, the existing internal controls, the size and locations of the Group's operations and the costs involved, the Committee continues to recommend to the Board that there is no requirement for a separate internal audit function. The Board concurs with this recommendation.

Every year the Committee reviews the Group's risk framework reports, to be presented to, and discussed by, the Board.

The Group has established a framework of key financial and operational controls across all the business brands with compliance monitored by the central finance team. Any exceptions are reported to the Committee and resolution thereof is followed up by local management.

Cyber security continues to be a focus area, with training and fake phishing testing conducted in the year. PEN testing is also underway.

The Committee was pleased to see improvements in the resolution of identified control issues.

The Group's whistleblowing policy includes arrangements for the Company Secretary to receive, in confidence, complaints on accounting, risk issues, internal controls, auditing issues and related matters. All employees have access via Workplace, the Group's employee communications platform, to the Group's mandatory Code of Conduct, which sets out the minimum expected behaviours for all employees and the specific Group policies which are applicable throughout the Group. The Code of Conduct and Group policies are under continual review and updates are issued as appropriate.

External audit

The Committee is responsible for the development, implementation and monitoring of the Group's policy on external audit. The terms of reference assign responsibility to the Committee for overseeing the relationship with the external auditor. The 2024 audit was completed successfully, with the Committee noting an effective working relationship and good communications between management and the external auditor. The Committee manages the relationship with the external auditor, including the negotiation and agreement of their fees and reviews and monitors their independence and objectivity. The Committee also reviews and challenges the scope of the audit and monitors the effectiveness of the audit process.

The Group's policy on non-audit related services prescribes the types of engagements for which the external auditor can be used and those engagements which are prohibited. For engagement for services which are non-recurring in nature, prior approval must be sought from the Committee. No such services were contracted for in 2024. Note 8 includes disclosure of the auditor's remuneration for the year, including an analysis of audit services and audit related services under those headings prescribed by law.

CLA Evelyn Partners Limited ('Evelyn') were first appointed the Company's auditor in 2021, following a competitive tender process. The Committee determined that a competitive tender process for an external auditor was unnecessary in 2024 and recommended their reappointment to the Board. A resolution to reappoint Evelyn will be proposed at the forthcoming AGM.

Assessment of the Audit & Risk Committee

As part of the 2024 audit processes, in March 2025 the Committee conducted a self-assessment of its performance. The evaluation process measured performance against its terms of reference, including:

- presentation of risk register by the Chief Financial Officer;
- review and implementation of risk management processes by Group entities;
- ongoing, regular reviews of internal controls; and
- monitoring developments in financial reporting regulations, corporate governance and compliance.

The Board concluded that the Committee has acted in accordance with its terms of reference, remained updated on changes to financial and accounting standards, and ensured the independence and objectivity of the external auditor.

If there are any questions about the work of the Committee, you are welcome to send them to companysec@empresaria.com.

On behalf of the Audit & Risk Committee

Steve Bellamy
Chair of the Audit & Risk Committee
26 March 2025

Nomination Committee report

"Board composition and succession planning remain key priorities to ensure that the Group has the right leadership to achieve its long-term goals and objectives."

Penny Freer
Chair of the Nomination Committee

Meetings **1**

Attendance **100%**

The independent Non-Executive Directors who served on the Committee during the year are:

	Date of appointment to the Committee
Penny Freer (Chair)	5 November 2013
Zach Miles	5 November 2013
Steve Bellamy	16 January 2023
Ranjit de Sousa	20 February 2023

Role and composition of the Nomination Committee

The Nomination Committee has responsibility, on behalf of the Board, to keep under review the structure, size and composition of the Board and its Committees, and the leadership needs of the Group. The terms of reference for the Committee can be found on the Company's website and are reviewed annually to ensure the objectives remain current and at the forefront of the Committee's considerations. The Committee is required to report to the Board on its proceedings and make recommendations it deems appropriate, on any area within its remit, including where action or improvement is needed.

The Committee is appointed by the Board from the Non-Executive Directors, with a minimum requirement of two such Directors. Appointments to the Committee are made by the Board and are for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.

Activities of the Nomination Committee

The Committee, composed of all Non-Executive Directors, plays a crucial role in the Group's governance structure. It is required to meet formally once per year and its members maintain a regular dialogue throughout the year to discuss matters as they arise. The Committee's primary role is to ensure there is a robust process for succession planning of senior management and Board appointments. The Committee works closely with the Executive Directors to ensure that the senior management and the Board possess the necessary experience, skills and capabilities to effectively lead the Group and to develop and deliver the Group's strategy. It is a priority for the Committee to ensure that the Group has the right leadership to achieve its long-term goals and objectives.

Zach Miles is retiring from the Board at the forthcoming AGM. The Board would like to express its deepest gratitude for his exceptional service, including his time as Chair of the Audit & Risk Committee and then as Chair of the Remuneration Committee. His insightful guidance, deep understanding of the staffing industry, and unwavering support to the Group have been invaluable to the Board, the work of its Committees, and to the Group as a whole.

Shortly after announcing his intention to retire, Zach Miles was involved in a serious accident. While expected to make a full recovery, Zach remains in hospital and in his absence Ranjit de Sousa was appointed Interim Chair of the Remuneration Committee. Subject to his re-election, Ranjit will become Chair of the Remuneration Committee from the forthcoming AGM.

The Board is well balanced, with an experienced Chair, two recently appointed independent Non-Executive Directors and two Executive Directors. The Board is diverse and it continues to function very effectively, through open collaboration and challenge.

The Board has adopted a policy that Non-Executive Directors should not serve for longer than nine years save in exceptional circumstances. While I have agreed to remain as Chair of the Board to continue my role during this period of change for the Group, I will be stepping down at an appropriate time and no later than the Company's AGM to be held in 2026.

If there are any questions about the work of the Committee, you are welcome to send them to companysec@empresaria.com.

On behalf of the Nomination Committee

Penny Freer
Chair of the Nomination Committee
26 March 2025

Directors' remuneration report

The information provided in this part of the Directors' remuneration report is not subject to audit.

Meetings **4** Attendance **100%**

Role and composition of the Remuneration Committee

The Remuneration Committee has responsibility, on behalf of the Board, for determining the policy for Directors' remuneration and setting the remuneration for the Chair of the Board, Executive Directors, Company Secretary and certain senior management. The terms of reference for the Committee can be found on the Company's website.

The Committee is required to report to the Board on its proceedings and all matters within its duties and responsibilities.

The Committee is appointed by the Board from the independent Non-Executive Directors, with a minimum requirement of two such Directors. No Director is involved in any decisions as to their own remuneration.

The independent Non-Executive Directors who served on the Committee during the year were:

	Date of appointment to the Committee
Zach Miles (Chair)	1 October 2008
Ranjit de Sousa (Interim Chair)[1]	20 February 2023
Steve Bellamy	16 January 2023

1 Appointed Interim Chair from March 2025

Meetings

The Committee is required to meet at least twice a year and at such times as the Chair of the Committee shall require. During 2024, the Committee held four scheduled formal meetings and met outside of the formal meetings to discuss matters as they arose through the year. Where considered appropriate, the Chair and the Chief Financial Officer are invited to attend meetings, or parts of meetings, to assist the Committee in fulfilling its duties.

Remuneration practices

The Committee recommended and monitored the level and structure of remuneration for senior management as well as monitoring remuneration trends across the Group. An annual review was carried out on the ongoing appropriateness and relevance of the Group's remuneration policy.

The basic annual salaries of the executive management team are reviewed annually by the Committee. The remuneration for the Non-Executive Directors is determined by the Board within the limits set by the Articles and is based on information on fees paid in similar companies, and the skills and expected time commitment of the individual concerned and their roles on the Board's Committees. The fees are reviewed each year as part of the annual budgeting process. Neither the basic annual salaries of the executive management nor the fees for Non-Executive Directors were increased for 2024 or 2025. While salary increases have been awarded where considered appropriate in the Group, the basic annual salary for the Chief Executive Officer has been frozen since 2022, and since 2023 for the Chief Financial Officer. This is not a reflection on their performances, but in recognition of the challenging trading conditions that have persisted over the past few years.

The Committee receives feedback from shareholders on remuneration matters and is keen to ensure that the views and interests of shareholders are considered by the Committee. It was pleasing to note that the directors' remuneration report for 2023 received 100% approval of shareholders at the 2024 AGM.

Linking remuneration policy to business objectives

Executive remuneration packages must be competitive and are designed to attract, retain and motivate the executive management, while aligning rewards with the business objectives and performance of the Group, and the long-term interests of shareholders.

It is the Company's policy for the largest proportion of the performance-related pay of the executive management team to be linked to key performance indicators of the Company. The Company's key objectives include developing sustainable growth in earnings and profits, which should lead to an increase in distributions to shareholders and in the share price. The key performance measures chosen linking executive remuneration to the achievement of these objectives were growth in profits, earnings per share ('EPS') and share price. Performance criteria for the 2025 annual bonus plan are growth in profits and EPS with a maximum of 25% payable dependent on the achievement of both the personal objectives and at least one of the financial performance criteria. The personal objectives are aligned with the Board's strategy for the Group. The performance criteria for the LTIP are growth in profits, EPS and share price. The entirety of the performance-related pay of the executive management team in 2025 is therefore directly tied to achievement of financial targets and shareholder returns.

Directors' contracts and letters of appointment

It is the Company's policy that Executive Directors should have contracts with indefinite terms providing for a maximum of 12 months' notice.

The details of the Executive Directors' contracts are summarised as follows:

Director	Effective date of contract	Notice period
Rhona Driggs	8 November 2018	12 months
Tim Anderson	21 March 2018	6 months

Non-Executive Directors serve under letters of appointment, which either party can terminate on three months' written notice.

The Non-Executive Directors have no right to compensation on the termination of their appointments.

Directors' remuneration report continued

Long Term Incentive Plan ('LTIP')

The Committee has responsibility for devising the Company's LTIP, making awards ('Awards') under its terms and supervising its administration. Awards are made in the form of nil-cost options over Ordinary Shares, to the Company's executive management team and senior leadership team. The maximum value of Ordinary Shares that could be awarded to any individual in a year is 175% of their basic salary. The Committee reviews the final audited results of the Company prior to agreeing if Awards are to be made and the extent to which Awards are to vest. Non-Executive Directors do not participate in the LTIP.

During the year, the Committee engaged an external remuneration consultancy, FIT Remuneration Consultants ('FIT'), to review the LTIP Rules and Awards and to make recommendations to the Committee. Following this review the Committee updated the LTIP Rules to bring them up to date and provide greater clarity on certain scenarios. FIT also made recommendations to the Committee in relation to the adjustment of the performance criteria for the Awards granted in 2023 and to grant a larger than usual Award in 2024 to the CEO and CFO, while remaining within the scheme limits, with additional stretch growth targets. Following consultation with FIT and the Chair of the Board, the Committee amended the LTIP Rules and certain performance criteria relating to the 2023 Awards and granted the 2024 Awards.

As noted above, LTIP performance criteria are growth in profitability, earnings per share and share price over the relevant (typically three-year) performance period. During the year, none of the Awards granted in 2021 for vesting in March 2024 vested, and they lapsed in full. At least 70% of the Awards granted in 2022 for vesting in April 2025 will lapse.

A summary of the vesting and lapsing of Awards over the past ten years to 31 December 2024 including outstanding Awards (yet to vest or lapse) at 31 December 2024 is as follows:

Year of Award	Year of vesting	Awards	Awards vested	Percentage vested	Awards lapsed	Percentage lapsed	Awards outstanding
2017	2020	363,178	–	0%	363,178	100%	–
2018	2021	761,992	–	0%	761,992	100%	–
2019	2022	911,578	–	0%	911,578	100%	–
2020	2023	1,963,159	542,447	28%	1,420,712	72%	–
2021	2024	1,088,889	–	0%	1,088,889	100%	–
2022	2025	1,157,106	–	–	302,558	26%	854,548
2023	2026	1,525,597	–	–	375,952	25%	1,149,645
2024	2027	2,958,752	–	–	–	–	2,958,752

At 31 December 2024, there were unvested Awards over a maximum of 4,962,945 Ordinary Shares and no vested unexercised options. Since 2020, the Company has conducted a share purchase plan where the Company transfers purchased Ordinary Shares to the Company's Employee Benefit Trust with the intention that they be used to satisfy the exercise of options vested under the LTIP to reduce the dilutive effect of issuing new Ordinary Shares. The Board's policy has been to satisfy the exercise of options equally through the allotment of new Ordinary Shares and by transfer of Ordinary Shares from the Employee Benefit Trust. No Ordinary Shares were purchased during the year as the Board considered that the Employee Benefit Trust held an appropriate number considering the expectations for vesting of any Awards in 2025.

Aggregate Directors' remuneration (audited information)

The remuneration of Directors who served during the year is shown below:

	2025	2024					2023				
Year of Award	Salary & fees £000	Salary & fees £000	Benefits -in-kind £000	Annual bonuses[1] £000	Money purchase pension contributions £000	Total £000	Salary & fees £000	Benefits -in-kind £000	Annual bonuses[1] £000	Money purchase pension contributions £000	Total £000
Executive											
Rhona Driggs[2]	373	373	14	78	–	465	386	23	184	–	593
Tim Anderson	208	208	7	52	21	288	208	7	114	21	350
Non-Executive											
Penny Freer	75	75	–	–	–	75	75	–	–	–	75
Zach Miles[3]	21	55	–	–	–	55	55	–	–	–	55
Steve Bellamy[4]	55	55	–	–	–	55	49	–	–	–	49
Ranjit de Sousa[5]	51	45	–	–	–	45	39	–	–	–	39
						983					1,161

1 Annual bonuses are paid in the year following the performance measures to which they relate, e.g. the 2024 annual bonus relates to 2023 performance measures.
2 2023 figures translated from USD to GBP at the rate of GBP 1 : USD 1.2437. 2024 and 2025 figures translated from USD to GBP at the rate of GBP 1 : USD 1.2783.
3 2025 estimated fees are pro rata to retirement at 2025 AGM.
4 2023 fees are pro rata from appointment on 16 January 2023 and appointment to Committee Chair from 2023 AGM.
5 2023 fees are pro rata from appointment on 20 February 2023. 2025 estimated fees are pro rata from appointment to Committee Chair from 2025 AGM.

Details of the Awards for the Executive Directors who served during the year are as follows:

Name of Officer	Year of Award	Awards at 1 January 2024	Awards granted during 2024	Awards lapsed during 2024	Vested Awards (options granted)	Options exercised
Rhona Driggs	2021	505,051	–	505,051	–	–
	2022	374,209	–	–	–	–
	2023	505,540	–	–	–	–
	2024		**1,461,987**			
Tim Anderson	2021*	333,333	–	333,333	–	
	2022	252,844	–	–	–	–
	2023	325,000	–	–	–	–
	2024		**957,894**			

Shareholding guidelines

There are no requirements for Executive Directors or senior executives to hold shares in the Company.

Details of the share interests of Directors who served during the year are as follows:

	31 December 2024		31 December 2023	
	Number of Ordinary Shares	Percentage holding	Number of Ordinary Shares	Percentage holding
Penny Freer	15,000	0.03%	15,000	0.03%
Zach Miles	–	–	–	–
Steve Bellamy	–	–	–	–
Ranjit de Sousa	–	–	–	–
Rhona Driggs	220,099	0.44%	220,099	0.44%
Tim Anderson	335,000	0.67%	290,000	0.58%
Total	570,099	1.14%	525,099	1.05%

No Director had any beneficial interest in the share capital of any other Group company.

Assessment of the Remuneration Committee

The Committee conducted a self-assessment of its performance during the year. The evaluation process measured performance against its terms of reference, including:

- executive short and long term incentive plans reviewed and assessed considering current best practice, performance measures and the long-term strategic goals of the Group; and
- amendment of LTIP Rules and 2023 Award performance criteria and the making of an additional Award, within the scheme limits, to the CEO and CFO to align with the Group's revised strategy.

Zach Miles is retiring from the Board at the forthcoming AGM. In March 2025, Ranjit de Sousa was appointed Interim Chair of the Committee and, subject to his re-election, will take over as Chair from the forthcoming AGM.

If there are any questions about the work of the Committee, you are welcome to send them to companysec@empresaria.com.

This report was approved by the Board of Directors on 26 March 2025 and signed on its behalf by

Ranjit de Sousa
Interim Chair of the Remuneration Committee
26 March 2025

Directors' report

The Directors present their annual report on the affairs of Empresaria Group plc, together with the financial statements and auditor's report, for the year ended 31 December 2024.

The Strategic report set out on pages 1 to 32 and the corporate governance statement set out on pages 38 to 40 form part of this report.

Future developments

An indication of likely future developments in the business of the Group is included in the Strategic report. There have not been any significant events since the balance sheet date.

Financial risk management

Information regarding financial risk management can be found in note 24 to the consolidated financial statements.

Dividends

No dividend is proposed in respect of the year ended 31 December 2024 reflecting the 2024 results, the current trading environment and the financial position of the Company and Group. A dividend of 1.0p was paid for the year ended 31 December 2023.

Share capital structure

At 31 December 2024, the Company's issued share capital was 49,853,001 Ordinary Shares with a nominal value of 5p per share. All of the issued share capital was in free issue and all issued shares are fully paid. The Company's Ordinary Shares are quoted and admitted to trading on the AIM market operated by London Stock Exchange plc. The holders of Ordinary Shares are entitled to receive the Company's Reports and Accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights. None of the Ordinary Shares carry any special rights with regards to control of the Company or distributions made by the Company. There are no known agreements relating to, or restrictions on, voting rights attached to the Ordinary Shares (other than the 48-hour cut-off for casting proxy votes prior to a general meeting). There are no restrictions on the transfer of shares, and there is no requirement to obtain approval for a share transfer. There are no known arrangements under which financial rights are held by a person other than the holder of the Ordinary Shares. There are no known limitations on the holding of Ordinary Shares.

Power of Directors

The Directors are authorised to issue and allot shares and to buy back shares subject to annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2024 AGM, and at the 2025 AGM it will be proposed that the Directors be granted new authorities to allot and buy back shares.

Repurchase of shares

On 17 June 2020, the Company announced a share buyback programme to purchase up to £25,000 per month of its own shares ('Programme'). All of the shares purchased under the Programme are held as treasury shares until they are transferred to the Empresaria Employee Benefit Trust ('EBT'), with the intention that they will be used to satisfy the exercise of options vested under the Company's Long Term Incentive Plan. No Ordinary Shares were purchased during the year ended 31 December 2024, as the Board considered that the Employee Benefit Trust held an appropriate number considering no Awards vested in 2024 and low expectations for vesting of any Awards in 2025.

At the date of this report, the Company has 49,853,001 Ordinary Shares in issue, none of which are held by the Company as treasury shares, and has an unexpired authority to purchase up to a further 2,492,600 Ordinary Shares. Details of the new authority being requested at the 2025 AGM will be contained in the circular to shareholders, which will be available on the Company's website. Details of the Ordinary Shares held by the EBT are set out in note 23 to the consolidated financial statements.

Directors and their shareholdings

Details of the Directors who held office during the year, and their shareholdings at 31 December 2024, are set out in the Directors' remuneration report on page 47.

Directors' indemnities and insurance

The Company maintains Directors' and Officers' liability insurance which provides appropriate cover for any legal action brought against its Officers. The Company has also granted indemnities to each of the Executive Directors, to the extent permitted by law. The qualifying third-party indemnity provisions as defined by Section 234 of the Companies Act 2006, remain in force in relation to certain losses and liabilities which the relevant individual may incur to third parties in the course of acting as officers or employees of the Company or of any associated company. Neither the insurance nor the indemnities provide cover where the relevant individual has acted fraudulently or dishonestly.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2023: £nil).

Substantial shareholdings

At 31 December 2024, the following interests in 3% or more of the issued Ordinary Share capital of the Company in the register maintained under section 113 of the Companies Act 2006 were identified:

Name of holder	No. of Ordinary Shares	Percentage of voting rights and issued share capital
A V Martin	13,924,595	27.93%
H M van Heijst	8,920,754	17.89%
Kempen Capital Management	4,314,540	8.65%
Close Brothers Asset Management	4,156,607	8.34%
Beleggingsclub't Stockpaert	3,250,000	6.52%
The Ramsey Partnership Fund	2,441,000	4.90%
Stichting Hendricks Family Office	2,003,100	4.02%
Ophorst van Marwijk Kooy	1,638,328	3.29%

Disabled employees

Applications for employment by disabled persons are always fully and fairly considered, having regard to the particular aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. The Group supports disabled employees in all aspects of their training, career development and promotion.

Employee involvement

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 described further in the corporate governance statement (stakeholders and social responsibilities) and in the engaging with our stakeholders section on page 30.

Energy and Carbon Reporting

The Group's operations are service-based, with no manufacturing facilities and limited transportation requirements. We are committed to minimising the environmental impact of our activities, such as managing office space, avoiding unnecessary travel and encouraging recycling. See the non-financial and sustainability information statement on page 32. The Group is subject to the UK Energy and Carbon reporting regulations. All of the Group's UK subsidiaries and Parent Company are exempt based on the qualifying conditions contained in those regulations. As a result, no further disclosures are provided in this report.

Cautionary statement

The sole purpose and use of this annual report is to provide information to the shareholders of the Company, as a body, to assist them in exercising their rights. The Company and its subsidiaries, their respective officers, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. This annual report contains certain forward-looking statements with respect to the operations, performance and the financial position of the Company and the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this annual report and nothing in this annual report should be construed as a profit forecast.

Auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Following a competitive tender process, CLA Evelyn Partners Limited were appointed as the Company's independent auditor for the 2021 financial year. CLA Evelyn Partners Limited have expressed their willingness to continue as auditor for the 2025 financial year and a resolution will be proposed at the forthcoming AGM.

Annual General Meeting 2025

The 2025 AGM will be held on Tuesday 20 May 2025 at the offices of Singer Capital Markets, 1 Bartholomew Lane, London, EC2N 2AX. The meeting will commence at 1:00 pm and registration will be open from 12:00pm. A separate notice convening the meeting has been sent to shareholders and is available on our website at www.empresaria.com/shareholder-information/agm-information.

How to vote

You are encouraged to submit your proxy vote as early as possible via the Investor Centre at uk.investorcentre.mpms.mufg.com/Login/Login. Our registrar, MUFG Corporate Markets, must receive your online proxy appointment and voting instructions by 1:00 pm on Friday 16 May 2025 at the latest to ensure your vote is counted. Further instructions on how to attend and vote are set out in the Notice of AGM.

Approved by the Board and signed on its behalf by

James Chapman
General Counsel and Company Secretary
26 March 2025

Registered office:	Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex RH10 4HS
Registered number:	03743194

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. The Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and the AIM rules and have chosen to prepare the Parent Company financial statements in accordance with Financial Reporting Standard 102 ('FRS 102'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

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

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

In preparing the Group's financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Company's website (www.empresaria.com) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the corporate and financial information included on the Company's website is the responsibility of the Directors.

This responsibility statement was approved by the Board on 26 March 2025 and is signed on its behalf by order of the Board by

Rhona Driggs Chief Executive Officer 26 March 2025	**Tim Anderson** Chief Financial Officer

Independent auditor's report
to the members of Empresaria Group plc

Opinion

We have audited the financial statements of Empresaria Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, Parent Company balance sheet, Parent Company statement of changes in equity and the notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Of the Group's 39 material reporting components, we subjected nine to full scope audits for group reporting purposes and 15 to specific scope audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that component. The latter were not individually significant enough to require an audit for group reporting purposes but were still material to the Group.

The components within the scope of our work covered 94.7% of group revenue, 81.8% of group net fee income, 72.5% of group loss before tax, and 92.0% of group total assets.

For the remaining 15 components, we performed analysis at a group level to re-examine our assessment that there were no significant risks of material misstatement within these.

For the audits which were carried out by overseas component auditors, at both the planning and the completion stage, senior members of the group audit team participated in video conference meetings with local audit teams. At these meetings, the group audit team discussed the component auditors' risk assessments and planned audit approach. Once the audit work was completed, the findings reported to the group audit team were discussed in more detail, and any further work required by the group audit team was then performed by the component auditor. In addition to these planned meetings, the group audit team sent detailed instructions to the component audit teams. The group audit team reviewed the comprehensive responses to these instructions and reviewed the audit working papers for significant and high-risk areas.

Key audit matters

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

Independent auditor's report continued

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue recognition (Group) – see note 2 of the consolidated financial statements	The Group's revenue relates to permanent placement, temporary and contract placement, and offshore services with revenue from permanent placements recognised on the start date of the candidate placement and revenue from temporary and contract, and offshore services recognised on the basis of work performed by reference to approved timesheets and contracted rates. The key risk of fraud in relation to revenue recognition is attributed to cut off, specifically incorrect or missing accruals for un-invoiced or late timesheets for temporary and contract, and offshore services revenue, or delayed invoices/credit notes for placements. This impacts whether all revenue and accrued revenue that should have been accounted for, and only such revenue, has in fact been accounted for in the year.	Our audit work included, but was not restricted to the following: • Reviewed design and implementation of controls over revenue recognition which have been designed by the Group to help prevent and detect fraud and errors in revenue recognition; • Reviewed whether accounting for revenue is compliant with the financial reporting standards; • Performed detailed testing of a sample of revenue transactions in the year to evaluate whether revenue recognition is in accordance with the accounting policies; • Performed substantive cut-off testing to determine if revenue is recognised in the correct period, including reviewing credit notes issued post year end; and • Assessed the adequacy of related disclosures within the annual report.
Impairment of goodwill and other intangible assets (Group) and Impairment of investments and recoverability of amounts owed by group undertakings (Parent Company) - see notes 15 and 16 of the consolidated financial statements and notes 7 and 8 of the Parent Company's financial statements	The Group has significant goodwill and other intangible asset balances and the Parent Company has significant investments and amounts owed by group undertakings. Accounting standards require management to perform an impairment review annually to consider possible impairment in goodwill and consider whether there are any indicators of impairment impacting other intangible assets or investments and amounts owed by group undertakings. Management's assessment of the carrying value requires judgement in assessing forecast future cash flows, growth rates and discount rates. The assessment of the carrying value of these balances and consequently any required impairment is sensitive to these estimates.	Our audit work included, but was not restricted to, the following: • Challenged the assumptions used in the impairment model for goodwill, other intangible assets, investments in subsidiaries and amounts owed by group undertakings; • Continued existence of the asset following commercial and operational developments of the Group; • Assessed appropriateness of the assumptions made in reallocation of goodwill and other intangibles; • Assessed the appropriateness of the impairment review methodology, assumptions concerning growth rates and inputs to the discount rate against available market data with the assistance of experts; • Compared current forecast revenue growth rates, gross profit margins and operating results with those achieved in previous years; • Reviewed or applied sensitivity analysis to calculate the minimum growth rates needed to avoid an asset impairment and compare them to those achieved in previous years; and • Assessed the adequacy of related disclosures within the annual report.

Our application of materiality

The materiality for the group financial statements as a whole ('group FS materiality') was set at £638,000. This has been determined with reference to the benchmark of the Group's net fee income, which we consider to be one of the principal considerations for members of the company in assessing the Group's performance. Group FS materiality represents 1.25% of the Group's net fee income. Net fee income is a key metric that is considered when reviewing performance of the components, we have considered it appropriate to base our materiality levels using net fee income.

The materiality for the Parent Company financial statements as a whole ('parent FS materiality') was set at £223,000. Parent FS materiality represents 2% of the Parent Company's net assets as presented on the face of the Parent Company's balance sheet.

Performance materiality for the Group financial statements was set at £414,000, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the Group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. This level of 65% was set to reflect that there are some areas of judgment and estimation in the financial statements.

Performance materiality for the Parent Company financial statements was set at £178,000, being 80% of parent FS materiality. The level of 80% was set to reflect that there are few areas of judgement and estimation in the financial statements.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the financial years ending 2025 and 2026;
- Considering historical trading performance by comparing recent growth rates of both revenue and operating profit across the Group's geographical and market segments;
- Assessing the appropriateness of the assumptions concerning growth rates against latest market expectations and macro-economic assumptions;
- Comparing the forecast results to those actually achieved in the 2025 financial period so far;
- Obtaining an understanding of significant expected cash outflows (such as capital expenditure) in the forthcoming 12-month period;
- Considering the Group's funding position and requirements;
- Reviewing and challenging management's calculations suggesting the Group is able to comply with all loan facility covenants at least 12 months from approval of the financial statements;
- Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity; and
- Reviewing the adequacy of the disclosures on going concern in the group financial statements.

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

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

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report and accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 50, 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 continued

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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.

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations; the Group's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's industry and regulations. We obtained this understanding through discussions with Group management, component management and component auditors.

We understand that the Group complies with the framework through:

- promoting corporate culture through the use of the Group's Code of Conduct, which all Group companies must adhere to;
- updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- for significant components, the Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006, IFRS (Group) and FRS 102 (Parent Company) in respect of preparation and presentation of the financial statements;
- AIM regulations and Market Abuse Regulations;
- Employment legislations; and
- Requirements of UK and overseas tax laws and regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Made inquiries with management as to any legal or regulatory issues during the year;
- We have reviewed board minutes for evidence of non-compliance; and
- We have obtained representation from management that they have disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, incorrect recognition of revenue particularly around year-end and accounting estimates such as impairment. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- testing a sample of revenue transactions to underlying documentation;
- testing a sample of manual journal entries, selected through applying specific risk assessments based on the Group's processes and controls surrounding manual journal entries; and
- challenging management regarding the assumptions used in the accounting estimates identified above, and comparison to market data and post-year-end data as appropriate.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Nicholas Jacques
Senior Statutory Auditor,
for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
45 Gresham Street
London
EC2V 7BG
United Kingdom
26 March 2025

Consolidated income statement

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Revenue	4	**246.2**	250.3
Cost of sales		**(195.8)**	(192.8)
Net fee income	4	**50.4**	57.5
Administrative costs		**(46.6)**	(52.4)
Adjusted operating profit	4	**3.8**	5.1
Exceptional items	5	**(4.1)**	(0.6)
Fair value charge on acquisition of non-controlling shares	6	**(0.4)**	(0.1)
Loss on sale of subsidiaries	7	**(0.6)**	-
Impairment of goodwill	15	**(1.1)**	(1.5)
Amortisation of intangible assets identified in business combinations	16	**(1.2)**	(1.2)
Operating (loss)/profit	8	**(3.6)**	1.7
Finance income	10	**0.8**	0.6
Finance costs	10	**(2.4)**	(2.2)
Net finance costs	10	**(1.6)**	(1.6)
(Loss)/profit before tax		**(5.2)**	0.1
Taxation	11	**(3.7)**	(1.4)
Loss for the year		**(8.9)**	(1.3)
Attributable to:			
Owners of Empresaria Group plc		**(10.4)**	(2.9)
Non-controlling interests		**1.5**	1.6
		(8.9)	(1.3)

		Pence	Pence
Loss per share			
Basic	13	**(21.2)**	(5.9)
Diluted	13	**(21.2)**	(5.9)

Details of adjusted earnings per share are shown in note 13.

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	2024 £m	2023 £m
Loss for the year	**(8.9)**	(1.3)
Other comprehensive income		
Items that may be reclassified subsequently to the income statement:		
Exchange differences on translation of foreign operations	**(1.1)**	(2.2)
Items that will not be reclassified to the income statement:		
Exchange differences on translation of non-controlling interests in foreign operations	**(0.3)**	(0.4)
Other comprehensive loss for the year	**(1.4)**	(2.6)
Total comprehensive loss for the year	**(10.3)**	(3.9)
Attributable to:		
Owners of Empresaria Group plc	**(11.5)**	(5.1)
Non-controlling interests	**1.2**	1.2
	(10.3)	(3.9)

Consolidated balance sheet

as at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	14	**1.6**	2.4
Right-of-use assets	25	**5.9**	6.4
Goodwill	15	**26.6**	29.7
Other intangible assets	16	**5.7**	6.9
Deferred tax assets	22	**4.0**	5.7
		43.8	51.1
Current assets			
Trade and other receivables	18	**39.7**	43.5
Current tax assets		**0.4**	1.2
Cash and cash equivalents		**17.2**	17.1
		57.3	61.8
Total assets		**101.1**	112.9
Current liabilities			
Trade and other payables	19	**27.8**	31.5
Current tax liabilities		**1.0**	1.3
Borrowings	20	**18.5**	18.7
Lease liabilities	25	**5.0**	4.3
		52.3	55.8
Non-current liabilities			
Borrowings	20	**14.0**	9.2
Lease liabilities	25	**1.2**	2.6
Deferred tax liabilities	22	**2.2**	2.4
		17.4	14.2
Total liabilities		**69.7**	70.0
Net assets		**31.4**	42.9
Equity			
Share capital	23	**2.5**	2.5
Share premium account		**22.4**	22.4
Merger reserve		**0.9**	0.9
Equity reserve		**(10.3)**	(10.2)
Translation reserve		**0.5**	1.6
Retained earnings		**8.4**	19.2
Equity attributable to owners of Empresaria Group plc		**24.4**	36.4
Non-controlling interests		**7.0**	6.5
Total equity		**31.4**	42.9

These consolidated financial statements of Empresaria Group plc, registered number 03743194, were approved by the Board of Directors and authorised for issue on 26 March 2025.

Signed on behalf of the Board of Directors

Rhona Driggs
Chief Executive Officer

Tim Anderson
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Equity attributable to owners of Empresaria Group plc								
	Share capital £m	Share premium account £m	Merger reserve £m	Equity reserve £m	Translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 31 December 2022	2.5	22.4	0.9	(10.2)	3.8	23.4	42.8	6.2	49.0
(Loss)/profit for the year	–	–	–		–	(2.9)	(2.9)	1.6	(1.3)
Exchange differences on translation of foreign operations	–	–	–	–	(2.2)	–	(2.2)	(0.4)	(2.6)
Total comprehensive (loss)/income for the year	–	–	–	–	(2.2)	(2.9)	(5.1)	1.2	(3.9)
Dividends paid to owners of Empresaria Group plc (see note 26)	–	–	–	–	–	(0.7)	(0.7)	–	(0.7)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(0.9)	(0.9)
Purchase of own shares in Employee Benefit Trust	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
Share-based payments (see note 29)	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
At 31 December 2023	2.5	22.4	0.9	(10.2)	1.6	19.2	36.4	6.5	42.9
(Loss)/profit for the year	**–**	**–**	**–**		**–**	**(10.4)**	**(10.4)**	**1.5**	**(8.9)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**(1.1)**	**–**	**(1.1)**	**(0.3)**	**(1.4)**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**(1.1)**	**(10.4)**	**(11.5)**	**1.2**	**(10.3)**
Dividends paid to owners of Empresaria Group plc (see note 26)	**–**	**–**	**–**	**–**	**–**	**(0.5)**	**(0.5)**	**–**	**(0.5)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.8)**	**(0.8)**
Increase in ownership of existing subsidiary (note 6)	**–**	**–**	**–**	**(0.1)**	**–**	**–**	**(0.1)**	**0.1**	**–**
Share-based payments (see note 29)	**–**	**–**	**–**	**–**	**–**	**0.1**	**0.1**	**–**	**0.1**
At 31 December 2024	**2.5**	**22.4**	**0.9**	**(10.3)**	**0.5**	**8.4**	**24.4**	**7.0**	**31.4**

Consolidated cash flow statement

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Loss for the year		**(8.9)**	(1.3)
Adjustments for:			
Depreciation of property, plant and equipment, and software amortisation	14,16	**1.5**	1.5
Depreciation of right-of-use assets	25	**5.3**	5.4
Fair value charge on acquisition of non-controlling shares	6	**0.4**	0.1
Loss on sale of subsidiaries	7	**0.6**	–
Impairment of goodwill (including £0.4m on closure of operation (2023: £nil))	15	**1.5**	1.5
Amortisation of intangible assets identified in business combinations	16	**1.2**	1.2
Share-based payments	29	**0.1**	(0.3)
Net finance costs	10	**1.6**	1.6
Taxation	11	**3.7**	1.4
		7.0	11.1
Decrease in trade and other receivables		**(0.2)**	0.2
Decrease in trade and other payables		**(0.9)**	(0.4)
Cash generated from operations		**5.9**	10.9
Finance costs paid		**(2.4)**	(2.2)
Income taxes paid		**(2.1)**	(3.2)
Net cash inflow from operating activities		**1.4**	5.5
Cash flows from investing activities			
Purchase of property, plant and equipment, and software		**(0.8)**	(1.4)
Cash received on sale of subsidiaries (net of £0.9m cash in the subsidiaries on sale (2023: £nil))		**–**	–
Finance income received		**0.8**	0.6
Net cash outflow from investing activities		**–**	(0.8)
Cash flows from financing activities			
Decrease in overdrafts		**(0.6)**	(1.7)
Proceeds from bank loans		**5.2**	1.0
Repayment of bank loans		**(0.1)**	(0.4)
Increase/(decrease) in invoice financing		**1.4**	(0.3)
Payment of obligations under leases		**(5.3)**	(5.4)
Purchase of shares in existing subsidiaries		**(0.2)**	(0.1)
Purchase of own shares in Employee Benefit Trust		**–**	(0.3)
Dividends paid to owners of Empresaria Group plc		**(0.5)**	(0.7)
Dividends paid to non-controlling interests		**(0.8)**	(0.9)
Net cash outflow from financing activities		**(0.9)**	(8.8)
Net increase/(decrease) in cash and cash equivalents		**0.5**	(4.1)
Foreign exchange movements		**(0.4)**	(1.1)
Cash and cash equivalents at beginning of the year		**17.1**	22.3
Cash and cash equivalents at end of the year		**17.2**	17.1

		2024 £m	2023 £m
Bank overdrafts at beginning of the year		**(15.2)**	(17.1)
Decrease in the year		**0.6**	1.7
Foreign exchange movements		**0.3**	0.2
Bank overdrafts at end of the year	20	**(14.3)**	(15.2)
Cash, cash equivalents and bank overdrafts at end of the year		**2.9**	1.9

Notes to the consolidated financial statements

1 Basis of preparation and general information

Empresaria Group plc (the 'Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS. Its company registration number is 03743194.

The consolidated financial statements are for the year ended 31 December 2024. The financial statements have been prepared in accordance with UK-adopted International Accounting Standards, and therefore the Group financial statements comply with AIM rules.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities at fair value. The measurement bases and principal accounting policies of the Group are set out below.

These consolidated financial statements are presented in Pounds Sterling (£), rounded to £0.1m unless otherwise stated, because that is the presentational currency of the Group. Foreign operations are included in accordance with the policies set out in note 2.

Changes in accounting policies

Adoption of new and revised standards and interpretations

In the current year, the following new and revised standards have been adopted:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments

These did not have a significant impact on the consolidated financial statements.

Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendments to IAS 21	Lack of Exchangeability
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability Disclosures
IFRS S1 and S2	Sustainability and Climate-related Disclosures

The Group does not expect these to have a significant impact on the consolidated financial statements. This list excludes any standards or amendments which are expected to have no relevance to the Group.

Going concern

The Group's activities are funded by a combination of long-term equity capital and bank facilities, primarily a revolving credit facility, overdrafts and invoice financing. The Board has reviewed the Group's profit and cash flow projections including the impact of its accelerated strategy which is expected to substantially reduce the Group's net debt position over time. A downside scenario has been reviewed in order to stress-test the Group's financial position. This scenario assumes implementation of the Group's accelerated strategy is delayed and that this is combined with the continuation of challenging market conditions and a failure to deliver operational improvements such that adjusted operating profit in 2025 is 15% below Company compiled analyst consensus (as at 26 March 2025) and that no growth is seen in 2026. While the Directors consider this scenario to be possible, they believe it is more pessimistic than a reasonable worst-case scenario, given the expectation of delivery of the Group's accelerated strategy and current trading and market forecasts.

These projections demonstrate that the Group expects to meet its obligations as they fall due through the use of existing facilities and to continue to meet its covenant requirements. At 31 December 2024, the Group had drawn facilities of £32.5m and undrawn facilities (excluding invoice financing) of £4.1m. In March 2025, the Group's £15m revolving credit facility, set to expire in March 2026, was extended for a further 6 months to September 2026 with the covenant requirements also being eased as discussed in more detail in the Finance review on page 25. The Group's main overdraft facilities are with our primary banker and based on informal discussions the Board has had with its lenders, we have no reason to believe that these or equivalent facilities will not continue to be available to the Group for the foreseeable future.

As a result, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

2 Material accounting policy information

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries, including the Empresaria Employee Benefit Trust ('EBT'), from the date on which the Group obtains control and cease to be consolidated from the date on which the Group no longer has control.

Control is achieved when the Group has all of the following:

- power over the investee;
- exposure, or has rights, to variable return from its involvement with the investee; and
- the ability to use its power to affect its returns.

Intragroup transactions and profits are eliminated fully on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination, taking into account any restrictions on non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair value, 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 profit or loss as incurred. Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is a maximum of one year. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognised in the income statement. Consideration linked to post-combination employee services is identified separately from the business combination. Payment for these services is accounted for as post-acquisition remuneration separately from the acquisition accounting.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except for deferred tax assets and liabilities or assets related to employee benefit arrangements which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Any non-controlling interest at acquisition is assessed as the proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Management equity

In applying the Group's management equity philosophy, subsidiary management may be offered the opportunity to acquire shares in the subsidiary that they are responsible for, at market value. There are no services supplied by any employee in relation to this purchase of the shares in the subsidiary. After an agreed period, management may offer to sell the shares back to the Company. The Company does not have any obligation to acquire these shares.

If amounts are paid for non-controlling interests in a subsidiary that exceed the fair value of the equity acquired, this excess amount is charged to the income statement.

Notes to the consolidated financial statements continued

Goodwill

Goodwill arising on a business combination is recognised as an asset at the date that control is acquired and is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Goodwill may subsequently be reallocated if there are reorganisations to reporting structures that change the composition of one or more cash-generating units to which goodwill has been allocated.

Goodwill is not amortised but is tested at least annually for impairment. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount of the unit or group of units, the impairment loss is first allocated against goodwill and then to the other assets of the unit or group of units on a pro rata basis. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable goodwill is included in the calculation of profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS (1 January 2006) has been retained at the previous UK GAAP carrying amount.

Intangible assets

An intangible asset, which is an identifiable, non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably.

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with any changes being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (regarded as their cost). They are subsequently reported at cost less accumulated amortisation and accumulated impairment on the same basis as intangible assets acquired separately.

Amortisation is charged to the income statement and calculated using the straight-line method over its estimated useful life as follows:

Customer relationships	up to 15 years
Trademarks	up to 15 years
Software	up to five years

Exceptional items

Exceptional items are those items that in the Directors' view are required to be separately disclosed by virtue of their size, nature or incidence. Adjusted operating profit, adjusted profit before tax and adjusted earnings are considered to be key measures in understanding the Group's financial performance and exclude exceptional items.

Property, plant and equipment

Property, plant and equipment is stated at historical cost, net of accumulated depreciation and any recognised impairment losses.

Depreciation is calculated using the straight-line method to write off the cost or valuation of the assets less their residual values over their useful lives as follows:

Leasehold property	over the term of the lease up to a maximum of ten years
Fixtures, fittings and equipment	up to five years
Motor vehicles	up to five years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with any changes accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in administrative costs in the income statement.

Impairment (excluding goodwill)

The carrying amounts of the Group's tangible and intangible assets are reviewed at the end of each reporting period for any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that it does not exceed the carrying amount that would have existed had no impairment loss been recognised. The reversal of the impairment loss is recognised in profit or loss.

In respect of financial assets, other than those at fair value through profit or loss, a loss allowance for expected credit losses is determined at the end of each reporting period. Details of the expected credit loss model can be found in note 24.

Borrowing costs

Interest costs are recognised as an expense in the period in which they are incurred. Facility arrangement fees incurred in respect of borrowings are amortised over the term of the agreement.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within the balance sheet in current liabilities as borrowings except where there is a right of offset in which case they are netted against the relevant cash balances.

Invoice financing

The Group's operating activities in the UK, Chile and Peru are part-funded by invoice financing facilities. The debt provider has full recourse to the Group for any irrecoverable debt; these debts are presented within current borrowings and the asset due from the client in current assets in the Group's balance sheet. Movements in the invoice finance balance are shown within financing activities in the Group's cash flow statement.

Interest charges on invoice financing are included in finance costs and service charges are included in administrative costs in the Group's income statement.

Financial assets

Financial assets are divided into the following categories:

- financial assets at fair value through profit or loss; and
- amortised cost.

The Group does not have material derivative financial instruments.

Fair value through profit or loss

Forward currency contracts and contingent consideration are held in the balance sheet at fair value with changes in the fair value being recorded through the income statement and are classified as financial instruments at fair value through profit or loss.

Amortised cost

Assets accounted for at amortised cost are initially recorded at fair value and subsequently measured at amortised cost. For trade receivables, amortised cost includes an allowance for expected credit losses. This is assessed by grouping assets into categories with similar risk profiles and applying a provision matrix to each of these which is assessed by reference to past default experience and various other sources of actual and forecast economic information. Trade receivables are only written off once the potential of collection is considered to be nil and any local requirements, such as regarding sales taxes, are met.

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables (including finance lease liabilities). They are recognised initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument.
All interest-related charges and, if applicable, changes in the instrument's fair value that are reported in the profit or loss are included in the income statement line items: finance costs or finance income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

Notes to the consolidated financial statements continued

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services provided in the ordinary course of the Group's activities. Revenue is shown net of value added tax, trade discounts, rebates and other sales-related taxes.

Permanent placement revenue is recognised at the point when the candidate commences employment. Temporary and contract revenue is recognised over time on the basis of actual work performed in the relevant period based on timesheets submitted. Revenue from offshore services is recognised over time as the services are delivered.

Where the services have been performed, but the invoice is issued after the reporting date, revenue is accrued and recognised as an asset on the balance sheet as accrued income.

In situations where the Group is the principal in the transaction, the transactions are recorded gross in the income statement. When the Group acts as an agent, revenues are reported on a net basis.

In certain circumstances a client may be entitled to a replacement hire or refund if a candidate that has been placed leaves the role within a certain time period. Revenue is recognised based on the most likely amount of revenue to be received, taking account of all available information including historical, current and forecast.

Net fee income

Net fee income is equal to revenue less cost of sales. Cost of sales includes the remuneration cost of temporary and contract workers and the cost of staff directly providing offshore services. For permanent placements, net fee income is typically equal to revenue with only limited costs of sales in some cases.

Employee benefits

Retirement benefit costs

Payments made to defined contribution retirement benefit schemes are charged to the income statement as they fall due.

Share-based payments

The Group issues equity-settled share-based payments to senior management, which are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The fair value of the options granted is measured using a Monte Carlo simulation model and Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The Group sometimes acquires shares and transfers these to an Employee Benefit Trust ('EBT') to partly meet the obligation to provide shares when employees exercise their options or awards. Costs of running the EBT are charged to the income statement. Shares held by the EBT are deducted from retained earnings.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for short-term leases for office equipment (lease term of 12 months or less) and leases of low value assets (less than £5,000). For those leases the Group has opted to recognise a lease expense on a straight-line basis.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the revised remaining lease term.

Forward contract for foreign currencies

Forward currency contracts are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Taxation

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised on an undiscounted basis for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Foreign currencies

(i) Functional and presentational currency

Items included in the individual financial statements of each Group company are measured using the individual currency of the primary economic environment in which that subsidiary operates (its 'functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Company's functional and presentational currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) are recognised initially in other comprehensive income. These exchange differences are reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Notes to the consolidated financial statements continued

(iii) Group companies

The results and financial position of Group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity within the translation reserve.

(iv) Net investments in foreign operations

Any gain or loss on retranslation of intercompany amounts considered to be part of a net investment, is recognised in equity in the foreign currency translation reserve.

Equity

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Merger reserve relates to premiums arising on shares issued subject to the provisions of section 612 Merger relief of the Companies Act 2006.
- Equity reserve represents movement in equity due to acquisition of non-controlling interests under IFRS 3 Business Combinations.
- Translation reserve includes the exchange differences arising from the translation of the financial statements of foreign subsidiaries and the exchange differences on intercompany loans where these are treated as a net investment in foreign operations.
- Retained earnings represents accumulated profits less distributions and income/expense recognised in equity.
- Non-controlling interest represents equity in a subsidiary not attributable, directly or indirectly, to the Group.

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying values of certain assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in applying the Group's accounting policies:

Leases

Under IFRS 16 Leases the key areas of judgement are lease length, including whether or not break clauses are expected to be exercised, and the identification of the appropriate discount rate. Disclosures related to leases are provided in note 25.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting date are discussed below:

Impairment of goodwill

The Group tests goodwill for impairment at least annually. The recoverable amount is determined based on value-in-use calculations. This method requires the estimation of future cash flows and the assessment of a suitable discount rate in order to calculate their present value. Details of the impairment review calculation and sensitivities are set out in note 15.

4 Segment and revenue analysis

Information reported to the Group's Executive Committee, considered to be the chief operating decision maker of the Group for the purpose of resource allocation and assessment of segment performance, is based on the Group's four regions.

The Group has one principal activity, the provision of staffing and recruitment services, delivered across a number of service lines, being permanent placement, temporary and contract placement, and offshore services.

The analysis of the Group's results by region is set out below:

	2024			2023		
	Revenue £m	**Net fee income £m**	**Adjusted operating profit/(loss) £m**	Revenue £m	Net fee income £m	Adjusted operating profit/(loss) £m
UK & Europe	**112.7**	**22.7**	**2.7**	116.8	24.9	3.0
APAC	**45.5**	**10.1**	**(0.7)**	51.9	13.6	(0.8)
Americas	**62.2**	**6.0**	**0.1**	55.9	6.1	(0.9)
Offshore Services	**26.9**	**12.7**	**5.8**	26.9	14.0	7.5
Central costs	**–**	**–**	**(4.1)**	–	–	(3.7)
Intragroup eliminations	**(1.1)**	**(1.1)**	**–**	(1.2)	(1.1)	–
	246.2	**50.4**	**3.8**	250.3	57.5	5.1

All revenue is from transactions with external clients with the exception of Offshore Services where £25.8m (2023: £25.8m) relates to external clients and £1.1m (2023: £1.1m) relates to transactions with other regions, and APAC where £45.5m (2023: £51.8m) relates to external clients and £nil (2023: £0.1 m) relates to transactions with other regions.

Revenue of UK & Europe includes £65.5m (2023: £61.4m) from Germany and £35.6m (2023: £37.5m) from the UK.

In the current year and prior year no individual client exceeded 10% of the Group's revenue.

In 2024, impairment of goodwill of £1.1m was recognised in the Americas region (see note 15) and £0.4m was recognised on the closure of an operation in the APAC region. In 2023, impairment of goodwill of £1.5m was recognised in the UK & Europe region (see note 15).

The analysis of the Group's revenue and net fee income by client destination is set out below:

	2024		2023	
	Revenue £m	**Net fee income £m**	Revenue £m	Net fee income £m
UK & Europe	**132.4**	**29.5**	136.7	32.1
APAC	**37.5**	**10.5**	43.4	13.8
Americas	**72.9**	**11.2**	67.4	12.5
India	**1.7**	**0.1**	0.9	–
Africa	**2.8**	**0.2**	3.1	0.2
Intragroup eliminations	**(1.1)**	**(1.1)**	(1.2)	(1.1)
	246.2	**50.4**	250.3	57.5

Notes to the consolidated financial statements continued

The following segmental analysis by region and service type has been provided in line with the requirements of IFRS 15:

	2024				2023			
Revenue	**Permanent £m**	**Temporary and contract £m**	**Offshore services £m**	**Total £m**	Permanent £m	Temporary and contract £m	Offshore services £m	Total £m
UK & Europe	**5.3**	**107.4**	**–**	**112.7**	6.2	110.6	–	116.8
APAC	**6.4**	**39.1**	**–**	**45.5**	8.8	43.1	–	51.9
Americas	**0.6**	**61.6**	**–**	**62.2**	1.6	54.3	–	55.9
Offshore Services	**–**	**1.5**	**25.4**	**26.9**	–	0.9	26.0	26.9
Intragroup eliminations	**–**	**–**	**(1.1)**	**(1.1)**	–	(0.1)	(1.1)	(1.2)
	12.3	**209.6**	**24.3**	**246.2**	16.6	208.8	24.9	250.3

	2024				2023			
Net fee income	**Permanent £m**	**Temporary and contract £m**	**Offshore services £m**	**Total £m**	Permanent £m	Temporary and contract £m	Offshore services £m	Total £m
UK & Europe	**5.3**	**17.4**	**–**	**22.7**	6.2	18.7	–	24.9
APAC	**6.1**	**4.0**	**–**	**10.1**	8.8	4.8	–	13.6
Americas	**0.6**	**5.4**	**–**	**6.0**	1.6	4.5	–	6.1
Offshore Services	**–**	**–**	**12.7**	**12.7**	–	–	14.0	14.0
Intragroup eliminations	**–**	**–**	**(1.1)**	**(1.1)**	–	–	(1.1)	(1.1)
	12.0	**26.8**	**11.6**	**50.4**	16.6	28.0	12.9	57.5

5 Exceptional items

Exceptional items are those items that in the Directors' view are required to be separately disclosed by virtue of their size, nature or incidence. Adjusted operating profit, adjusted profit before tax and adjusted earnings per share are considered to be key measures in understanding the Group's financial performance and exclude exceptional items.

	2024 £m	2023 £m
Closure of Vietnam operation	**(0.1)**	0.3
Closure of Australian operation	**0.2**	-
Closure of China operation (including impairment of goodwill of £0.4m)	**0.6**	-
Exceptional bad debt expense	**3.2**	-
Restructure of senior management	**0.2**	0.3
	4.1	0.6

Exceptional items are discussed in more detail in the Finance review on page 23.

6 Shares acquired in existing subsidiaries

2024

In 2024, a number of small shareholdings were acquired from management during the year for £0.4m. These shareholdings were not accounted for as non-controlling interests and the £0.4m cost has been recognised in the income statement as fair value charge on acquisition of non-controlling shares in line with the accounting policy set out in note 2.

During 2024, the Group increased its relative investment in Rishworth Holdco Limited from 90% to 95%. This is reflected in the consolidated statement of changes in equity as a £0.1m transfer between non-controlling interests and the equity reserve.

2023

In 2023, a number of small shareholdings were acquired from management during the year for £0.1m. These shareholdings were not accounted for as non-controlling interests and the £0.1m cost has been recognised in the income statement as fair value charge on acquisition of non-controlling shares in line with the accounting policy set out in note 2.

7 Loss on sale of subsidiaries

During 2024, the Group sold three subsidiaries, resulting in a total loss on disposal of £0.6m (2023: £nil). Aggregate consideration was £1.0m, and the Group's consolidated balance sheet included total assets of £3.5m and total liabilities of £1.9m at the date of the disposals. The assets sold included cash and cash equivalents of £1.0m and liabilities included borrowings of £0.7m. These disposals did not meet the criteria for classification as discontinued operations under IFRS 5.

8 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2024 £m	2023 £m
Depreciation of property, plant and equipment	**1.3**	1.3
Depreciation of right-of-use assets	**5.3**	5.4
Amortisation of intangible assets identified in business combinations	**1.2**	1.2
Amortisation of software	**0.2**	0.2
Impairment of goodwill (including £0.4m on closure of operation (2023: £nil))	**1.5**	1.5
Net foreign exchange loss	**0.2**	–
Share-based payments	**0.1**	(0.3)
Impairment of trade receivables	**3.2**	0.3
Auditor's remuneration	**0.5**	0.4

The analysis of auditor's remuneration is as follows:

	2024 £000	2023 £000
Fees payable to the Company's auditor and its associates for:		
The audit of the Parent Company and the consolidated financial statements	**185**	149
The audit of subsidiary financial statements pursuant to legislation	**27**	76
Other audit services	**70**	25
Fees payable to other auditors		
The audit of subsidiary financial statements pursuant to legislation	**143**	146
Other audit services	**30**	31
	455	427

9 Directors and employees

	2024 £m	2023 £m
Staff costs		
Wages and salaries	**36.0**	38.3
Social security costs	**3.0**	4.1
Pension costs	**0.5**	0.7
Share-based payments	**0.1**	(0.3)
	39.6	42.8

Staff costs include amounts included within cost of sales of £9.7m (2023: £9.1m).

Details of Directors' remuneration are given on pages 45 to 47.

	2024 No.	2023 No.
Average monthly number of persons employed – sales and administration	**3,070**	3,281
Number of persons employed as at 31 December – sales and administration	**3,129**	3,150

Notes to the consolidated financial statements continued

10 Finance income and costs

	2024 £m	2023 £m
Finance income		
Bank interest receivable	**0.8**	0.6
	0.8	0.6
Finance costs		
Invoice financing	**(0.2)**	(0.3)
Bank loans and overdrafts	**(1.8)**	(1.6)
Interest on lease liabilities	**(0.4)**	(0.3)
	(2.4)	(2.2)
Net finance costs	**(1.6)**	(1.6)

11 Taxation

(a) The tax expense for the year is as follows:

	2024 £m	2023 £m
Current tax		
Current year income tax expense	**2.2**	2.9
Adjustments in respect of prior years	**0.2**	–
Total current tax expense	**2.4**	2.9
Deferred tax		
On origination and reversal of temporary differences	**(2.1)**	(1.1)
Relating to changes in tax rates	**–**	(0.1)
Recognition of previously unrecognised tax losses	**(0.1)**	(0.3)
Exceptional write down of deferred tax assets related to losses	**3.7**	–
Adjustments in respect of prior years	**(0.2)**	–
Total deferred tax expense/(credit)	**1.3**	(1.5)
Total income tax expense in the income statement	**3.7**	1.4

(b) Factors affecting the income tax expense for the year

The table below explains the differences between the expected income tax expense and the Group's actual income tax expense for the year. The expected income tax expense is assessed by applying the local tax rates to the profits in each business and aggregating these amounts.

	2024 £m	2023 £m
(Loss)/profit before taxation	**(5.2)**	0.1
Tax at the relevant local rates	**(1.5)**	0.2
Effects of:		
Expenses not deductible for tax purposes	**0.2**	0.1
Expenses with enhanced deduction for tax purposes	**(0.1)**	(0.1)
Impairment of goodwill not deductible for tax purposes	**0.3**	0.3
Impairment of goodwill on closure of operation not deductible for tax purposes	**0.1**	–
Loss on sale of subsidiaries not deductible for tax purposes	**0.1**	–
Impact of change in tax rate on deferred tax assets	**–**	(0.1)
Current year losses not recognised for tax purposes	**0.7**	0.9
Prior year losses recognised for tax purposes	**(0.1)**	(0.3)
Exceptional write down of deferred tax assets related to losses	**3.7**	–
Overseas withholding tax suffered	**0.3**	0.3
Deferred tax on unremitted overseas earnings	**–**	0.1
Tax expense	**3.7**	1.4

The movements in deferred tax are explained in note 22.

No tax was recognised in other comprehensive income (2023: £nil).

12 Reconciliation of adjusted profit before tax from (loss)/profit before tax

	2024 £m	2023 £m
(Loss)/profit before tax	**(5.2)**	0.1
Exceptional items	**4.1**	0.6
Fair value charge on acquisition of non-controlling shares	**0.4**	0.1
Loss on sale of subsidiaries	**0.6**	-
Impairment of goodwill	**1.1**	1.5
Amortisation of intangible assets identified in business combinations	**1.2**	1.2
Adjusted profit before tax	**2.2**	3.5

13 Earnings per share

Basic earnings per share is assessed by dividing the earnings attributable to the owners of Empresaria Group plc by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated as for basic earnings per share but adjusting the weighted average number of shares for the diluting impact of shares that could potentially be issued. For 2024 and 2023 these are all related to share options and further details can be found in note 29 and the Directors' remuneration report on pages 45 to 47. Reconciliations between basic and diluted measures are given below.

The Group also presents adjusted earnings per share which it considers to be a key measure of the Group's performance. A reconciliation of earnings to adjusted earnings is provided below.

	2024 £m	2023 £m
Losses attributable to owners of Empresaria Group plc	**(10.4)**	(2.9)
Adjustments:		
Exceptional items	**4.1**	0.6
Fair value charge on acquisition of non-controlling shares	**0.4**	0.1
Loss on sale of subsidiaries	**0.6**	-
Impairment of goodwill	**1.1**	1.5
Amortisation of intangible assets identified in business combinations	**1.2**	1.2
Tax on the above	**(1.2)**	(0.2)
Exceptional write down of deferred tax assets related to losses	**3.7**	-
Adjusted (losses)/earnings	**(0.5)**	0.3

Number of shares	Millions	Millions
Weighted average number of shares – basic	**49.1**	49.1
Dilution effect of share options	**2.0**	0.7
Weighted average number of shares – diluted	**51.1**	49.8

Losses per share	Pence	Pence
Basic	**(21.2)**	(5.9)
Dilution effect of share options	**-**	-
Diluted	**(21.2)**	(5.9)

Adjusted (losses)/earnings per share	Pence	Pence
Basic	**(1.0)**	0.6
Dilution effect of share options	**-**	-
Diluted	**(1.0)**	0.6

In 2024 and 2023, all share options were antidilutive for the purpose of assessing diluted earnings per share in accordance with IAS 33 Earnings Per Share. As such, diluted earnings per share and basic earnings per share were equal. As these options are nil-cost options these were reflected as dilutive in assessing adjusted, diluted earnings per share presented above.

The weighted average number of shares (basic) has been calculated as the weighted average number of shares in issue during the year plus the number of share options already vested less the weighted average number of shares held by the Empresaria Employee Benefit Trust. The Trustees have waived their rights to dividends on the shares held by the Empresaria Employee Benefit Trust.

Notes to the consolidated financial statements continued

14 Property, plant and equipment

2024	Leasehold improvements £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
Cost				
At 1 January	1.5	7.6	0.3	9.4
Additions	–	0.6	–	0.6
Disposals	–	(0.1)	–	(0.1)
Sale of subsidiaries	(0.1)	(0.1)	–	(0.2)
Foreign exchange movements	–	(0.2)	–	(0.2)
At 31 December	1.4	7.8	0.3	9.5
Accumulated depreciation				
At 1 January	1.3	5.6	0.1	7.0
Charge for the year	0.1	1.1	0.1	1.3
Disposals	–	(0.1)	–	(0.1)
Sale of subsidiaries	(0.1)	(0.1)	–	(0.2)
Foreign exchange movements	–	(0.1)	–	(0.1)
At 31 December	1.3	6.4	0.2	7.9
Net book value				
At 31 December 2023	0.2	2.0	0.2	2.4
At 31 December 2024	0.1	1.4	0.1	1.6

2023	Leasehold improvements £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
Cost				
At 1 January	1.7	7.8	0.2	9.7
Additions	0.1	0.8	0.1	1.0
Disposals	(0.2)	(0.7)	-	(0.9)
Foreign exchange movements	(0.1)	(0.3)	-	(0.4)
At 31 December	1.5	7.6	0.3	9.4
Accumulated depreciation				
At 1 January	1.2	5.5	0.2	6.9
Charge for the year	0.2	1.1	-	1.3
Disposals	(0.1)	(0.7)	(0.1)	(0.9)
Foreign exchange movements	-	(0.3)	-	(0.3)
At 31 December	1.3	5.6	0.1	7.0
Net book value				
At 31 December 2022	0.5	2.3	-	2.8
At 31 December 2023	0.2	2.0	0.2	2.4

15 Goodwill

	2024 £m	2023 £m
At 1 January	**29.7**	31.9
Impairment on closure of operation	**(0.4)**	-
Sale of subsidiaries	**(0.9)**	-
Impairment charge	**(1.1)**	(1.5)
Foreign exchange movements	**(0.7)**	(0.7)
At 31 December	**26.6**	29.7

Goodwill is reviewed and tested for impairment on an annual basis or more frequently if there is an indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of the group of cash-generating units ('CGUs') the goodwill has been allocated to, with the recoverable amount of those CGUs. The recoverable amount of each group of CGUs is considered to be its value in use. The key assumptions in assessing value in use are as follows:

Operating profit and pre-tax cash flows

The operating profit and pre-tax cash flows are based on the 2025 budgets approved by the Group's Board and three year plan forecasts produced for each operation. These forecasts are extrapolated using long-term growth rates based on IMF GDP growth forecasts for each specific market. GDP growth is a key driver of our business and is therefore an appropriate assumption in developing long-term assumptions. These cash flows are discounted to present value to assess the value in use.

Discount rates

The pre-tax, country-specific rates used to discount the forecast cash flows range from 12.7% to 17.7% (2023: 13.0% to 18.5%) reflecting current local market assessments of the time value of money and the risks specific to the relevant business. These discount rates reflect the estimated industry weighted average cost of capital in each market and are based on the Group's weighted average cost of capital adjusted for local factors.

Pre-tax discount rates used by region are as follows:

UK & Europe:	12.7% to 17.4% (2023: 13.0% to 17.9%)
APAC:	14.4% to 17.7% (2023: 14.8% to 18.5%)
Americas:	13.7% to 16.7% (2023: 14.4% to 15.5%)
Offshore Services:	14.1% (2023: 15.1%)

Long-term growth rates

Long-term growth rates ranged from 0.6% to 6.5% and the rates used by region are as follows:

UK & Europe:	0.8% to 1.4% (2023: 0.9% to 1.6%)
APAC:	0.6% to 5.1% (2023: 0.4% to 5.0%)
Americas:	2.1% to 2.3% (2023: 2.1% to 3.0%)
Offshore Services:	6.5% (2023: 6.3%)

In 2024, impairment charges were booked in respect of two operations in our Americas region.

Firstly an impairment charge of £0.5m in respect of our IT recruitment operation in the US. The IT recruitment market in the US has been challenging for the last few years and the performance of this operation has continued to be weak and has not improved as had been anticipated. While the Group remains confident of the long term prospects of this operation, the forecasts and short term growth rates used for impairment testing have been reduced resulting in this impairment. The recoverable amount of the goodwill was assessed as £2.6m and the discount rate applied was 16.7%.

Secondly an impairment charge of £0.6m in respect of our Commercial operation in Peru. Our operation in Peru has performed weakly in recent years with challenges in growing revenue and profits in what is a low margin sector with strong competition. Although some improvements in performance have been seen in 2024, the rate of improvement is expected to be lower than previously forecast resulting in this impairment. The recoverable amount of the goodwill was assessed as £0.8m and the discount rate applied was 14.6%.

In 2023, an impairment charge of £1.5m was recognised in respect of two businesses in the UK & Europe region. Both businesses had performed more weakly in recent years and had not recovered to previous performance levels and as a result impairment charges were booked. Before the impairment charge was recognised the carrying value of the goodwill was £2.5m and the recoverable amount was assessed as £1.0m.

Notes to the consolidated financial statements continued

As part of the impairment review, reasonably possible changes in the growth rate and discount rate assumptions have been considered to assess the impact on the recoverable amount of each business. Were the long-term growth rate to reduce to nil an impairment charge of £1.4m would be recorded in respect of two businesses in our Americas region (2023: £0.7m for two businesses in our Americas region). If the discount rate were to increase by 2% an impairment charge of £1.4m would be recorded in respect of two businesses in our Americas region (2023: £0.6m for two businesses in our Americas region).

The carrying amount of goodwill by region is as follows:

	2024 £m	2023 Re-presented £m
UK & Europe	**18.8**	20.2
APAC	**2.2**	2.7
Americas	**5.1**	6.3
Offshore Services	**0.5**	0.5
	26.6	29.7

2023 information is re-presented to split goodwill related to ConSol Partners between the UK and the US. Historically these operations were managed as one and so goodwill was allocated to the combined UK and US business. However, subsequent changes in the reporting structure led to these operating independently. As a result goodwill has been reallocated between the UK and the US and, as this change occurred prior to 2024, the comparative information above has been re-presented.

Included within the above are significant individual goodwill balances as set out in the table below along with the relevant discount rate and growth rate assumptions:

		2024			2023		
	Region	Goodwill £m	Discount rate %	Growth rate %	Goodwill £m	Discount rate %	Growth rate %
Headway	UK & Europe	**12.1**	**12.7**	**0.8**	12.7	13.1	0.9
UK IT & Professional	UK & Europe	**5.3**	**14.4**	**1.4**	n/a	n/a	n/a

The reorganisation of our UK IT and Professional operations in 2024 under a single management structure has resulted in the goodwill of these operations being combined for impairment testing purposes.

The sensitivity analysis discussed above would have no impact on the significant goodwill balances disclosed in this table.

16 Other intangible assets

	Intangible assets identified in business combinations				
2024	**Customer relationships £m**	**Trade names and marks £m**	**Sub total £m**	**Software £m**	**Total £m**
Cost					
At 1 January	**14.1**	**8.9**	**23.0**	**2.2**	**25.2**
Additions	**–**	**–**	**–**	**0.2**	**0.2**
Sale of subsidiaries	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Foreign exchange movements	**(1.0)**	**(0.3)**	**(1.3)**	**(0.1)**	**(1.4)**
At 31 December	**13.1**	**8.6**	**21.7**	**2.2**	**23.9**
Accumulated amortisation					
At 1 January	**11.8**	**5.0**	**16.8**	**1.5**	**18.3**
Charge for the year	**0.6**	**0.6**	**1.2**	**0.2**	**1.4**
Sale of subsidiaries	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Foreign exchange movements	**(1.0)**	**(0.3)**	**(1.3)**	**(0.1)**	**(1.4)**
At 31 December	**11.4**	**5.3**	**16.7**	**1.5**	**18.2**
Net book value					
At 31 December 2023	**2.3**	**3.9**	**6.2**	**0.7**	**6.9**
At 31 December 2024	**1.7**	**3.3**	**5.0**	**0.7**	**5.7**

As required under IFRS, the Group reviewed these assets for indications of impairment as at 31 December 2024. Following this review, no impairment charges have been reflected.

2023	Intangible assets identified in business combinations: Customer relationships £m	Trade names and marks £m	Subtotal £m	Software £m	Total £m
Cost					
At 1 January	14.9	9.3	24.2	2.0	26.2
Additions	–	–	–	0.4	0.4
Disposals	–	–	–	(0.1)	(0.1)
Foreign exchange movements	(0.8)	(0.4)	(1.2)	(0.1)	(1.3)
At 31 December	14.1	8.9	23.0	2.2	25.2
Accumulated amortisation					
At 1 January	11.9	4.7	16.6	1.4	18.0
Charge for the year	0.6	0.6	1.2	0.2	1.4
Disposals	–	–	–	(0.1)	(0.1)
Foreign exchange movements	(0.7)	(0.3)	(1.0)	–	(1.0)
At 31 December	11.8	5.0	16.8	1.5	18.3
Net book value					
At 31 December 2022	3.0	4.6	7.6	0.6	8.2
At 31 December 2023	2.3	3.9	6.2	0.7	6.9

17 Subsidiaries

A list of the Group's subsidiaries, including the name, country of incorporation and proportion of ownership interest, is given in note 7 to the Company's financial statements.

The following consolidated UK subsidiary companies are exempt from an annual audit under section 479A of the Companies Act 2006 and the Company has provided a guarantee under section 479C of the Companies Act 2006. This guarantees all outstanding liabilities to which the subsidiary is subject to as at 31 December 2024 until they are settled in full. The guarantee is enforceable against the Company by any person to whom the subsidiary is liable in respect of those liabilities.

Name of subsidiary	Company number	Type of subsidiary
ConSol Partners (Holdings) Limited	09338986	Holding Non-Trading
ConSol Partners Limited	06424982	Active Trading
Empresaria 2021 Limited	09995863	Active Non-Trading
Empresaria Americas Finco Limited	09917053	Holding Non-Trading
Empresaria Americas Limited	08926961	Holding Non-Trading
Empresaria Asia Limited	07384224	Holding Non-Trading
Empresaria China Holdings Limited	05150663	Holding Non-Trading
Empresaria GIT Holdings Limited	05669458	Holding Non-Trading
Empresaria GIT Limited	05669176	Holding Non-Trading
Empresaria UK Holdings Limited (formerly Empresaria Healthcare Holdings Limited)	13696636	Holding Non-Trading
Empresaria Indonesia Holdings Limited	10362003	Holding Non-Trading
Empresaria Limited	09946765	Active Trading
Empresaria Malaysia Holdings Limited	08701593	Holding Non-Trading
Empresaria Mexico Holdings Limited	08929375	Holding Non-Trading
Empresaria North America Limited	09799784	Holding Non-Trading
Empresaria NZ Finco Limited	10804049	Holding Non-Trading
Empresaria NZ Limited	10164295	Holding Non-Trading
Empresaria Peru Holdings Limited	09949926	Holding Non-Trading
Empresaria Philippines Holdings Limited	08584315	Holding Non-Trading
Empresaria UK Limited (formerly Empresaria Solutions Limited)	10432476	Active Trading
Empresaria T&I Holdings Limited	08772122	Holding Non-Trading

Notes to the consolidated financial statements continued

Name of subsidiary	Company number	Type of subsidiary
Empresaria Technology (Holdings) Limited	10322758	Holding Non-Trading
Empresaria Thailand Holdings Limited	07839625	Holding Non-Trading
Empresaria Vietnam Holdings Limited	10485853	Holding Non-Trading
EMR1000 Limited	04154134	Active Non-Trading
Interim Management International Limited	04067140	Holding Non-Trading
LMA Recruitment Limited	03714048	Active Trading
McCall Limited	04605123	Active Trading
The Recruitment Business Limited	03322411	Active Trading
The Recruitment Business Holdings Limited	07593863	Holding Non-Trading

Material non-controlling interests

Summarised consolidated financial information in respect of Interactive Manpower Solutions Private Limited is set out below.

Summarised income statement

	2024 £m	2023 £m
Revenue	**26.9**	26.9
Profit for the year	**4.6**	5.6

Summarised balance sheet

	2024 £m	2023 £m
Current assets	**19.0**	18.1
Non-current assets	**2.9**	3.8
Current liabilities	**(5.8)**	(7.9)
Net assets	**16.1**	14.0

Dividends of £0.7m (2023: £0.7m) were paid to non-controlling interests of Interactive Manpower Solutions Private Limited during the year.

18 Trade and other receivables

	2024 £m	2023 £m
Current		
Gross trade receivables	**30.3**	31.8
Less provision for impairment of trade receivables	**(0.6)**	(0.8)
Trade receivables	**29.7**	31.0
Prepayments	**1.3**	2.0
Accrued income	**6.7**	7.5
Other receivables	**2.0**	3.0
	39.7	43.5

Trade receivables include £19.5m (2023: £18.1m) on which security has been given under bank facilities.

All amounts are due within one year. The carrying value of trade and other receivables is considered to be their fair value.

Further analysis is set out in note 24.

19 Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	**2.0**	2.0
Other tax and social security	**4.8**	5.7
Pilot bonds	**0.2**	0.3
Client deposits	**0.4**	0.3
Temporary recruitment worker wages	**2.8**	3.3
Other payables	**1.8**	1.9
Accruals	**15.8**	18.0
	27.8	31.5

All amounts are payable within one year. The carrying value of trade and other payables is considered to be their fair value.

20 Borrowings

	2024 £m	2023 £m
Current		
Bank overdrafts	**14.3**	15.2
Invoice financing	**4.1**	3.2
Bank loans	**0.1**	0.3
	18.5	18.7
Non-current		
Bank loans	**14.0**	9.2
	14.0	9.2
Borrowings	**32.5**	27.9

The following are the more significant bank facilities that were in place at 31 December 2024:

				Facility limit		Outstanding	
	Currency	Maturity	Interest rate at 31 December 2024	2024 £m	2023 £m	2024 £m	2023 £m
Bank overdrafts							
UK[1]	GBP[2]	On demand with annual review	2% above applicable currency base rates	**8.0**	10.0	**6.7**	8.0
Germany	EUR	On demand with annual review	EURIBOR + 3.6%	**7.0**	11.3	**6.3**	5.5
USA	USD	On demand with annual review	US PRIME + 1%	**0.4**	1.6	**0.4**	–
Japan	JPY	On demand with annual review	Short term prime rate + 0.125%	**0.5**	0.5	**0.2**	–
Invoice financing							
UK	GBP	On demand with annual review	UK base rate + 2.68%	**3.8**	7.5	**1.7**	2.0
Chile	CLP	On demand with annual review	Weighted average rate 8.5%	**4.0**	2.4	**2.4**	1.2
Bank loans							
UK – Revolving Credit Facility	GBP	2026	SONIA + 2.5%	**15.0**	15.0	**14.0**	9.0

1 The UK overdraft is a net overdraft arrangement across a number of entities. For facility utilisation purposes these amounts are presented net in the table above, but for accounting purposes cash and overdrawn balances are presented gross in the balance sheet. The utilisation amount in the table is net of £0.3m of cash shown within cash and cash equivalents in the balance sheet (2023: £1.5m).

2 The UK overdraft can be drawn in a number of different currencies with the overall facility limit expressed in GBP.

Notes to the consolidated financial statements continued

The UK revolving credit facility is secured by a charge over all assets given by the Company and certain of its UK, German, US and New Zealand subsidiaries. Subsequent to the balance sheet date the Group has agreed a six month extension of its revolving credit facility to September 2026, along with an easing of the related covenants. This is discussed in more detail in the Finance review on page 25.

The UK invoice financing facility is also secured by a fixed and floating charge over trade receivables.

More discussion on the above facilities is provide in the Finance review on pages 24 and 25.

21 Net debt

a) Net debt

	2024 £m	2023 £m
Cash and cash equivalents	**17.2**	17.1
Borrowings	**(32.5)**	(27.9)
Net debt	**(15.3)**	(10.8)

b) Movement in net debt

	2024 £m	2023 £m
Net debt at 1 January	**(10.8)**	(7.3)
Cash flow movements:		
Net increase/(decrease) in cash and cash equivalents per consolidated cash flow statement	**0.5**	(4.1)
Decrease in overdrafts	**0.6**	1.7
Proceeds from bank loans	**(5.2)**	(1.0)
Repayment of bank loans	**0.1**	0.4
(Increase)/decrease in invoice financing	**(1.4)**	0.3
Non-cash movements:		
Borrowings in subsidiaries sold in the year	**0.7**	-
Foreign exchange movements	**0.2**	(0.8)
Net debt at 31 December	**(15.3)**	(10.8)

c) Movement in borrowings

	2024 £m	2023 £m
Borrowings at 1 January	**(27.9)**	(29.6)
Cash flow movements:		
Decrease in overdrafts	**0.6**	1.7
Proceeds from bank loans	**(5.2)**	(1.0)
Repayment of bank loans	**0.1**	0.4
(Increase)/decrease in invoice financing	**(1.4)**	0.3
Non-cash movements:		
Borrowings in subsidiaries sold in the year	**0.7**	-
Foreign exchange movements	**0.6**	0.3
Borrowings at 31 December	**(32.5)**	(27.9)

22 Deferred tax

Deferred tax assets	Holiday pay £m	Retirement provision £m	Tax losses £m	Other temporary differences £m	**Total 2024 £m**	Total 2023 £m
At 1 January	0.3	0.2	3.6	1.6	**5.7**	4.4
Recognised in the income statement	0.1	–	(1.8)	0.1	**(1.6)**	1.4
Foreign exchange movements	–	–	–	(0.1)	**(0.1)**	(0.1)
At 31 December	0.4	0.2	1.8	1.6	**4.0**	5.7

Deferred tax liabilities	Intangible assets £m	Unremitted overseas earnings £m	Other temporary differences £m	**Total 2024 £m**	Total 2023 £m
At 1 January	1.7	0.6	0.1	**2.4**	2.5
Recognised in the income statement	(0.3)	–	–	**(0.3)**	(0.1)
Foreign exchange movements	0.1	–	–	**0.1**	–
At 31 December	1.5	0.6	0.1	**2.2**	2.4

At the balance sheet date, the Group has unused tax losses of £33.5m (2023: £24.5m) available for offset against future taxable profits. A deferred tax asset has been recognised in respect of £7.1m (2023: £14.4m) of such losses of which £7.1m relate to tax jurisdictions in which losses have been made in the current or preceding period. A deferred tax asset has been recognised in respect of these losses based on the Group's internal budgeting and three-year forecasts which create an expectation that it is probable that these losses will be utilised. No deferred tax asset has been recognised in respect of the remaining £26.4m (2023: £10.1m) as it is not currently considered probable that there will be future taxable profits available against which these losses could be offset. Of these, £25.2m have no expiry date, £1.0m expires in 2026 and 2027, while £0.2m expires in 2029 and 2030.

No deferred tax liability is recognised on temporary differences of £18.7m (2023: £19.2m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is considered probable that they will not reverse in the foreseeable future. The potential tax impact of these temporary differences is £1.9m (2023: £1.8m) assuming all unremitted earnings were remitted in full in the year. A deferred tax liability of £0.6m (2023: £0.6m) has been recognised in respect of the unremitted earnings of overseas subsidiaries amounting to £7.0m (2023: £6.9m) as it is probable that these earnings will be remitted and the tax cost incurred.

23 Share capital and shares held by Employee Benefit Trust

Share capital

	2024		2023	
	Number of shares	**£m**	Number of shares	£m
Issued, allotted and fully paid				
Ordinary Shares of 5p each	**49,853,001**	**2.5**	49,853,001	2.5

The Company has one class of Ordinary Share which carries no rights to fixed income. All Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares held by Employee Benefit Trust

	2024 Number of shares	2023 Number of shares
Allotted and fully paid		
Ordinary Shares of 5p each	**801,139**	801,139

The Trustees have waived their rights to dividends on the shares held by the Empresaria Employee Benefit Trust.

Notes to the consolidated financial statements continued

24 Financial risk management

The Group is exposed to a variety of financial risks arising from its operations, being principally credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk.

The Group's treasury function is managed centrally and the policies for managing each of these risks and their impact on the results of the year are summarised below.

The principal financial assets of the Group are cash and cash equivalents, and trade and other receivables. The principal financial liabilities are borrowings, and trade and other payables that arise directly from operations.

Fair value

The carrying value of all financial instruments equates to fair value.

Credit risk

Credit risk is the risk of financial loss if a client or counterparty fails to meet an obligation under a contract. Credit risk arises primarily from trade receivables but also from the Group's other financial assets including cash deposits.

Classes of financial assets – carrying amounts

	2024 £m	2023 £m
Cash and cash equivalents	**17.2**	17.1
Trade and other receivables[1]	**38.4**	41.5

1 Trade and other receivables are held at amortised cost and exclude prepayments amounting to £1.3m (2023: £2.0m) and presents the maximum exposure to credit risk for trade and other receivables.

The Group's credit risk on its cash balances is managed by limiting exposure to banks with a credit rating lower than BBB and through adhering to authorised limits for all counterparties.

The Group manages its exposure to trade receivables through its credit policy. New clients are assessed through a review process including obtaining credit ratings and reviewing available financial and other information. Ongoing risk exposure is mitigated through credit control processes, setting credit limits and regular review of clients and trade receivable balances.

The amounts presented in the balance sheet are net of allowances for impairment. An allowance for impairment is made based on the expected credit loss. The Group has no significant concentration of risk, with exposure spread over a large number of third parties and clients. A provision of £0.6m (2023: £0.8m) has been recorded.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing and credit risk assessed by giving regard to factors such as market and sector. The Group also considers forward-looking factors, including known credit issues and changes in market risks, and reflects these as necessary.

The expected loss rates are based on the Group's historical credit losses experienced over the five-year period prior to the balance sheet date and adjusted as appropriate for current and forward-looking information on macroeconomic factors affecting the Group's clients in the countries where the Group operates.

At 31 December 2024 the lifetime expected loss provision for trade receivables was as follows:

	Current	Overdue by up to 30 days	Overdue by up to 60 days	Overdue by up to 90 days	Overdue by more than 90 days	Total
Average expected loss rate (%)	**1.1%**	**4.4%**	**6.6%**	**8.8%**	**11.0%**	
Gross carrying amount (£m)	**25.3**	**3.7**	**0.5**	**0.2**	**0.6**	**30.3**
Loss provision (£m)	**0.3**	**0.2**	**–**	**–**	**0.1**	**0.6**

Included within the loss provision at 31 December 2024 was a specific loss provision of £nil in respect of certain trade receivable balances with specific credit risk profiles.

Accrued income and other receivables have been reviewed in line with the above approach with the total additional expected credit loss provision assessed as less than £0.1m.

At 31 December 2023 the lifetime expected loss provision for trade receivables was as follows:

	Current	Overdue by up to 30 days	Overdue by up to 60 days	Overdue by up to 90 days	Overdue by more than 90 days	Total
Average expected loss rate (%)	1.1%	4.4%	6.6%	8.8%	11.0%	
Gross carrying amount (£m)	25.1	3.4	1.2	0.8	1.3	31.8
Loss provision (£m)	0.3	0.2	0.1	0.1	0.1	0.8

Included within the loss provision on current debts due at 31 December 2023 was a specific loss provision of £0.1m in respect of certain trade receivable balances with specific credit risk profiles.

The movement in the provision for impairment of trade receivables during the year was as follows:

	2024 £m	2023 £m
Balance at 1 January	**0.8**	0.8
Impairment loss recognised	**3.2**	0.3
Impairment loss utilised	**(3.4)**	(0.3)
Balance at 31 December	**0.6**	0.8

Market risk

(a) Foreign exchange risk

The majority of the Group's transactions are carried out in the local currency of the respective country the business is operating in. However, the Group does undertake transactions denominated in foreign currencies and consequently exposures to exchange rate fluctuation arise. In some cases this exposure is mitigated by incurring costs in the same currency.

To mitigate the Group's exposure to foreign currency risk, non-local currency cash flows are monitored and, if applicable, forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

As at 31 December 2024 there were a number of forward currency contracts in place. The amount covered by these at 31 December 2024 was £3.3m (2023: £1.2m). These are recorded in the balance sheet at fair value, which at 31 December 2024 was £nil (2023: £nil).

During the year the Group has recognised a net foreign exchange loss of £0.2m (2023: £nil) in the consolidated income statement.

The carrying amounts of the Group's significant monetary assets and liabilities held in currencies other than a business's functional currency at 31 December are set out in the table below along with sensitivity analysis showing the approximate impact of a 10% weakening of the foreign currency against the relevant functional currency as at 31 December. The analysis assumes that all other variables remain constant.

	Foreign currency monetary items		**Sensitivity analysis impact of non-functional currency foreign exchange exposure**		
2024	**Assets £m**	**Liabilities £m**	**Sensitivity**	**Profit and loss £m**	**Equity £m**
US Dollars	**5.0**	**(2.5)**	US Dollars (10%)	**(0.1)**	**(0.1)**
Euro	**2.2**	**(2.1)**	Euro (10%)	**(0.0)**	**(0.0)**

	Foreign currency monetary items		Sensitivity analysis impact of non-functional currency foreign exchange exposure		
2023	Assets £m	Liabilities £m	Sensitivity	Profit and loss £m	Equity £m
US Dollars	4.6	3.1	US Dollars (10%)	(0.1)	(0.1)
Euro	1.6	1.7	Euro (10%)	(0.0)	(0.0)

A 10% strengthening of the above currencies against the relevant functional currency at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

In management's opinion, the sensitivity analysis presented does not completely represent the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

The Group also has currency exposure on the translation of overseas subsidiaries' results into Pounds Sterling. The Group does not actively hedge this exposure although there is an element of natural hedge by having operations in different countries. The amount of currency retranslation loss recognised in equity was £1.1m (2023: loss of £2.2m).

Notes to the consolidated financial statements continued

(b) Interest rate risk

Interest rate risk comprises both cash flow and fair value risks. Fair value risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in interest rates. The Group is not exposed to fair value risks as it has no financial instruments that are revalued to fair value at the balance sheet date. Cash flow risk arises on the future cash flows of a financial instrument. The Group is exposed to cash flow risk on its variable rate borrowings. The Group manages its interest rate risk through a combination of cash pooling, shareholder funding and borrowing, and management monitors movements in interest rates to determine the most advantageous debt profile for the Group. The Group's policy is for the majority of its debt to be at variable rates as this is expected to better match interest costs with the economic cycle as staffing is typically a cyclical business.

At 31 December 2024, the Group is exposed to changes in market interest rates through its borrowings, which are subject to variable interest rates. For further information see note 20.

	2024	2023
Effective interest rate on borrowings in the year	**7.1%**	6.9%

An increase of 100 basis points in interest rates would have decreased equity and the income statement by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024 £m	2023 £m
Net result for the year	**(0.3)**	(0.3)
Equity	**(0.3)**	(0.3)

Liquidity risk

Liquidity risk is managed to ensure that the Group is able to meet its payment obligations as they fall due. The Group's funding strategy is to ensure a mix of financing methods offering flexibility and cost effectiveness to match the requirements of the Group. The Group monitors its liquidity risk on an ongoing basis with regular cash flow forecasts. In order to ensure continuity of funding, the Group seeks to arrange funding ahead of business requirements and to maintain sufficient undrawn committed borrowing facilities. Details of the Group's borrowings and facilities are provided in note 20.

As at 31 December 2024, the Group's financial liabilities have contractual maturities as follows:

	Current				Non-current			
	within 6 months		6 to 12 months		1 to 5 years		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Borrowings	**18.5**	18.6	**–**	0.1	**15.3**	10.7	**33.8**	29.4
Trade and other payables[1]	**23.0**	25.8	**–**	–	**–**	–	**23.0**	25.8
Forward currency contracts payments	**3.3**	1.2	**–**	–	**–**	–	**3.3**	1.2
Forward currency contracts receipts	**(3.3)**	(1.2)	**–**	–	**–**	–	**(3.3)**	(1.2)
Lease liabilities	**2.8**	2.4	**2.5**	2.2	**1.2**	2.7	**6.5**	7.3
Total	**44.3**	46.8	**2.5**	2.3	**16.5**	13.4	**63.3**	62.5

1 Trade and other payables exclude other tax and social security of £4.8m (2023: £5.7m).

The above table presents contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments based on weighted average interest rates in effect at the reporting date. Actual future cash flows may differ due to changes in interest rates and other factors such as early repayments or refinancing.

Lease liabilities in the table reflect the gross cash flows, which differ from the carrying value at the balance sheet date. All bank loans are on floating interest rates.

At the year end the Group had £4.1m (2023: £17.8m) of undrawn bank facilities (excluding invoice financing).

Capital structure

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the balance between debt and equity. The capital structure of the Group consists of net debt, which includes borrowings and cash and cash equivalents (see note 21) and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 23 and in the consolidated statement of changes in equity.

The Board reviews the capital structure of the Group on an ongoing basis, considering the cost of capital and the risks associated with each class of capital. The Board closely monitors the level of borrowings, its debt to debtors ratio and compliance with any covenants on its borrowings. Further details on covenants are given in the Finance review on page 25.

Debt to debtors ratio

	2024 £m	2023 £m
Net debt (see note 21)	**15.3**	10.8
Trade receivables (see note 18)	**29.7**	31.0
Debt to debtors ratio	**52%**	35%

25 Leases

The Group's leases are predominantly property leases. These include leases for the offices from which the businesses across the Group operate and these have terms of typically one to five years. Additionally, in Germany accommodation is provided to temporary workers with lease lengths typically estimated at between zero and two years.

The movements in the carrying value of right-of-use assets is provided below.

2024	Property £m	Other £m	Total £m
Cost			
At 1 January	**18.9**	**2.3**	**21.2**
Additions and modifications	**4.1**	**1.1**	**5.2**
Disposals	**(2.7)**	**(0.7)**	**(3.4)**
Sale of subsidiaries	**(0.4)**	**–**	**(0.4)**
Foreign exchange movements	**(0.6)**	**(0.2)**	**(0.8)**
At 31 December	**19.3**	**2.5**	**21.8**
Accumulated depreciation			
At 1 January	**13.7**	**1.1**	**14.8**
Depreciation	**4.4**	**0.9**	**5.3**
Disposals	**(2.6)**	**(0.6)**	**(3.2)**
Sale of subsidiaries	**(0.4)**	**–**	**(0.4)**
Foreign exchange movements	**(0.5)**	**(0.1)**	**(0.6)**
At 31 December	**14.6**	**1.3**	**15.9**

Net book value			
At 31 December 2023	5.2	1.2	6.4
At 31 December 2024	4.7	1.2	5.9

Notes to the consolidated financial statements continued

2023	Property £m	Other £m	Total £m
Cost			
At 1 January	19.4	2.1	21.5
Additions and modifications	4.0	1.3	5.3
Disposals	(3.8)	(1.0)	(4.8)
Foreign exchange movements	(0.7)	(0.1)	(0.8)
At 31 December	18.9	2.3	21.2
Accumulated depreciation			
At 1 January	12.8	1.2	14.0
Depreciation	4.6	0.8	5.4
Disposals	(3.4)	(0.9)	(4.3)
Impairment	0.1	–	0.1
Foreign exchange movements	(0.4)	–	(0.4)
At 31 December	13.7	1.1	14.8
Net book value			
At 31 December 2022	6.6	0.9	7.5
At 31 December 2023	5.2	1.2	6.4

The movements in the lease liability is provided below.

2024	**Property £m**	**Other £m**	**Total £m**
At 1 January	**5.7**	**1.2**	**6.9**
Additions and modifications	**4.1**	**1.1**	**5.2**
Disposals	**(0.2)**	**(0.1)**	**(0.3)**
Interest on lease obligations	**0.3**	**0.1**	**0.4**
Payment of obligations under leases	**(4.8)**	**(0.9)**	**(5.7)**
Foreign exchange movements	**(0.2)**	**(0.1)**	**(0.3)**
At 31 December 2024	**4.9**	**1.3**	**6.2**

2023	Property £m	Other £m	Total £m
At 1 January	7.0	0.9	7.9
Additions and modifications	4.0	1.3	5.3
Disposals	(0.5)	(0.1)	(0.6)
Interest on lease obligations	0.3	–	0.3
Payment of obligations under leases	(4.8)	(0.9)	(5.7)
Foreign exchange movements	(0.3)	–	(0.3)
At 31 December 2023	5.7	1.2	6.9

The maturity analysis of lease liabilities is provided in note 24.

Additional disclosures required under IFRS 16 Leases are provided in the table below:

	2024 £m	2023 £m
Depreciation of right-of-use assets	**5.3**	5.4
Interest on lease obligations	**0.4**	0.3
Cash outflow for leases	**5.7**	5.7
Additions to right-of-use assets	**5.2**	5.3

26 Dividends

	2024 £m	2023 £m
Amount recognised as distribution to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 1.0p (2022: 1.4p) per share	**0.5**	0.7
Proposed final dividend for the year ended 31 December 2024 of nil (2023: 1.0p) per share	**–**	0.5

27 Loss of the Company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements. The Company's loss for the financial year was £17.8m (2023: loss of £1.7m).

28 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. These transactions include franchise fees, interest charges and revenue, which amounted to £2.4m (2023: £2.7m), £3.2m (2023: £2.1m) and £1.7m (2023: £1.2m), respectively.

Remuneration of key management personnel

The Group delegates operational decision-making and day-to-day running of the operating companies to the subsidiary management, however, key strategic decisions must be approved by the Company. Therefore, overall authority and responsibility for planning, directing and controlling the entities of the Group sit with the Company's Board of Directors, who are considered the key management personnel.

The remuneration of key management personnel is set out below in aggregate for each of the categories specified in IAS 24. Further information about the remuneration of individual Directors is provided in the Directors' remuneration report on pages 45 to 47.

	2024 £m	2023 £m
Short-term employee benefits	**0.8**	1.0
Post-employment benefits (contributions to defined contribution pension schemes)	**–**	–
Share-based payments	**–**	(0.3)
	0.8	0.7

Directors' transactions

Dividends totalling £5,701 (2023: £5,251) were paid in the year in respect of Ordinary Shares held by the Company's Directors.

Transactions with subsidiary directors

The Group was originally built on a management equity philosophy, with key management holding a stake in the business they were responsible for. Although the Group has moved away from offering this to new management, existing shareholdings remain in place and continue to be reflected in these accounts. The model typically operated as follows:

Acquisition of shares

At least 51% of shares are held by Empresaria with the balance being held by management, either having been retained when Empresaria initially invested, or subsequently acquired by them at fair value. Shares retained by management upon initial investment typically have no material changes to their rights and are termed first generation shares. Shares subsequently sold to management, either because first generation shares have been acquired by Empresaria or issued to incentivise the next tier of management, are termed second generation shares. Second generation shares are acquired by management at a fair value which is made more affordable by setting a profit threshold level such that these shares only create value once that threshold is exceeded. Second generation shares typically have restrictions such as no entitlement to dividends.

Holding period

Shares can be offered for sale after a specified holding period, typically four or five years. Shares cannot all be sold in one year, requiring a minimum of two or three years for full disposal. While management can choose to offer their shares for sale, the decision to purchase these is solely at the discretion of Empresaria and there are no put or call options in place. Empresaria's decision to buy shares is based on each specific situation, with consideration given to management succession plans, recent trading performance and the potential of the business in the next few years.

Valuation

In most cases the valuation basis is agreed up front and documented in the shareholders' agreements. The valuation is typically based on the average profit after tax for the previous three years using Empresaria's trading multiple (share price divided by adjusted EPS) less 0.5 with a cap of 10.

Notes to the consolidated financial statements continued

In 2024 the Group had the following transactions in subsidiary shares with directors of subsidiaries:

Purchased by the Group

Company	% of shares	Consideration £000	Seller
Empresaria Philippines Holdings Limited	20%	373	M Medina
Empresaria Vietnam Holdings Limited	15%	-	L Laurel
Empresaria Thailand Holdings Limited	2.5%	-	L Laurel
Headwaylogistic administration GmbH	10%	5	K Deitermann

Sale of subsidiaries

During the year the Group sold two subsidiaries in transactions which involved directors of those entities.

The Group sold its 51% interest in Fines K.K. and its 100% subsidiary Fines Tokyo K.K. to Fines Holdings K.K. Yoshikazu Tanabe and Tomonari Harada, both directors of Fines Tokyo K.K., have interests in Fines Holdings K.K.

The Group sold its 96.7% interest in Team Resourcing Limited to Team Resourcing (Holdings) Limited. Catherine Delaney, Managing Director of Team Resourcing Limited, also sold their 3.3% interest and upon completion of the sale, became a 20% shareholder in Team Resourcing (Holdings) Limited.

29 Share-based payments

The Group operates a Long Term Incentive Plan ('LTIP') for Executive Directors and senior executives. The scheme is equity settled with the granting of nil cost options and is subject to performance conditions. Further details of the LTIP are provided in the Directors' remuneration report. The expense is recognised in the income statement based on the fair value of the equity instrument awarded as determined at the grant date. The expense is recognised on a straight-line basis over the vesting period based on estimates of the number of shares that are expected to vest.

In 2024, a charge to the income statement of £0.1m (2023: credit of £0.3m) was recognised. Movements in the number of options outstanding are as follows:

	2024 Number of share options thousands	2023 Number of share options thousands
Outstanding as at 1 January	**3,756**	4,353
Granted during the year	**2,959**	1,526
Lapsed during the year	**(1,752)**	(1,266)
Exercised during the year	**-**	(857)
Outstanding as at 31 December	**4,963**	3,756
Vested and exercisable as at 31 December	**-**	-

The options outstanding as at 31 December 2024 had a weighted average remaining contractual life of 3.2 years (2023: 4.7 years).

The fair value of options granted during the year is estimated using a Black-Scholes model for the element with an earnings per share performance condition and a Monte Carlo model for the element with a total shareholder return performance condition. Details of the performance conditions can be found in the Directors' remuneration report on pages 45 to 47.

The inputs into these models for the principal awards made in the year were as follows:

	Award in 2024	Award in 2023
Share price at date of grant	**37.4p**	64.0p
Exercise price	**nil**	nil
Expected volatility	**29.5%**	28.2%
Expected life	**2.8 years**	3.0 years
Risk-free rate	**4.46%**	3.68%
Expected dividend yields	**nil%**	1.66%
Vesting dates	**April 2027**	April 2026
Fair value assessed per share	**27.8p - 29.6p**	49.9p

The expected volatility is determined from the daily log normal distributions of the Company's share price over a period equal to the expected holding period calculated back from the date of grant. The risk-free rate was the zero coupon bond yield derived from UK government bonds at the date of grant, with a life equal to the expected holding period.

Parent Company balance sheet

as at 31 December 2024

	Note	2024 £m	2023 £m
Fixed assets			
Tangible assets	6	**–**	–
Investments in subsidiaries	7	**33.9**	45.2
		33.9	45.2
Current assets and liabilities			
Debtors	8	**7.9**	11.9
Creditors: amounts falling due within one year	9	**(16.5)**	(18.6)
Net current liabilities		**(8.6)**	(6.7)
Total assets less current liabilities		**25.3**	38.5
Creditors: amounts falling due after more than one year	10	**(14.0)**	(9.0)
Net assets		**11.3**	29.5
Capital and reserves			
Called-up share capital	11	**2.5**	2.5
Share premium account		**22.4**	22.4
Merger reserve		**0.9**	0.9
Equity reserve		**(0.2)**	(0.2)
Profit and loss account		**(14.3)**	3.9
Shareholders' funds		**11.3**	29.5

The loss for the financial year ended 31 December 2024 was £17.8m (2023: loss of £1.7m).

These financial statements of Empresaria Group plc (Company registration number 03743194) were approved by the Board of Directors and authorised for issue on 26 March 2025.

Signed on behalf of the Board of Directors

Rhona Driggs
Chief Executive Officer

Tim Anderson
Chief Financial Officer

Parent Company statement of changes in equity

for the year ended 31 December 2024

	Called-up share capital £m	Share premium account £m	Merger reserve £m	Equity reserve £m	Profit and loss account[1] £m	Total shareholders' funds £m
At 1 January 2023	2.5	22.4	0.9	(0.2)	6.9	32.5
Loss for the financial year and total comprehensive income	–	–	–	–	(1.7)	(1.7)
Dividends paid on equity shares	–	–	–	–	(0.7)	(0.7)
Share-based payments	–	–	–	–	(0.3)	(0.3)
Purchase of own shares in Employee Benefit Trust	–	–	–	–	(0.3)	(0.3)
At 31 December 2023	2.5	22.4	0.9	(0.2)	3.9	29.5
Loss for the financial year and total comprehensive income	–	–	–	–	(17.8)	(17.8)
Dividends paid on equity shares	–	–	–	–	(0.5)	(0.5)
Share-based payments	–	–	–	–	0.1	0.1
At 31 December 2024	**2.5**	**22.4**	**0.9**	**(0.2)**	**(14.3)**	**11.3**

1 The Company has amended its presentation of reserves as explained further in note 1.

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Merger reserve relates to premiums arising on shares issued subject to the provisions of section 612 Merger relief of the Companies Act 2006.
- Equity reserve represents amounts recognised in relation to historic expired options over a subsidiary company.
- Profit and loss account represents accumulated profits less distributions and income/expense recognised in equity from incorporation.

Notes to the Parent Company financial statements

1 Basis of preparation, general information and summary of significant accounting policies

(a) Basis of preparation and general information

The financial statements are for the year ended 31 December 2024. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council.

These financial statements are presented in Pounds Sterling (£) as the functional and presentational currency.

The accounting policies have been applied consistently throughout the period for the purposes of preparing these financial statements.

The Company has taken advantage of a disclosure exemption and has elected not to present a cash flow statement.

(b) Summary of significant accounting policies

Going concern

These accounts are prepared on the going concern basis. Details of the assessment of going concern are given in note 1 to the Group accounts.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is calculated using the straight-line method to write off the cost of the assets over their useful lives as follows:

Fixtures, fittings and equipment: between one and five years.

Investments in subsidiaries

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

Leases

Leases that result in the Company receiving substantially all of the risks and rewards of ownership of an asset are treated as finance leases. An asset held under a finance lease is recorded in the balance sheet as a tangible fixed asset and depreciated over the shorter of its estimated useful life and the lease term. Future instalments net of interest charges are included within liabilities. Minimum lease payments are apportioned between the interest charge element, which is allocated to each period to produce a constant periodic rate of interest on the remaining liability and charged to the profit and loss account, and the principal element which reduces the outstanding liability.

Rental costs arising from operating leases are charged on a straight-line basis over the period of the lease. Where an incentive is received to enter into an operating lease, such incentive is treated as a liability and recognised as a reduction to the rental expense on a straight-line basis over the period of the lease.

Financial instruments

Short-term debtors and creditors are measured at transaction price, less any impairment. Loans receivable and other financial liabilities, including amounts due from and to subsidiary undertakings, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Pension costs

Payments made to defined contribution retirement benefit schemes are charged to the profit and loss account as they fall due.

Taxation

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Notes to the Parent Company financial statements continued

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Capital and reserves

In 2024, the Company has chosen to make changes to the presentation of the components of reserves. The Company's other reserves, which compromised the share-based payment reserve (31 December 2023: £0.7m, 31 December 2022: £1.0m), has been combined with the profit and loss account reserve. The Company believes this provides a clearer and simpler presentation of its capital and reserves. These changes have been reflected in the information presented for 2024, 2023 and 2022.

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying values of certain assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting date are discussed below:

Impairment of investments in subsidiaries

The Group tests its investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amount is determined based on value-in-use calculations. This method requires the estimation of future cash flows and the assessment of a suitable discount rate in order to calculate their present value. Assumptions are consistent with those used in the Group's goodwill impairment reviews as set out in note 15 to the Group's financial statements.

3 Loss for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The Company reported a loss after tax for the financial year ended 31 December 2024 of £17.8m (2023: loss of £1.7m).

4 Directors and employees

	2024 £m	2023 £m
Staff costs		
Wages and salaries	**1.3**	1.4
Social security costs	**0.1**	–
Other pension costs	**0.1**	0.1
Share-based payments	**0.1**	(0.3)
	1.6	1.2

	2024 Number	2023 Number
Average monthly number of persons employed (including Directors)	**12**	13

Details of Directors' remuneration are given on pages 45 to 47.

5 Dividends

During 2024 Empresaria Group plc paid a dividend of 1.0p per Ordinary Share (2023: 1.4p). This amounted to £0.5m to its equity shareholders (2023: £0.7m). See note 26 of the Group accounts for information on the proposed dividends for the year ended 31 December 2024.

6 Tangible assets

The following table shows the significant additions and disposals of property, plant and equipment.

	Fixtures, fittings and equipment £m
Cost	
At 1 January 2024	**0.6**
Additions	**–**
31 December 2024	**0.6**
Accumulated depreciation	
At 1 January 2024	**(0.6)**
Charge for the year	**–**
At 31 December 2024	**(0.6)**
Net book value	
At 31 December 2023	–
At 31 December 2024	**–**

7 Investments in subsidiaries

	Shares in subsidiary undertakings £m
Cost	
At 1 January 2024	**61.6**
Additions	**1.1**
Disposals	**(2.4)**
At 31 December 2024	**60.3**
Impairment	
At 1 January 2024	**16.4**
Disposals	**(0.9)**
Impairment charge	**10.9**
At 31 December 2024	**26.4**
Net book value	
At 31 December 2023	45.2
As 31 December 2024	**33.9**

2024

During the year the Company sold two investments in the UK & Europe region. An investment in Team Resourcing Limited, which had a net book value of £0.5m, was sold along with an investment in Medikumppani Oy, which had a net book value of £1.0m on disposal.

During the year an impairment charge of £7.3m was recognised in relation to the investment in Empresaria Technology (Holdings) Limited, £1.6m in Empresaria NZ Limited, £1.1m in The Recruitment Business Holdings Limited and £0.8m in Monroe Consulting Mexico, S.A. de C.V. following an assessment of the recoverable amounts at the year end.

2023

During the year an impairment charge of £0.9m was recognised in relation to the investment in Empresaria NZ Limited and £1.0m was recognised in relation to the investment in Medikumppani Oy following an assessment of the recoverable amounts at the year end.

Notes to the Parent Company financial statements continued

Investments comprise the following subsidiary companies:

Company	Class of share held	**2024 Effective % holding**	2023 Effective % holding
Registered office: Old Church House, Sandy Lane, Crawley Down, West Sussex, RH10 4HS, UK			
Ball and Hoolahan Limited	Ordinary	**100**	100
Become Recruitment Limited	Ordinary	**100**	100
ConSol Partners (Holdings) Limited	Ordinary	**100**	100
ConSol Solutions Limited (formerly ConSol Partners Europe Limited)	Ordinary	**100**	100
ConSol Partners Limited	Ordinary	**100**	100
CP101 Limited	Ordinary	**100**	100
Empresaria 2021 Limited	Ordinary	**100**	100
Empresaria Americas Finco Limited	Ordinary	**100**	100
Empresaria Americas Limited[1]	Ordinary	**100**	100
Empresaria Asia Limited[1]	Ordinary	**100**	100
Empresaria China Holdings Limited	'A' Ordinary	**90**	90
Empresaria GIT Holdings Limited[1]	Ordinary	**100**	100
Empresaria GIT Limited	Ordinary	**100**	100
Empresaria Healthcare Europe Limited[1]	Ordinary	**100**	100
Empresaria UK Holdings Limited (formerly Empresaria Healthcare Holdings Limited)[1]	Ordinary	**100**	100
Empresaria Indonesia Holdings Limited	Ordinary	**100**	100
Empresaria Limited[1]	Ordinary	**100**	100
Empresaria Malaysia Holdings Limited	Ordinary	**100**	100
Empresaria Mexico Holdings Limited	'A' Ordinary	**100**	100
Empresaria North America Limited	Ordinary	**100**	100
Empresaria NZ Finco Limited	Ordinary	**100**	100
Empresaria NZ Limited[1]	Ordinary	**100**	100
Empresaria Peru Holdings Limited	Ordinary	**100**	100
Empresaria Philippines Holdings Limited	'A' Ordinary	**100**	80
Empresaria UK Limited (formerly Empresaria Solutions Limited)[1]	Ordinary	**100**	100
Empresaria T&I Holdings Limited[1]	Ordinary	**100**	100
Empresaria Technology (Holdings) Limited[1]	Ordinary	**100**	100
Empresaria Thailand Holdings Limited	'A' Ordinary	**83**	80
Empresaria Vietnam Holdings Limited	'A' Ordinary	**95**	80
EMR1000 Limited[1]	Ordinary	**100**	100
Global Crew UK Limited[2]	Ordinary	**95**	90
Greycoat Placements Limited[1]	'A' Ordinary	**90**	90
Interim Management International Limited[1]	Ordinary	**100**	100
LMA Recruitment Limited[1]	'A' and 'C' Ordinary	**94**	94
Mansion House Recruitment Limited	Ordinary	**94**	94
McCall Limited[1]	'A' Ordinary	**98**	98
Oval (888) Limited[1]	Ordinary	**100**	100
Teamsales Recruitment Limited	Ordinary	**100**	100
The Recruitment Business Holdings Limited[1]	Ordinary	**100**	100
The Recruitment Business Limited	Ordinary	**100**	100

Company	Class of share held	2024 Effective % holding	2023 Effective % holding
Registered office: Stanley & Williamson, Level 1 34 Burton Street, Kirribilli NSW 2061, Australia			
The Recruitment Business Pty Limited	Ordinary	**100**	100
Registered office: Durisolstraße 1/WDZ II, 4600 Wels, Austria			
headwayaustria GesmbH	Ordinary	**100**	100
Registered office: Ave. Isidora Goyenechea 3250, 13th Floor, Santiago, District of Las Condes, Chile			
Empresaria Group Chile Limitada[1]	Ordinary	**100**	100
Registered office: Alcade Jorge Monckeberg 77, Santiago, Chile			
A–Consulting Limitada	Ordinary	**56**	56
Alternattiva Empresa De Servicios Transitorios Limitada	Ordinary	**56**	56
Instituto De Capacitacion Complementaria De La Empresa Limitada	Ordinary	**56**	56
Marketing y Promociones S.A.	Ordinary	**56**	56
Registered office: Cerro El Plomo #5420, Oficina 703, 7th Floor, Las Condes, Santiago, 7560742, Chile			
Monroe Chile S.A.	Ordinary	**55**	55
Registered office: Room 16F02, No. 828-838, Zhangyang Road, Pudong New Area, Shanghai, China			
Monroe Consulting Group China	Ordinary	**90**	90
Registered office: Brokenheimer Anlarge 2, 60322, Frankfurt am Main, Germany			
ConSol Partners GmbH	Ordinary	**100**	100
Registered office: Dekan-Wagner-Str. 4a, 84032 Altdorf, Germany			
headwaylogistic administration GmbH	Series A and Series B	**100**	84
headwayindustrie GmbH	Ordinary	**100**	84
Registered office: Herner Strasse 35, D-45657 Recklinghausen, Germany			
headwaylogistic GmbH	Ordinary	**100**	84
Registered office: Mendelstrasse 4, 84030 Ergolding, Germany			
Empresaria Holding Deutschland GmbH[1]	Ordinary	**100**	100
headwaypersonal GmbH	Series A and Series B	**100**	100
Registered office: Rooms 2702-3, 27th Floor Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong			
The Recruitment Business Limited	Ordinary	**100**	100
Registered office: Unit 1002, Unicorn Trade Centre, 127-131 Des Voeux Road Central, Hong Kong			
LMA Recruitment (HK) Limited	Ordinary	**100**	100

Notes to the Parent Company financial statements continued

Company	Class of share held	2024 Effective % holding	2023 Effective % holding
Registered office: 211, 212 & 213, 2nd Floor, Indraprasth Business Park, Makarba, Ahmedabad, Gujurat 380051, India			
Interactive Manpower Solutions Private Limited[1]	Ordinary	**72**	72
Registered office: Ground Floor, 001 Raghupati Niketan, Opp. Ishita Appartments, Navrangpura, Ahmedabad, Gujarat, 380 009, India			
IMS Workforce Solutions Private Limited	Ordinary	**72**	72
IMS Oneworld Private Limited	Ordinary	**72**	72
IMS Payroll Solutions Private Limited	Ordinary	**72**	72
Registered office: South Quarter Building, Tower C, Level 10, Jl. RA. Kartini, Kav. 8, Cilandak, Jakarta, SELATAN 12430, Indonesia			
PT. Monroe Consulting Group	'A' Ordinary	**100**	100
Registered office: 8-27 Toranomon 3-chome, Minato-ku, Tokyo, Japan			
Skillhouse Staffing Solutions K.K.	Ordinary	**90**	90
Registered office: 14A Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000, Kuala Lumpur, Wilayah Persektuan, Malaysia			
Agensi Pekerjaan Monroe Consulting Group Malaysia Sdn. Bhd.	Ordinary	**100**	100
Registered office: Insurgentes 1796 4to Piso, Colonia Florida, DF 01030, Mexico			
Monroe Consulting Mexico, S.A. de C.V.	Class I and Class II Ordinary	**100**	100
Registered office: De Cuserstraat 93, tweede en derde verdieping, 1081 CN, Amsterdam, Netherlands			
Global Crew Netherlands B.V.[3]	Ordinary	**–**	90
Registered office: BDO Auckland, Level 4 BDO Centre, 4 Graham Street, Auckland Central, Auckland, 1010, New Zealand			
Global Resources Asia Limited	Ordinary	**95**	90
Rishworth Holdco Limited	Ordinary	**95**	90
Rishworth Aviation Asia Limited	Ordinary	**95**	90
Rishworth Aviation Asia Pacific Limited	Ordinary	**95**	90
Rishworth Aviation Europe Limited	Ordinary	**95**	90
Rishworth Aviation Limited	Ordinary	**95**	90
Rishworth Aviation International Limited	Ordinary	**95**	90
Rishworth Aviation Services Limited[4]	Ordinary	**–**	90
Rishworth Solutions Limited[4]	Ordinary	**–**	90
Registered office: Gilligan Sheppard Limited, Level 4 Smith & Caughey Building, 253 Queen Street, Auckland, 1010 New Zealand			
The Recruitment Business Limited	Ordinary	**100**	100

Company	Class of share held	2024 Effective % holding	2023 Effective % holding
Registered office: Av. Alfredo Benavides No 1551, Office No 901, District of Miraflores, province and dept of Lima, Peru			
Grupo Solimano S.A.C.	Ordinary	**60**	60
People Intermediacion S.A.C.	Ordinary	**60**	60
People Outsourcing S.A.C.	Ordinary	**60**	60
Solimano Asociados S.A.C.	Ordinary	**60**	60
Talentos, Servicios & Ingenieria S.A.C.	Ordinary	**60**	60
Registered office: Unit 605 Richville Corporate Tower, 1107 Alabang-Zapote Road, Madrigal Business Park, Alabang, Muntinlupa C, 1780, Philippines			
HR Philippines Holdings, Inc.	Ordinary	**100**	100
Registered office: Unit 1814 Cityland Condominium 10, Tower 1, 156 H.V. Dela Costa Street, Brgy, Bel-Air, Makati City, Philippines			
IMS Outsourcing Solutions Inc.	Ordinary	**72**	72
Registered office: High Street South Corporate Plaza, Tower 1, Unit 906 – 908, Bonifacio Global City, Manila, 1634, Philippines			
Monroe Consulting Philippines, Inc.	Ordinary	**100**	100
Registered office: 101 Cecil Street, #17-09 Tong Eng Building, 069533, Singapore			
Rishworth Aviation GCA Pte Ltd (formerly Global Crew Asia Pte Ltd)	Ordinary	**95**	90
Rishworth Aviation Singapore PTE Ltd (formerly Global Resources Aviation Singapore Pte Ltd)	Ordinary	**95**	90
Registered office: 168 Robinson Road, #19-01 Capital Tower, 068912, Singapore			
LMA Recruitment Singapore Pte. Limited	Ordinary	**100**	100
Registered office: Postova 3, 811 06, Bratislava, Slovakia			
Gate1234 s.r.o.	Ordinary	**100**	100
Registered office: Vasagaten 28, SE-111 20, Stockholm, Sweden			
Rishworth Aviation AB	Ordinary	**95**	90
Registered office: 28th Floor, Lake Rajada Office Complex Bldg, 193/119 Ratchadapisek Rd, Klongtoey, Bangkok, 10110, Thailand			
Monroe Holdings (Thailand) Company Limited	Ordinary	**83**	80
Monroe Recruitment Consulting Group Company Limited	Ordinary	**83**	80
Registered office: 850 New Burton Road, Suite 201, Dover, Kent, Delaware 19904, USA			
ConSol Partners LLC	Ordinary	**100**	100
Registered office: 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808-1674, USA			
Empresaria Americas Services Inc	Common Stock	**100**	100
Empresaria USA Inc.	Common Stock	**100**	100
LMA Recruitment USA, Inc.	Common Stock	**100**	100

Notes to the Parent Company financial statements continued

Company	Class of share held	2024 Effective % holding	2023 Effective % holding
Registered office: 8 The Green Ste B, Dover, Kent, DE 19901, USA			
IMS Oneworld Inc.	Ordinary	**72**	72
Registered office: 477 Main Street, Stoneham, MA 02180, USA			
Medical Recruitment Strategies, LLC	'A' and 'B' Ordinary	**100**	100
Pharmaceutical Strategies, LLC	'A' and 'B' Ordinary	**100**	100
Recruitment Strategies Group, LLC	'A' and 'B' Ordinary	**100**	100
Registered office: Unit 102, 1st Floor, 284/9 Nguyen Trong Tuyen Street, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam			
Monroe Consulting Group Vietnam Limited Liability Company	Ordinary	**95**	80

1 These companies are directly held by Empresaria Group plc. The remaining investments are indirectly held. The percentage shown is as at 31 December.
2 Dissolved 4 February 2025.
3 Dissolved 5 June 2024.
4 Dissolved 6 May 2024.

The nature of each investment is the provision of staffing services and each entity operates in its country of incorporation.

8 Debtors

	2024 £m	2023 £m
Amounts owed by subsidiary undertakings	**7.2**	8.1
Other debtors	**0.2**	0.4
Corporation tax	**0.1**	0.2
Deferred tax asset	**–**	2.6
Prepayments and accrued income	**0.4**	0.6
	7.9	11.9

All of the deferred tax asset recognised at 31 December 2023 was expected to be recovered after one year.

During 2024 an impairment of £3.2m was recognised in relation to amounts owed by subsidiary undertakings. This was all in respect of The Recruitment Business Holdings Limited following an assessment of recoverable amounts.

9 Creditors: amounts falling due within one year

	2024 £m	2023 £m
Bank overdraft	**4.3**	8.2
Trade creditors	**0.5**	0.4
Amounts owed to subsidiary undertakings	**10.5**	8.6
Other creditors	**0.1**	0.1
Accruals	**1.1**	1.3
	16.5	18.6

Interest on the UK bank overdraft is charged at 2.0% above applicable currency base rates.

10 Creditors: amounts falling due after more than one year

	2024 £m	2023 £m
Bank loans	**14.0**	9.0

At 31 December 2024, the UK revolving credit facility of £15.0m (2023: £15.0m), expiring in March 2026, had a balance of £14.0m (2023: £9.0m). This facility is based on the SONIA (Sterling Over Night Index Average) interest rate. The margin on the facility varies based on the Group's net debt to EBITDA ratio and ranges from 2.0% to 2.75%. Subsequent to the balance sheet date this facility was extended for 6 months to September 2026 as set out in more detail in the Finance review on page 25.

	2024 £m	2023 £m
Bank loans		
Repayable between one and two years	**14.0**	-
Repayable after more than two years	**–**	9.0
	14.0	9.0

11 Called up share capital

	Number of shares	2024 £m	Number of shares	2023 £m
Issued, allotted and fully paid				
Ordinary Shares of 5p each	**49,853,001**	**2.5**	49,853,001	2.5

Please see note 23 of the Group accounts for details on the share capital.

12 Contingent liabilities

The Company is part of a bank overdraft arrangement that operates across a number of subsidiaries of the Company. This facility gives the Company greater access to readily available cash resources. Cross guarantees exist between the companies within this facility. The total amount owed by the Group under this arrangement as at 31 December 2024 was £6.7m (2023: £8.0m).

The Company has given a guarantee in respect of the bank overdraft of Empresaria Holdings Deutschland, the holding company for the Group's operations in Germany. The amount owed at 31 December 2024 was £6.3m (31 December 2023: £5.5m).

13 Related party transactions

Please see note 28 of the Group accounts for details on related party transactions.

Officers and professional advisers

Directors

Penny Freer
Zach Miles
Steve Bellamy
Ranjit de Sousa
Rhona Driggs
Tim Anderson

Secretary

James Chapman

Registered office

Old Church House
Sandy Lane
Crawley Down
Crawley
West Sussex
RH10 4HS

Company registration number

03743194

Nominated Adviser & Broker

Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

Solicitors

Osborne Clarke LLP
Halo Counterslip
Bristol
BS1 6AJ

Bankers

HSBC plc
EQ Building
111 Victoria Street
Bristol
BS1 6AX

Independent auditor

CLA Evelyn Partners Limited
45 Gresham Street
London
EC2V 7BG

Registrars

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
West Yorkshire
LS1 4DL

Glossary

Adjusted earnings per share

Earnings per share adjusted to exclude amortisation of intangible assets identified in business combinations, impairment of goodwill and other intangible assets, exceptional items, loss on sale of subsidiaries, fair value charges on acquisition of non-controlling shares and any related or exceptional tax.

Adjusted operating profit

Operating profit adjusted to exclude amortisation of intangible assets identified in business combinations, impairment of goodwill and other intangible assets, exceptional items, loss on sale of subsidiaries and fair value charges on acquisition of non-controlling shares.

Adjusted profit before tax

Profit before tax adjusted to exclude amortisation of intangible assets identified in business combinations, impairment of goodwill and other intangible assets, exceptional items, loss on sale of subsidiaries and fair value charges on acquisition of non-controlling shares.

CC LFL (Constant currency and excluding exited operations)

Year-on-year movement assessed after converting prior year amounts at the current year exchange rates and after excluding operations exited in both the current and prior year.

Conversion ratio

Adjusted operating profit as a percentage of net fee income.

Debt to debtors ratio

Net debt as a percentage of trade receivables.

Free cash flow

Free cash flow measures the amount of cash generated that is available for investing in the business, reducing debt or returning to shareholders. It is measured as the net cash from operating activities per the cash flow statement adjusted to deduct payments made under lease agreements.

Free cash (pre-tax)

Free cash flow excluding cash outflows on income taxes.

Managed Service Provider ('MSP')

An outsourced agency that manages the staffing requirements of an end client by managing its preferred staffing agencies.

Net debt

Borrowings less cash and cash equivalents excluding lease liabilities recognised under IFRS 16 Leases.

Net fee income

Revenue less cost of sales. Cost of sales includes the remuneration cost of temporary and contract workers and the cost of staff directly providing offshore services. For permanent placements, net fee income is typically equal to revenue with only limited costs of sales in some cases.

Offshore Services

Outsourced services provided from our Offshore Services operations in India and Philippines to clients operating in the staffing sector and based in other countries and primarily in the UK and US. Services are tailored to our clients needs and include any stage of the recruitment process, compliance and credentialling, and accounting, finance and back-office.

Pilot bonds

Pilot bonds are sometimes required by airline clients to be taken at the start of a pilot's contract. These are returned to pilots or paid to clients through the course of the pilot's contract or when it ends in line with the terms of the agreement.

RPO

Recruitment Process Outsourcing ('RPO') is where an employer transfers all or part of its recruitment process to an external provider.

SIA

Staffing Industry Analysts ('SIA') is a global adviser on staffing and workforce solutions and a provider of data and publications related to the staffing industry.

Staff productivity

Net fee income divided by total staff costs within administrative costs.

Vendor Management System ('VMS')

Technology used by MSPs to enable them to deliver services to their end clients. This is used to manage the end-to-end process including the distribution of roles to staffing agencies, collection of candidate submissions, coordination of interviews, job offers, billing and timesheets.

Designed and
printed by:

perivan.com

This document is printed to the EMAS standard and Environmental Management System certified to ISO 14001.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies. 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on a paper made of material from well-managed, FSC®-certified forests and other controlled sources.

Empresaria

Empresaria Group plc
Old Church House
Sandy Lane
Crawley Down
Crawley
West Sussex
RH10 4HS

T: +44 (0)1342 711430
www.empresaria.com/contact

www.empresaria.com