Company Registration number: 03560679

Alexander Mann Group Limited

Annual report and financial statements

For the year ended 31 December 2023

Alexander Mann Group Limited

Contents

Alexander Mann Group Limited

Officers and professional advisers

Directors

R Blair (the Chair and Founder)
D Leigh (Chief Executive Officer)
G Stuart (Chief Financial Officer)
M Rodger (Chief Growth Officer)
G Bull (Global Managing Director Legal, Risk & Compliance)

Registered office

60 London Wall, 2nd Floor
London
EC2M 5TQ
United Kingdom

Solicitors

Weil, Gotshal and Manges (London) LLP
110 Fetter Lane
London EC4A 1AY
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Alexander Mann Group Limited

Strategic Report

Review of trading results for the year ended 31 December 2023

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

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

Despite these conditions AMS delivered a strong financial performance with earnings before interest, taxes, depreciation and amortisation ("EBITDA") and before exceptional items and amortisation of customer relationships and brand of £71.2m (2022: £93.0m). The Group reported an operating profit before exceptional items and amortisation of customer relationships and brand of £55.1m (2022: £77.5m). In 2023 the Group incurred £11.4m of exceptional costs items related to redundancy and restructuring programmes, onerous contracts, asset impairments and integration costs on previously acquired entities (2022: £4.6m). The profit for the year after taxation was £28.4m (2022: £58.8m).

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

	2023 £m	**% change**	**2022 £m**	**% change**
Billing	2,480.6	-2.0%	2,532.5	16.4%
Turnover	559.4	-15.8%	664.6	58.9%
NFI (Gross profit)	470.5	-7.7%	509.8	54.0%
Operating profit (before exceptional items and amortisation of customer relationships and brands)	55.1	-28.9%	77.5	43.6%
EBITDA (before exceptional items and amortisation of customer relationships and brands)	71.2	-23.4%	93.0	37.7%

Billings represent invoiced amounts net of sales taxes. Revenue represents net billings less subcontractor costs.

A reconciliation between statutory operating profit and EBITDA (as defined above) is presented in the table below.

	2023 £m	**2022 £m**
Operating profit	42.4	71.8
Exceptional items (note 5)	11.4	4.6
Amortisation of customer relationships and brand (note 11)	1.3	1.1
	55.1	77.5
Depreciation of right of use and fixed assets	5.6	6.1
Amortisation of software and contract implementation costs	10.5	9.4
EBITDA (as defined above)	71.2	93.0

Alexander Mann Group Limited

Strategic Report (continued)

Challenging market conditions in 2023 coupled with the high inflationary environment, interest rate hikes and geopolitical tensions added to the state of economic uncertainty which resulted in lower trading volumes for AMS. Reduced customer demand resulted in a 15.8% decrease in revenue, 7.7% decrease in gross profit and a 23.4% decrease in EBITDA. The Group made a conscious decision to continue its investment in Growth and Sales, Innovation and Technology capability despite the economic downturn.

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

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

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

Cash generation from operating activities of £30.0m was marginally lower than the prior year (2022: £33.8m). Whilst Group operating profit decreased by 28.9%, operating cashflow remained steady as 2022 results included 13 UK payroll payments rather than the usual 12 and a working capital outflow resulting from a drop in the number of contractors required for the UK government track and trace programme as the UK moved to a “living with Covid” strategy. Working capital management in 2023 was strong with a focus on reducing time taken to invoice clients, average receivable collection days of 15 days and a reduction in overdue receivables.

As a result of the working capital inflow, the Group’s cash and cash equivalents increased by £12.9m (2022 decreased: £21.8m) in the year to close at £62.9m (2022: £50.0m).

The Group had a net assets position at 31 December 2023 of £193.2m (2022: £168.5m). In addition, the Group had a net current assets position at 31 December 2023 of £116.5m (2022: £83.2m).

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

Principal risks and uncertainties

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

Impact of a pandemic and global economic slow-down

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

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

Strategic Report (continued)

War in Ukraine

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

Liquidity risk management

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

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has a senior term and multicurrency facilities agreement with a syndicate of banks incorporating a £36.0m UK invoice discounting facility, a $5.0m USA invoice discounting facility and a $331.7m (amortised down from $332.5m) term loan facility. A quarterly 1% amortisation charge applies to the US term loan, starting in December 2023. The term loan matures in June 2027. In August 2023, Auxey BidCo Limited, an intermediate parent entity of the Group, issued $332.5m unsecured loan notes of $1.00 each that a subsidiary group company entered into during the year. These loan notes are subject to the same terms as the external senior term loan facility.

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

Interest rate risk management

The Group's balance sheet at the year-end was funded by a USD denominated senior loan of $331.7m amortised down from $332.5m (2022: £nil).

Foreign exchange risk management

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

Credit risk management

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

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

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

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

Capital risk management

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 shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt and equity of the Group. Debt is defined by the Group as long- and short-term borrowings and lease liabilities as disclosed in note 26. Net debt is defined as debt after deducting cash and cash equivalents. Equity includes capital, reserves, retained earnings as disclosed in consolidated statement of changes in equity. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure on semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Key performance indicators

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

Financial key performance indicators

- EBITDA

EBITDA defined before exceptional items and amortisation of customer relationships and brands decreased 23.4% in 2023 to £71.2m (2022: £93.0m).

- Operating profit

Operating profit defined before exceptional items and amortisation of customer relationships and brands decreased 28.9% in 2023 to £55.1m (2022: £77.5m).

- NFI

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

Non-financial key performance indicators

- Employee engagement survey

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

- Diversity: the percentage of female senior leaders

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

- Carbon emissions (CO_2e tonnes)

AMS is committed to reduce its carbon footprint. In 2023 total UK gross emissions increased by 16% to 2390.085 CO_2e tonnes (within scope 1,2,3 as described on page 13). The increase is as a result of an increase in identified homeworking employees and business travel recovering to more normal levels after economies reopened.

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Strategic Report (continued)

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

DocuSigned by:

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G Stuart
Director

2 July 2024

Alexander Mann Group Limited

Directors' report

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

Activities

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

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

Ownership

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

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

Strategic objectives

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

Business model

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

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

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

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

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

The Group provides a broad range of solutions, including:

• Total workforce solutions • Contingent workforce solutions

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

• Advisory and Tech skilling

Alexander Mann Group Limited

Directors' report (continued)

Business review

The profit after taxation for the year ended 31 December 2023 was £28.4m (2022: £58.8m). In common with other businesses in the sector, the Group's trading volumes were adversely impacted by the global economic slowdown.

Future developments

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

The Board considered in depth potential impacts of the war in Ukraine and a global recession on the Group's viability and going concern status. The relevant disclosures are set out in the Directors' Report on page 19 and in note 3.

Financial risk management objectives and policies

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

Non-financial and sustainability information statement

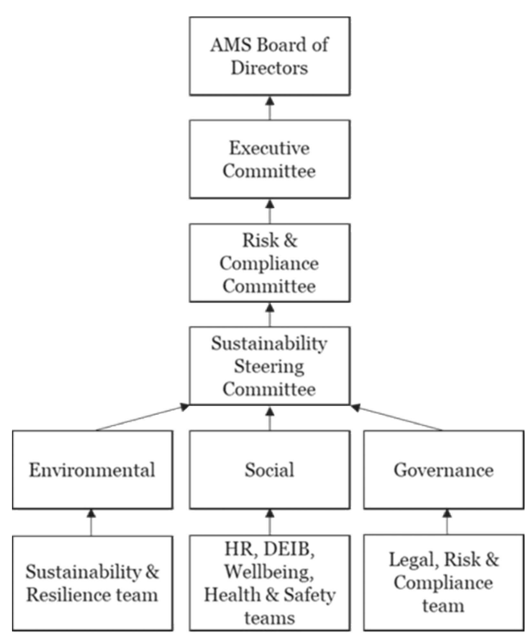
AMS is committed to operating its business in a sustainable manner and is dedicated to mitigating any potential risks to its financial performance.

Climate-Related Financial Disclosure

AMS has outlined below the climate-related financial disclosures, encompassing the integration of climate change considerations into corporate governance, the effects on AMS' strategy, the management of climate-related risks and opportunities, and the application of performance metrics and targets to address these issues.

Governance arrangements

AMS has in place a climate governance framework as part of AMS Environmental, Social, and Governance (ESG) strategy. The below details AMS' organisational chart in relation to climate and ESG.



The AMS Board of Directors - The AMS Board of Directors provides oversight of the Executive Committee, providing strategic oversight and overall control of AMS. The Global Managing Director of Legal, Risk and Compliance provides annual updates relating to the Sustainability programme, including climate information to the AMS Board of Directors.

- Founder and Chair of the Board
- Chief Executive Officer
- Chief Financial Officer
- Chief Growth & Commercial Officer
- Non-Executive Director, Vice President and Chief Human Resources Officer, The New York Times
- Non-Executive Director, Chairman of the Board for CYE
- Senior Managing Director and Head of Europe, OMERS Private Equity
- Senior Managing Director, Head of North America, OMERS Private Equity
- Managing Director, OMERS Private Equity

The Executive Committee sets the Organisation Strategy and Plans and ensures the business is organised in order to execute those plans. This committee is responsible for ensuring decisions are appropriately made on the deployment of corporate assets in order to optimise business performance whilst effectively managing corporate risk. The Global Managing Director – Legal, Risk & Compliance holds overall responsibility for Sustainability, including climate information and will provide updates to the Executive Committee as required.

The committee meets weekly and consists of the following members:

- Chief Executive Officer (Chair)
- Chief Financial Officer
- Chief Growth & Commercial Officer
- Chief People Officer
- Global Managing Director – Legal, Risk & Compliance
- Global Managing Director – Operations
- Global Managing Director – Innovation
- Regional Managing Director – Americas
- Regional Managing Director – APAC
- Regional Managing Director - EMEA
- Regional Managing Director – UK&I

The Risk & Compliance Committee identifies, assesses and monitors risk through review of the Corporate Risk Register, and ensures appropriate mitigating actions are taken across the business. This committee reviews key risk & compliance metrics and topical deep dives. To escalate areas of material risk to the Executive Committee, as required. This committee meets once a quarter and consists of the following members:

- Chef Executive Officer
- Chief Financial Officer
- Global Managing Director – Legal, Risk & Compliance (Chair)
- Chief People Officer
- Global Managing Director – Operations
- Global Managing Director – Technology
- Regional Managing Director – Americas
- Regional Managing Director – APAC
- Regional Managing Director - EMEA
- Regional Managing Director – UK&I
- Global Head of Risk & Compliance

The Sustainability (ESG) Steering Committee establishes governance for our sustainability strategy and framework. Defines, agrees and monitors objectives on an ongoing basis. Acts as the centre of excellence for sustainability, promoting achievements and progress across AMS.

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Directors' report (continued)

This committee meets once a quarter and consists of the following members:
- Global Managing Director – Legal, Risk & Compliance (Chairman)
- Global Head of Risk & Compliance
- Director of People Operations (Head of DEI)
- Head of Treasury
- Head of Internal Communications
- Head of Brand & Communications
- Head of Analyst Relations
- Senior Manager Sustainability & Resilience
- Senior Manager Facilities (Health & Safety Standard Owner)
- Regional Representatives

Climate-related risks and opportunities

AMS evaluates climate-related risks and opportunities using short (0 – 2 years), medium (2 – 5 years) and long-term horizons (5 years +) and identifies, assesses, monitors and manages climate-related risks and opportunities on an ongoing basis. Our programme for managing climate-related risks is in line with the overall AMS Risk Management Process. Effective Risk Management enables AMS to identify potential events that pose a risk to AMS' objectives, to evaluate the likelihood of them occurring, the impact if they do, and to plan to mitigate the risk where appropriate. It facilitates the identification and tracking of risks, risk treatment decision-making and mitigating activity by providing the business with tools to identify and track risks, determine how they should be treated, and monitor progress of mitigating actions. AMS has in place Risk Registers and its risk Management System is aligned to the ISO 31000 Risk Management standard. The Senior Manager Sustainability & Resilience is responsible for identifying and managing climate related risks and opportunities and relevant identified risks and opportunities are discussed during the Sustainability Steering Committee. Any risks rated 15 or more would be reported to the Risk & Compliance Committee.

When identifying or assessing climate-related risks (along with any other identified risks) AMS defines substantive financial and strategic impact via a Risk Scoring Matrix. This matrix details out the impact – what impact would AMS face should a risk materialise and Likelihood – what is the likelihood of a risk materialising. Both the Impact and the Likelihood is rated on a 1-5 scale. Current existing controls in place in relation to an identified risk are reviewed to ensure the control is fit for purpose and effective. A Risk score is identified from the multiplication of the impact rating and the likelihood rating. It is automatically calculated in the risk registers. For those with a risk score of 14 or less (Green/Amber rated risks), a series of mitigation or avoidance steps should be documented and completed. For those with a risk score of 15 or more (Red/Black rated risks), they will be regarded as 'Significant' risks and a formal Risk Treatment Plan is documented by the risk owner (in the case of climate-related risks this would be the Senior Manager of Sustainability & Resilience), for senior management to ensure treatment plans are appropriate and to enable effective reporting to the Risk & Compliance Committee. Opportunities are considered during the risk treatment process to ensure the best outcome to our business.

AMS considers the following risks:

a. Chronic Physical

- Risk description: AMS operates in locations that are subject to chronic Physical Risks. The impact of severe climatic conditions across multiple regions has the potential to impact the safety of our employees and to disrupt operations to clients globally. Countries in which we operate are vulnerable to sea level rise and extreme weather. For example, London, Shanghai, India, Hong Kong, Singapore, Monterrey may experience prolonged heatwaves, affecting energy demand and work conditions. Manila's vulnerability to droughts could impact water availability, necessitating sustainable water management practices. In addition, locations such as Belfast, Krakow, Gdansk and India are susceptible to increased heavy rainfall and flooding, potentially disrupting supply chains and infrastructure and Cleveland may face more frequent extreme weather events, impacting business travel and operational logistics.

- Risk rating: Green

- Time frame: Long-term

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Directors’ report (continued)

- Mitigation Plan: It is important to note that while extreme weather events are occurring with increased frequency at present, AMS’ decision to classify this as long-term is factored on our geographical spread. Our company operates across multiple locations and geographies, each with its unique climate and susceptibility to extreme weather. While some regions may experience frequent extreme weather events, others may be relatively less affected. This geographic diversity mitigates the immediate impact of extreme weather events on our overall operations. In addition, despite operating in regions prone to extreme weather, AMS has not experienced significant disruptions requiring activation of our crisis management plan due to extreme weather conditions. This historical resilience suggests that while extreme weather events pose a risk, their impact on our operations has been manageable to date.
  While AMS has not yet activated our crisis management plan due to extreme weather, we recognise the importance of being prepared for such scenarios. AMS has a companywide Business Continuity Management Policy, Crisis Management Plan and individual Disaster Recovery Plans (DRPs) for each GCSC location (Global Client Service Centre's and Head Office). Along with any supporting Client specific DRPs these documents constitute our business continuity planning strategy. AMS ensures that these plans are fit for purpose and proportionate to the services we deliver.
  The Account and GCSC-specific Disaster Recovery Plan is based on Business Impact Analysis, which enables us to identify and mitigate risks. The plans come in to force on the occurrence of an event which prevents operations continuing in their normal way: such as a natural disaster which affects the buildings from which the service would normally run; and this effect is envisaged to last for more than 1 day. It describes all the necessary activities that need to be performed in order to recover after a disastrous event and how to re-establish normal operations.
  When considering office relocations, AMS will consider climate-resilient infrastructure in locations prone to adverse weather conditions to minimalize damage and disruption. AMS will continue to provide flexible working arrangements for employees to ensure employees well-being and productivity during adverse weather conditions. In addition, AMS will continue to diverse supplier networks and explore local sourcing options to reduce dependency on vulnerable regions exposed to chronic physical risks.
  Should this risk become an issue it would result in potential harm of health to employees and further disruption of operations which could lead to a potential loss of revenue.

b. Physical

- Risk description: AMS operates service centres in geographical locations including Poland, America, UK&I, China, Mexico, India and Philippines. All of these locations are subject to hot weather conditions in the relevant summer months. These service centres require cooling air-conditioning units in order to maintain a suitable comfortable temperature for our workforce to operate. Air-conditioning units are installed to ensure regulated temperature. As global mean temperature rises more cooling will be required, resulting in higher energy usage to cool the office space. In the winter months for some of these countries (for example Poland, UK&I and America) there is a requirement for heating which is likely to increase in cost as the price of energy rises.
  Both additional heating and cooling of office spaces would result in higher cost, impacting revenue and could also create higher greenhouse gas emissions, where renewable energy is unavailable.

- Risk rating: Green

- Time frame: Long-term

- Mitigation Plan: AMS is working with its landlords, where possible, to use a green energy supplier to support any increase in energy use. AMS will also work with landlords to ensure that cooling systems are regularly maintained to ensure suitability and effectiveness. As technology advances, should there be a requirement to upgrade or replace cooling units AMS will request that sustainability of the new products provided is taken into consideration. In 2024, AMS will be moving office locations in London and Krakow. These offices will be more energy efficient and support our overall carbon reduction plan.

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Directors' report (continued)

c. Legal

- Risk description: There is a risk that AMS might breach regulations relating to climate change and the environment.

- Risk rating: Green
- Time frame: Short-term

- Mitigation Plan: AMS has a Legal Environmental Register for the UK as part of the EMS and ISO 14001. A global register has now been developed to ensure country-specific requirements relating to the environment are identified and controls are implemented to ensure compliance. This is formally reviewed quarterly and updated on an ongoing basis to incorporate new countries where applicable. AMS provides training and implement controls to upskill the business and ensure we do not breach legal requirements.

d. Reputation

- Risk description: Clients will only operate with AMS if we meet certain sustainability requirements, including commitments to addressing climate change. Successful tenders rely on AMS meeting the client's expectations and having the capacity to deliver on these expectations also. Clients expect AMS to be accountable for our impact on the environment and climate change and expect us to comply with regulation and reporting. There is a risk that if AMS does not consider its own climate-related issues that this will have a negative impact when bidding for new clients or retaining existing clients.
- Risk rating: Green

- Time frame: Medium-term
- Opportunities: Given the nature of our business, there is an opportunity to support AMS clients with the understanding and tracking of Green Jobs, Green Skills and other climate related roles, enhancing our client's sustainable recruitment strategies.
  AMS also have an opportunity to provide our clients with sustainability related services, including Carbon Neutral Services and the tracking of the carbon emissions pertained to each client.
  There is an opportunity to further enhance our reputation by obtaining further verification to our sustainability strategy and reporting, for example setting Science Based Targets with the Science Based Target Initiative

- Mitigation Plan: The sustainability programme has been designed to ensure the risk remains mitigated. AMS is committed to improving reporting and verification methods on our sustainability programme including climate change.

e. Technology

- Risk description: AMS operates globally. Different clients across different locations follow different frameworks relating to sustainability in order to meet their climate targets. AMS often has requests for information which are to be completed via different platforms or in spreadsheets as part of bidding/retender processes or as part of annual client questionnaires. At present AMS relies on gathering data from different areas of the business and there is a risk of human error.

- Risk rating: Green
- Time frame: Short-term

- Opportunities: Opportunity to partner with technology and third-party providers to support better data gathering and reporting. Additional opportunity to Participate in renewable energy programs and adoption of energy-efficiency measures.

- Mitigation Plan: As part of the Global Carbon Reduction Plan AMS is reviewing technology providers that can support enhanced data gathering.

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Directors' report (continued)

f. Transitional Risk

- Risk description: AMS operate globally and could be subjected to future Carbon Taxes in response to drive reductions of greenhouse gas emissions. There is a risk that AMS could face potential tax implications due to potential carbon pricing regulations.
- Risk rating: Green
- Time frame: Medium to long-term
- Opportunities: Opportunity to improve operational efficiency through carbon footprint reduction, which would also reduce the potential cost of carbon taxes, enhance reputation and gain a competitive advantage through enhanced sustainable practices.
- Mitigation Plan: AMS has a Legal Environmental Register for the UK as part of the EMS and ISO 14001 and a global register to ensure country-specific requirements relating to the environment are identified and controls are implemented to ensure compliance. This is formally reviewed quarterly and updated on an ongoing basis to incorporate new countries where applicable. AMS monitor emerging regulations on an ongoing basis via the Global Risk & Compliance team and the Senior Manager of Sustainability & Resilience is also responsible for monitoring emerging regulations on an ongoing basis.
  AMS are implementing efficiency measures where possible to support our global carbon reduction. For example, working with our landlords to reduce our carbon footprint where possible within our office locations. Energy efficiency is also considered as part of our office relocation strategy. AMS collaborate with clients to align with sustainability goals, share best practices and explore opportunities for collective actions to reduce carbon emissions.
  AMS are continuously improving systems and processes for monitoring, reporting and verifying emissions data to ensure, if required, compliance with carbon pricing regulations and mitigate the risk of financial penalties.

Materiality Assessment

Environmental

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

Alexander Mann Group Limited
Directors' report (continued)

Reporting Year	**2023 tCO_2e**	**2022 tCO_2e**	**Comments**
Scope 1	1487.751	1281.342	AMS does not own any office space or company vehicles. With this in mind, AMS reports on homeworking as part of its Scope 1 emissions. AMS carbon emissions in Scope 1 have increased from 2022 due to the increase of identified Homeworkers in 2023.
Scope 2 (Location - based) Scope 2 (Market – based)	Gross: 36.503 Net: 3.665	Gross: 50.018 Net: 5.651	AMS' Scope 2 emissions decreased due to the Bracknell office closing at the end of 2022. This resulted in a reduction of energy from 2022 to 2023. Energy supplied in our Belfast office for 2023 came from a green energy supplier. This resulted in a reduction in emissions from 2022 to 2023.
Scope 3 (Category 6 Business Travel, Category 7 Employee Commuting)	865.831	725.649	AMS had an increase in Scope 3 emissions from 2022 to 2023 due to business travel and commuting continuing to resume to a normal level after the COVID-19 pandemic.
Total Emissions (Location - based)	2390.085	2057.009	
Total Emissions (Market - based)	2357.247	2012.642	Energy supplied in our Belfast and Bracknell offices came from a green energy supplier, (which is why AMS has provided the location based and market-based figure).

In 2021, AMS undertook a materiality assessment with Environmental Resources Management (ERM) to identify core ESG activities, including climate change, which relate to its business. This enabled AMS to make informed decisions and identify areas of continuous improvement. In 2022, AMS worked with ERM to complete a reassessment to understand progress made in identified areas of opportunities. An internal materiality assessment will take place in 2024, which will be repeated on a 2-year cycle, to ensure key ESG factors remain a priority when making business decisions. Outside of the 2-year materiality assessment cycle, AMS continuously identifies, assesses and manages climate-related risks and the assessment of climate risk is embedded into the company's overall risk management process. In 2023, we completed a Climate Scenario Analysis on our core office location. The scenarios were selected based upon already identified potential risks across our operations. Taking into consideration the services AMS provides to our clients. The scenarios were chosen to reflect the most significant chronic weather events that could impact our core office locations, considering factors such as geographic exposure, historical weather patterns, and future climate projections. The scenario analysis exercise was based on several key assumptions:

1. Global Average Temperature increase: The analysis considered a range of temperature scenarios, including a 1.5-degree Celsius scenario and a 'business as usual' scenario where temperatures are likely to continue on

their current trajectory to reach over 2 degrees Celsius. These scenarios provided a framework for assessing the severity and frequency of chronic weather events and their potential impacts on our operations.

2. Regional Vulnerability: Assumptions were made regarding the vulnerability of our core office locations to specific chronic weather events, taking into account factors such as geographical location, climate sensitivity, and exposure to climate-related hazards.

3. Impact assessment: Estimates were made regarding potential impact of chronic weather events on our operations, considering factors such as disruption to infrastructure, supply chains, employee productivity, and financial performance.

Scenario: Chronic Weather Events/Acute Physical Risks

Description of Chronic Weather Events and Acute Physical Risks: Chronic weather events such as heatwaves, droughts and acute physical risks such as heavy rainfall, and flooding could significantly impact our operational areas:

1. Heatwaves and Droughts:

- London, Shanghai India, Hong Kong, Singapore, Monterrey may experience prolonged heatwaves, affecting energy demand and work conditions.

- Manila's vulnerability to droughts could impact water availability, necessitating sustainable water management practices.

2. Heavy Rainfall and Flooding:

- Belfast, Krakow, Gdansk and India are susceptible to increased heavy rainfall and flooding, potentially disrupting supply chains and infrastructure.

- Cleveland may face more frequent extreme weather events, impacting business travel and operational logistics.

Mitigation and Resilience Strategies: To enhance resilience and mitigate the impact of chronic weather events our company is implementing the following strategies:

1. Infrastructure resilience considered during office relocations:

- When considering office relocations AMS will invest in climate-resilient infrastructure upgrades in flood-prone areas (e.g., Belfast, Krakow, Gdansk) to minimise damage and disruption.

- AMS is discussing with office landlords the possibility of implementing energy-efficient technologies and renewable energy sources in all locations to reduce carbon emissions.

2. Adaptive Work Policies:

- AMS has in place flexible work arrangements and heat stress management programmes during heatwaves to ensure employee well-being and productivity.

3. Supply Chain Diversification:

- Diversifying supplier networks and exploring local sourcing options to reduce dependency on vulnerable regions.

It is likely that if the identified scenarios were to take place, carbon taxes would be introduced. Given AMS' relatively low emissions profile compared to other industries, potential carbon taxes may have a manageable financial impact. However, AMS recognises the need to prepare for regulatory changes and market shifts:

1. Economic Considerations:

- Anticipating the introduction of carbon taxes and integrating these costs into financial planning and operational strategies.
- Exploring opportunities to further reduce emissions and improve energy efficiency to minimise tax liabilities.

2. Industry Positioning:

- Leveraging our sustainability efforts and low emissions profile as a competitive advantage in an evolving regulatory landscape.

Conclusion:

As chronic weather events and regulatory frameworks evolve, our risk management approach will continuously adapt to emerging challenges and opportunities. AMS remains committed to community engagement and proactive climate action to build a resilient future for our business and stakeholders. By integrating resilience strategies, anticipating climate impacts, and preparing for potential carbon taxes, AMS is well-positioned to navigate climate-related risks and contribute to a sustainable, low-carbon economy. We are committed to continuous improvement and collaboration to address climate challenges effectively.

KPIs and Targets

AMS recognises that it is important to offset its carbon emissions whilst on its journey to decarbonisation the following targets have been set in 2023.

Target	Timeline
Carbon Neutral Globally by 2025	Short-term
Achieve UK Carbon Neutral Status in the UK by 2023	Short-term
Identify medium-term opportunities in 2024 to set KPIs for key sustainability milestones	Short-term
Develop Science Based Targets and submit gargets to the SBTi	Short-term
Carbon Neutral by 2050	Long-term

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

Environmental

AMS acknowledges the impact of climate change on its business and is committed to reducing its carbon footprint as analysed in climate-related financial disclosures.

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

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

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

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

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

Social

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

Social Mobility

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

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

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

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

Diversity and Inclusion

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

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

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

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

Health & Safety

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

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

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

Governance

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

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

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

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

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

Employee consultation

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

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

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

	Female	Male	Other	Undisclosed
Directors (Company)	1	4	-	-
Senior Management (bands 6-8)	276	166	-	5
All Workers	5,967	2,123	11	165

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

	Female	Male	Other	Undisclosed
Directors (Company)	1	4	-	-
Senior Management (bands 6-8)	238	169	-	1
All Workers	7.636	2,730	10	26

Disabled Employees

Disability inclusion is a key strategic priority for our business. Our Diversity, Equity, & Belonging (DEIB) Centre of Excellence have a number of dedicated disability initiatives focused on hiring and retaining disabled talent, such as an AMS Accessibility Roadmap to create a clear pathway to an accessible culture of belonging for our disabled colleagues, and a project team focused on compliance with disability hiring quotas across our EMEA regions. We have very active Disability and Neurodiversity Employee Resource Groups, which grew in membership by 62% over 2023, having a key purpose of educating colleagues on barriers experienced by disabled people and how as a business we can adopt inclusive and accessible practices. AMS has a dedicated Disability & Neurodiversity training playlist on its LMS which is regularly updated and it marked global Milestone Moments such as Accessibility Awareness Day and Disability Pride Month (with over 3,000 colleagues participating). In 2023 our Disability & Neurodiversity ERGs won 'Outstanding Disability Network of the Year' at the British Diversity Awards.

Charitable and political contributions

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

Directors

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

Sourcing talent, responsibly

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

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

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

Directors' indemnity arrangements

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

Going concern

As at 31 December 2023, the Group had a cash and cash equivalents (cash net of bank overdrafts) balance of £62.9m and undrawn Confidential Invoice Discounting and Revolving Credit Facilities of £75m. The Group also has a $331.7m term loan facility, which is subject to financial and other covenants. The Board has reviewed the Group's forecasts for the financial year ending 31 December 2024 and the 18-month period to 30 June 2025 and, alongside their 'base case' forecasts, have considered the potential impact of downside scenarios which could possibly result from global economic downturn, the major variable being the impact of this on client volumes.

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

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

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

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

Statement of Compliance with Section 172 of the Companies Act 2006

Throughout the year the directors have performed their duty to promote the success of the Group under section 172, taking into consideration:

- all issues, factors and stakeholders relevant in complying with this section of the Companies Act
- the main methods used to engage with stakeholders & how best to understand and address the issues that concern them
- how the stakeholder issues impact on the company's decisions and strategies during the financial year and in the medium to longer term

The ultimate parent is where the group-wide activities and operation are managed. Reports are regularly made to the ultimate parent company Board by the Executive Committee as to the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interests in decision-making.

Shareholders

The Auxey Holdco Board meets on a regular basis and two of the Directors represent the ultimate & majority shareholder. In addition, the other Auxey Holdco Directors are also shareholders in the Group and as such shareholder interests are well represented at the Board level.

Lenders

We maintain strong relationships with our lender syndicate and provide a quarterly update on all financial aspects of the Group's performance.

Workforce

Our people are key to our success and we want them to thrive both individually and as a team. There are many ways in which we engage with and listen to our people; these include sentiment surveys, listening groups, face-to-face briefings, internal town halls and via our Code of Conduct Helpline. There is also a free of charge 24/7 independent Employee Assistance Programme at the disposal of our employees where they can access help and support on a number of work and personal related topics. Key areas of focus within people engagement include health and wellbeing, career development opportunities, and a regular market review of pay and benefits. Regular feedback about what is important to our employees is fed back to the Board through our MD of People and Culture ensuring consideration is given to their needs. We have a programme of Diversity & Inclusion and Global Citizenship days where we invite a broad range of individuals to present to employees & to stimulate wide ranging conversations & improve awareness.

Customers

Our ambition is to deliver best-in-class service to our customers. We build strong lasting relationships with our customers as evidenced by the long-term nature of our contracts and the high contract renewal rate. We spend considerable time with our customers to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making and product development, for example with the new "Hourly" volume recruitment proposition that we are developing.

Suppliers

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews and we also host regular conferences to bring suppliers and customers together to discuss shared goals and build relationships. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier payment performance, supplier feedback and issues on a regular basis.

Engaging with stakeholders

The success of our business is dependent on the support our stakeholders. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term success.

Our Company comprises a number of industry sector specific business units, all of which have extensive engagement with their own stakeholders and with other business units in the Group. Each business unit is represented on the Executive Committee that meets on a regular basis and this Executive Committee makes decision

s with a long-term view in mind and with the highest standards of conduct. In order to fulfil their duties, the Heads of each business unit and the Executive Committee take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take.

Subsequent events

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

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and

Alexander Mann Group Limited

Directors’ report (continued)

- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

This confirmation is given and should be interpreted with Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

DocuSigned by:

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G Stuart
Director

2 July 2024

Auxey Finco Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Independent auditor's report to the members of Alexander Mann Group Limited

Report on the audit of the financial statements

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Alexander Mann Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit and loss and other comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of changes in cash flow; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions 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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

- Assessing the available financing facilities including nature of facilities, repayment terms and covenants;

Independent auditor's report to the members of Alexander Mann Group Limited (continued)

- Challenging the assumptions used in the forecasts;
- Evaluating the amount of headroom in the forecasts (cash and covenants);
- Performing sensitivity analysis on the management prepared forecasts; and
- Evaluating the sophistication of the model used to prepare the forecasts, testing of the clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by management.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of Alexander Mann Group Limited (continued)

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

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

As a result of performing the above, we identified the greatest potential for fraud in the revenue recognition of permanent placements. In order to respond to these fraud risks, we have tested a sample of permanent placement revenues recognised around the period end to assess whether the performance obligation had been met in the financial year through obtaining and reviewing the terms of the contract and therefore whether it was correct to recognise the revenue.

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

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

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

Independent auditor's report to the members of Alexander Mann Group Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Matt Ward FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

2 July 2024

Alexander Mann Group Limited

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

	Notes	2023 Before exceptional items and amortisation of intangible assets	2023 Exceptional items and amortisation of intangible assets	2023 Statutory result	2022 Before exceptional items and amortisation of intangible assets	2022 Exceptional items and amortisation of intangible assets	2022 Statutory result
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4	559,398	-	559,398	664,556	-	664,556
Cost of sales		(88,876)	-	(88,876)	(154,771)	-	(154,771)
Gross profit		470,522	-	470,522	509,785	-	509,785
Administrative expenses	5	(415,386)	(12,740)	(428,126)	(432,247)	(5,744)	(437,991)
Operating profit / (loss)		55,136	(12,740)	42,396	77,538	(5,744)	71,794
Finance income	6			12,577			6,051
Finance cost	6			(14,851)			(2,021)
Profit before taxation	8			40,122			75,824
Tax charge	9			(11,693)			(16,986)
Profit after taxation for the year				28,429			58,838
Items that may be reclassified subsequently to profit or loss:							
Other comprehensive loss:							
Remeasurement of net defined benefit liabilities				9			63
Tax on net defined benefit liabilities				(22)			
Exchange (loss)/gain on translation of foreign operations				(2,398)			3,073
Exchange loss on translation of goodwill				(1,584)			(1,815)
Total comprehensive income				24,434			60,159

All of the results presented above derive from continuing operations.

Alexander Mann Group Limited

Consolidated statement of financial position
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Goodwill	11	52,526	54,110
Other intangible assets	11	26,943	26,113
Tangible assets	12	4,253	7,264
Right to use assets	13	3,217	4,486
Deferred tax	21	2,509	3,306
Receivable from parent company	19	257,923	-
Capitalised contract implementation costs		2,919	4,556
		350,290	99,835
Current assets			
Trade and other receivables	14	287,294	320,284
Cash at bank and in hand	15	62,879	61,703
		350,173	381,987
Current liabilities	16	(233,724)	(298,830)
Net current assets		116,449	83,157
Total assets less current liabilities		466,739	182,992
Non-current liabilities	17	(267,831)	(10,651)
Provisions for liabilities	22	(5,704)	(3,876)
Net assets		193,204	168,465
Equity			
Share-based payments reserve	25	1,349	-
Foreign currency translation reserve		(3,311)	671
Retained earnings		195,166	167,794
Total Shareholders' funds		193,204	168,465

The financial statements of Alexander Mann Group Limited, registered number 03560679, were approved by the board of directors and authorised for issue on 2 July 2024.

Signed on behalf of the board of directors

DocuSigned by:

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G Stuart
Director

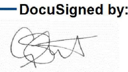
Company statement of financial position
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investment	31	52,718	52,718
Current assets			
Cash at bank and in hand		22	47
		22	47
Current liabilities	16	(7,657)	(15,797)
Net current liabilities		(7,635)	(15,750)
Total assets less current liabilities		45,083	36,968
Non-current liabilities	17	(6,970)	(6,479)
Net assets		38,113	30,489
Equity			
Share capital		-	-
Share premium	25	-	-
Profit and loss account		38,113	30,489
Total equity		38,113	30,489

The company reported £8,668,000 profit after tax for the year ended 31 December 2023 (2022: loss after tax of £399,000). A dividend of £1,044,000 was paid to a parent entity in December 2023 (2022: £nil).
The financial statements of Alexander Mann Group Limited, registered number 03560679, were approved by the board of directors and authorised for issue on 2 July 2024.

Signed on behalf of the board of directors

DocuSigned by:



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G Stuart
Director

Alexander Mann Group Limited

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

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	-	(587)	-	108,893	108,306
Profit for the year	-	-	-	58,838	58,838
Other comprehensive income for the year	-	1,258	-	63	1,321
Total comprehensive income for the year	-	1,258	-	58,901	60,159
At 31 December 2022	-	671	-	167,794	168,465
Income for the year	-	-	1,349	28,429	29,778
Other comprehensive loss for the year	-	(3,982)	-	(13)	(3,995)
Total comprehensive (loss)/income for the year	-	(3,982)	1,349	28,416	25,783
Dividend paid	-	-	-	(1,044)	(1,044)
At 31 December 2023	-	(3,311)	1,349	195,166	193,204

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

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2022	-	30,888	30,888
Total comprehensive loss for the year	-	(399)	(399)
At 31 December 2022	-	30,489	30,489
Total comprehensive profit for the year	-	8,668	8,668
Dividend paid	-	(1,044)	(1,044)
At 31 December 2023	-	38,113	38,113

Alexander Mann Group Limited

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

	Notes	2023 £'000	2022 £'000
Net cash flow from operating activities	26	30,028	33,782
Purchase of intangible fixed assets- software	11	(9,693)	(9,735)
Purchase of tangible fixed assets	12	(969)	(3,676)
Prodeeds on disposal of tangible fixed assets	12	-	4
Cash acquired on acquisition of subsidiary		-	1,818
Acquisition of subsidiary		(805)	(41,437)
Net cash flow used in investing activities		(11,467)	(53,026)
Proceeds from borrowings from banks		261,188	-
Loan to parent company		(261,188)	-
Repayment of borrowings		(653)	-
Repayment of loan		653	-
Lease liability repayment		(2,499)	(2,677)
Dividends paid		(1,044)	-
Net cash flow used in financing activities		(3,543)	(2,677)
Exchange gain on cash and bank balances		(2,111)	153
Net increase/(decrease) in cash and bank balances		12,907	(21,768)
Cash and cash equivalents at the beginning of the financial year		49,972	71,740
Cash and cash equivalents at the end of the financial year	26	62,879	49,972

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

1. General information

Alexander Mann Group Limited (the "Company") is a company incorporated in the United Kingdom. The Company is a private company limited by shares. The address of the Company's registered office is 60 London Wall, 2nd Floor, London, EC2M 5TQ, United Kingdom.

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

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

2. Adoption of new and revised standards

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

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

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

(i) *Other mandatory disclosures*

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

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

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

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

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

Alexander Mann Group Limited

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

3. Accounting policies

Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Accounting Standards in accordance with the Companies Act 2006. IFRS includes the standards and interpretations approved by the International Accounting Standards Board ("IASB") including International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

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

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The Company has taken the exemption for the presentation of a Company only statement of profit and loss and other comprehensive income provided under s408 of the Companies Act.

Going concern

As at 31 December 2023, the Group had a cash and cash equivalents (cash net of bank overdrafts) balance of £62.9m and undrawn Confidential Invoice Discounting and Revolving Credit Facilities of £75m. The Group also has a $331.7m term loan facility, which is subject to financial and other covenants. The Board has reviewed the Group's forecasts for the financial year ending 31 December 2024 and the 18-month period to 30 June 2025 and, alongside their 'base case' forecasts, have considered the potential impact of downside scenarios which could possibly result from global economic downturn, the major variable being the impact of this on client volumes.

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

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

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

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

3. Accounting policies (continued)

Business combinations

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

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration less the fair value of the identifiable tangible and intangible assets and liabilities acquired. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

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

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

Research and development costs initial recognition

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

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

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

3. Accounting policies (continued)

Financial assets and liabilities

Financial assets

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

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

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

Amortised cost and effective interest rate

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

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

The Group policy is to write off a receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. There has been no change in the estimation techniques or significant assumptions made during this reporting year.

Financial assets at fair value through profit and loss

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

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

3. Accounting policies (continued)

Cash and cash equivalents

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

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

Other financial liabilities

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

Fair value measurement

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

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

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

Any differences between the transaction price and the fair value calculated using a valuation technique with unobservable inputs, the Day 1 profit, is amortised over the life of the transaction. Day 1 profit is then recognised in

profit or loss either when realised through settlement or when inputs used to calculate fair value are based on observable prices or rates.

3. Accounting policies (continued)

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

Revenue recognition

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

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

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

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

Performance Obligations Satisfied at a Point in Time

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

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

Performance Obligations Satisfied Over Time

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

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

3. Accounting policies (continued)

Contract costs

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

Tangible fixed assets

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

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

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

Intangible assets

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

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

Impairment of fixed assets and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the group estimates the recoverable amount of the cash-generating units to which the asset belongs.

Borrowings costs

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

Taxation

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

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

3. Accounting policies (continued)

Invoice discounting

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

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

Investments

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

Dividends

Dividends payable

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

Dividends receivable

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

Foreign currency translation

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

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

Finance charges

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

Government grants

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

Exceptional items

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

Provisions

Provisions are recognised when:

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

3. Accounting policies (continued)

- The amount has been reliably estimated

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

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

Onerous contract provision

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

Leases

The Group as a lessee

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

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

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

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

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and

3. Accounting policies (continued)

measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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

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

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

Retirement benefit plans

Defined contribution plan

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

Defined benefit plan

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The Directors do not believe any critical accounting judgements have been made in the preparation of the financial statements.

Key sources of estimation uncertainty

The directors are of the opinion that there is a critical judgement in relation to the assessment of the useful life of other intangible assets, namely brand and customer relationships. The amortisation charge recognised is material (2023: £1.3m; 2022: £0.9m) and therefore any change to the determined useful life of these assets is likely to give rise to a material adjustment.

3. Accounting policies (continued)

Impairment of goodwill

Determining whether the Company's goodwill has been impaired requires estimations of each cash generating unit's (CGU) values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from each CGU and suitable discount rates in order to calculate present values – both of which require significant judgement. The carrying amount of goodwill at the balance sheet date was £52.5m (2022: £54.1m) with no impairment loss recognised in 2023. Details of assumptions made are given in note 11.

4. Revenue

Disaggregation of revenue

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

	2023				2022			
	Revenue £'000	Gross profit £'000	Profit before tax £'000	Net Liabilities £'000	Revenue £'000	Gross profit £'000	Loss before tax £'000	Net Assets £'000
United Kingdom	254,279	230,485	22,043	119,855	269,240	230,849	43,701	104,009
Rest of Europe	69,487	55,061	5,410	16,397	67,331	52,923	5,547	13,097
Asia Pacific	64,084	49,634	3,907	19,737	73,280	47,143	6,980	19,338
America	171,548	135,342	8,762	37,215	254,705	178,870	19,596	32,021
	559,398	470,522	40,122	193,204	664,556	509,785	75,824	168,465

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

	2023 Group £'000	2022 Group £'000
External revenue by timing of revenue		
Services transferred at a point in time	242,932	382,181
Services transferred over time	316,466	282,375
Total revenue	559,398	664,556

Contract balances

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

	2023 Group £'000	2022 Group £'000
Trade receivables	124,255	155,581
Contract costs capitalised	5,982	9,385
Amortisation of contract costs during the year	(4,986)	(4,750)
Contract assets (accrued income)	51,895	69,063
Contract liabilities (deferred income)	(13,292)	(10,493)

4. Revenue (continued)

The contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date on contracts with its customers. The contract assets are transferred to receivables when invoiced. In 2023 accrued income presented within contract assets dropped by **£**17.2m in comparison to previous financial year. Accrued income related to contingent workforce solution increased by **£**6.6m whereas non-contingent income accruals decreased **£**23.8m due to reductions in trading volume and changes in invoicing patterns.

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised on satisfaction of performance obligations.

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

During the course of 2023 the Group incurred £11.4m of costs that are disclosed as "exceptional items" in the statutory accounts (2022: £4.6m).

	£'000	**£'000**
Redundancy and restructuring costs	4,637	1,304
Onerous contracts	2,026	1,417
Professional fees and integration costs in relation to acquisitions	1,678	1,909
Impairment of capitalised contract cost	915	-
Impairment of software asset	2,196	-
	11,452	4,630
Amortisation of intangible assets	1,288	1,114
	12,740	5,744

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

Redundancy and restructuring costs

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

Onerous contracts

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

Professional fees and integration costs in relation to acquisitions

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

Impairment of capitalised contract cost asset

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

Impairment of software asset

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

6. Finance income/charges (net)

	2023	2022
	£'000	£'000
Interest payable and similar charges		
Bank loans and overdrafts	12,581	641
Invoice discounting charges	1,670	871
Amortisation of arrangement fees	47	61
Interest on lease liabilities	404	448
Exchange loss	149	-
	14,851	2,021
Interest receivable and similar income		
Interest receivable	(12,577)	(13)
Exchange gains	-	(6,038)
	(12,577)	(6,051)
Net finance charges/(income)	2,274	(4,030)

7. Directors emoluments and staff costs

	2023	2022
	£'000	£'000
Directors' remuneration	1,722	2,694
Pension contributions	18	42
	1,740	2,736

The number of Directors who were members of money purchase pension schemes was one (2022: four). The accrued pension entitlement is £nil (2022: £nil).

	2023	2022
	No.	No.
Highest paid director	575	1,105
	575	1,105

Staff costs

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

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

Alexander Mann Group Limited

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7. Directors' emoluments and staff costs (continued)

	2023 £'000	2022 £'000
Their aggregate remuneration comprised:		
Wages and salaries	326,084	355,374
Social security costs	34,078	37,424
Other pension costs	10,041	9,299
	370,203	402,097

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

8. Profit before taxation

	2023 £'000	2022 £'000
Profit before taxation is stated after:		
Depreciation of fixed assets	3,831	3,596
Depreciation of right of use assets	1,736	2,512
Amortisation of software	5,523	4,657
Amortisation of capitalised contract implementation costs	4,986	4,750
Amortisation of customers relationships and brand	1,288	924
Share-based payment expense	1,349	-
Government grants (note 30)	(92)	(239)

Analysis of auditor's remuneration is:

	2023 £'000	2022 £'000
Fees payable to company's auditors for audit of company's annual accounts	12	10
Audit of company's subsidiaries	141	192
Audit-related services	10	10
Total audit fees	163	212
Other non-audit services	-	55
Total non-audit services	-	55

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

9. Tax on profit

	2023 £'000	2022 £'000
UK corporation tax - current year	5,022	8,462
Adjustments in relation to prior year	(423)	(80)
UK corporation tax	4,599	8,382
Overseas tax - current year	5,620	10,105
Adjustments in relation to prior year	799	(67)
Current tax charge	11,018	18,420
Deferred tax - current year	30	(1,429)
Adjustments in relation to prior year	626	(6)
Effect of changes in tax rate	19	1
Deferred tax	675	(1,434)
Tax on profit	11,693	16,986

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

	2023 £'000	2022 £'000
Profit before taxation	40,122	75,824
Tax on profit at standard UK CT rate of 23.5% (2022 - 19%)	9,429	14,407
Effects of:		
Adjustments in respect of prior years	1,002	(154)
Disallowed expenses	860	462
Effect of changes in tax rate	19	1
Effect of overseas tax rates	408	2,579
Other adjustments	(27)	4
Deferred tax not recognised	2	(313)
Utilisation of tax losses		
Current tax charge	11,693	16,986

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

10. Profit attributable to Alexander Mann Group Limited

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit after tax for the financial year within the financial statements of the parent company, Alexander Mann Group Limited, was £8,668,000 (2022: loss after tax of £399,000).

11. Intangible assets

Group	Goodwill £'000	Customer Relationships £'000	Brand £'000	Software £'000	Other Intangibles in Total £'000
Cost					
At 1 January 2023	54,110	10,692	3,565	24,015	38,272
Additions for the year	-	-	-	9,693	9,693
Impairment	-	-	-	(2,025)	(2,025)
Foreign currency translation	(1,584)			(73)	(73)
At 31 December 2023	52,526	10,692	3,565	31,610	45,867
Accumulated amortisation					
At 1 January 2023	-	1,100	647	10,412	12,159
Charge for the year	-	855	433	5,523	6,811
Foreign currency translation	-			(40)	(40)
At 31 December 2023	-	1,955	1,080	15,889	18,924
Net book value					
At 31 December 2023	52,526	8,737	2,485	15,721	26,943

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

11. Intangible Assets (continued)

Group	Goodwill £'000	Customer Relationships £'000	Brand £'000	Software £'000	Other Intangibles in Total £'000
Cost					
At 1 January 2022	23,809	6,721	2,796	14,189	23,706
Additions for the year	32,116	3,971	769	9,735	14,475
Foreign currency translation	(1,815)	-	-	91	91
At 31 December 2022	54,110	10,692	3,565	24,015	38,272
Accumulated amortisation					
At 1 January 2022	-	520	303	5,712	6,535
Charge for the year	-	580	344	4,657	5,581
Foreign currency translation	-	-	-	43	43
At 31 December 2022	-	1,100	647	10,412	12,159
Net book value					
At 31 December 2022	54,110	9,592	2,918	13,603	26,113

Goodwill impairment test

The Group performs separate impairment tests for two identified cash generating units ("CGUs") Flexability HR Solutions Private Limited ("Flexibility") and The Up Group ("TUG").

Flexability HR Solutions Private Limited

The FlexAbility goodwill impairment test was based on the 2024 budget and the latest projections for 2025-2028 that had been reviewed and agreed by the board of directors. The Group's WACC was calculated based on the Auxey Holdco limited group cost of equity and cost of debt, using outsourcing / recruitment average betas and resulted in a WACC of 12.4% on a post-tax basis which factored in a small company risk premium of 1.5%. On this basis, the Group's equity value less non-current assets on 31st December 2023 was estimated at £50.3m as compared to net book value of goodwill at that date of £26.0m. A number of downside scenarios were run which reduced the contribution from new wins partially offset by reductions in bonus spend. This resulted in an estimated value of equity at 2023 year-end of £44.8m, which is above the carrying net book value of goodwill at 31 December 2023. On this basis, no impairment of goodwill has been recognised.

The Up Group

The TUG goodwill impairment test was based on the 2024 budget and the latest projections for 2025-2028 that had been reviewed and agreed by the board of directors. The WACC for TUG was calculated using the Alexander Mann Solutions group WACC of 12.4% on a post-tax basis. The long-term growth rate of 2% was applied based on the Bank of England long term growth projections for Organisation of Economic Co-operation and Development ("OECD") member countries. On this basis, the company's equity value less non-current assets on 31 December 2023 was estimated at £24.6m as compared to carrying value of goodwill of £18.2m. A number of downside scenarios were run reducing budgeted EBITDA partially offset by decrease in capital expenditure spend. This resulted in an estimated value of equity at 2023 year-end of £21.6m. On this basis, no impairment of goodwill has been recognised.

Alexander Mann Group Limited

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12. Tangible fixed assets

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

12. Tangible fixed assets (continued)

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

13. Right of use assets

	2023 Leasehold buildings £'000	2022 Leasehold buildings £'000
Cost		
At 1 January	14,859	15,202
Additions	523	1,015
Derecognition	(48)	-
Impairment charge (onerous contract)	-	(1,358)
At 31 December	15,334	14,859
Accumulated depreciation		
At 1 January	10,373	7,856
Foreign currency movement	8	5
Charge for the year	1,736	2,512
At 31 December	12,117	10,373
Net book value		
At 31 December	3,217	4,486

The Group leases buildings and the average lease term is 5 years (2022: 5 years).

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

Alexander Mann Group Limited

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14. Trade and other receivables

	2023 Group £'000	Company £'000	2022 Group £'000	Company £'000
Trade receivables	124,255	-	155,581	-
Amounts owed by parent undertakings	80,506	-	54,569	-
Derivatives (note 18)	1,129	-	1,958	-
Other receivables	5,190	-	15,941	-
Corporation tax recoverable	10,870	-	3,282	-
Accrued income	51,895	-	69,063	-
Prepayments	7,774	-	15,061	-
Receivable from parent company - current (note 19)	2,612	-	-	-
Capitalised contract implementation costs	3,063	-	4,829	-
	287,294	-	320,284	-

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

The Group policy is to write off a trade debtor when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

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

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

Trade receivables can be analysed as follows:

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

14. Trade and other receivables (continued)

Ageing of past due but not impaired receivable:

	2023 Group £'000	2022 Group £'000
Less than 30 days	8,007	9,382
31 to 60 days	1,030	2,187
61 to 90 days	210	945
91 to 120 days	355	724
Above 120 days	(776)	799
	8,826	14,037

15. Cash and bank balances

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

16. Current liabilities

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Derivatives (note 18)	281	-	1,114	-
Trade payables	8,112	-	11,591	-
Bank overdrafts	-	-	11,731	-
Bank Loan - Current liability	2,612		-	-
Amounts due to subsidiary undertakings	-	7,657	-	15,797
Corporation tax	4,097	-	2,977	-
Other taxes and social security	17,394	-	29,994	-
Other payables	2,849	-	5,058	-
Accruals	183,422	-	223,406	-
Deferred income	13,292	-	10,493	-
Lease liabilities (note 23)	1,665	-	2,466	-
	233,724	7,657	298,830	15,797

17. Non-current liabilities

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans (note 20)	257,923	-	-	-
Shareholder loan (note 20)	6,970	6,970	6,479	6,479
Lease liabilities (note 23)	2,906	-	4,140	-
Retirement benefit obligations (note 24)	32	-	32	-
	267,831	6,970	10,651	6,479

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18. Derivative financial instruments

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

	2023 £'000	2022 £'000
Financial assets carried at fair value through profit or loss (FVTPL):		
Forward contracts		
Derivative assets	1,129	1,958
Derivative liabilities	(281)	(1,114)

19. Receivable from parent company

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Non-current assets				
Receivable from parent company	257,923	-	-	-
Current assets				
Receivable from parent company	2,612	-	-	-
Total Receivable	260,535	-	-	-

In August 2023, Auxey BidCo Limited, an intermediate parent entity of the Group, issued $332.5m unsecured loan notes of $1.00 each that a subsidiary group company entered into during the year. These loan notes are subject to the same terms as the external senior term loan facility.

20. Borrowings

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Non-current liabilities				
Bank loans	257,923	-	-	-
Shareholder loan	6,970	6,970	6,479	6,479
Total non-current liabilities	264,893	6,970	6,479	6,479
Current liabilities				
Bank loans	2,612	-	-	-
Total Borrowings	267,505	6,970	6,479	6,479

On 1 December 2020, the Group acquired 100% of the share capital of Rocket Topco Limited. As part of the acquisition, Alexander Mann Group Limited issued unsecured creditor loan notes to its intermediate parent entity, Auxey Bidco Limited in the amount of £5,496,000. The loan carries 9% interest. No repayment date has been set between the intercompany parties.

In August 2023, the Group entered into a senior term loan facility agreement with a syndicate of banks for US$332.5m (2022: US$0m.). The principal of the term loan is amortising and as at 31 December 2023 the senior term loan facility is fully utilised at $331.7m (2022: none). The term loan matures in June 2027.

20. Borrowings (continued)

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

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

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

	2023	
	Group £'000	**Company £'000**
Not later than one year	2,612	-
Later than one year but not later than two years	2,612	-
Later than two years but not later than five years	255,311	-
Later than five years	6,970	6,970
	267,505	6,970

21. Deferred tax

Deferred tax asset

	2023 £'000	**2022 £'000**
At 1 January	3,306	2,019
On acquisition	(59)	16
(Charge)/credit to profit and loss account	(716)	1,271
Charged to OCI	(22)	-
At 31 December	2,509	3,306

	2023 £'000	**2022 £'000**
The amounts of deferred taxation provided at 25% (2022 - 19%) are:		
- Depreciation in excess of capital allowances	177	303
- Other temporary differences	2,332	3,003
Tax losses available	-	-
	2,509	3,306

21. Deferred tax (continued)

Deferred tax liability

	2023	2022
	£'000	£'000
At 1 January	(3,188)	(2,137)
On acquisition	-	(1,214)
Credited to profit and loss account	42	163
At 31 December	(3,146)	(3,188)

	2023	2022
	£'000	£'000
The amounts of deferred taxation provided at 19% (2022 - 19%) are:		
- Fixed assets	(606)	(40)
- Other temporary differences	(2,540)	(3,148)
	(3,146)	(3,188)

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

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

22. Provision for liabilities

Group	Deferred tax liabilities £'000	Dilapidation £'000	Onerous Contract £'000	Total provisions £'000
At 1 January 2022	2,137	634	-	2,771
On acquisition	1,214	-	-	1,214
(Credited) / charged to profit and loss account	(163)	54		(109)
At 31 December 2022	3,188	688	-	3,876
Foreign currency movement	-	(9)	-	(9)
Charged to profit and loss account	(42)	(10)	1,889	1,837
At 31 December 2023	3,146	669	1,889	5,704

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

Alexander Mann Group Limited

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23. Lease liabilities

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

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

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

24. Retirement benefit plans

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

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

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

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

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

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25. Share capital

	2023 £'000	2022 £'000
Allotted, called up and fully paid:		
1 preference share of 0.005p	-	-
199 A ordinary shares of 0.005p each	-	-
	-	-
Share based payment reserve	1,349	-

In 2023 the parent company's D shares included within Senior Strategic, Strategic Contributor Share Offer and Award plans were recorded as a contribution from the parent. In accordance to IFRS 2 Share Based Payments they were considered equity settled and required an adjustment of £1.35m in order to bring them to their fair value. This cost was reported within administrative expenses.

26. Notes to cash flow statement

a. Reconciliation of net cash flow used in operating activities

	2023 £'000	2022 £'000
Operating profit for the year	42,396	71,794
Adjustments for:		
Depreciation and amortisation	17,364	16,540
Disposal of intangible fixed assets	2,025	-
Disposal of tangible fixed assets	181	-
Share-based payment expense	1,349	-
Decrease/(increase) in trade and other receivables	36,122	(68,348)
(Decrease)/increase in trade and other payables	(55,927)	28,009
Financing costs paid	(1,285)	(1,075)
Income tax paid	(12,197)	(13,138)
Net cash flow from operating activities	30,028	33,782

b. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and bank balances	62,879	61,703
Bank overdrafts (see note 16)	-	(11,731)
	62,879	49,972

26. Notes to cash flow statement (continued)

c. Changes in liabilities arising from financing activities

	At 31 December 2022 £'000	Financing cash flow £'000	Exchange movements £'000	Interest accruals £'000	At 31 December 2023 £'000
Borrowings from banks	-	260,535	-	-	260,535
Borrowings from owners	6,479			491	6,970
Loan to parent company	-	(260,535)	-	-	(260,535)
Lease liabilities	6,606	(2,499)	-	464	4,571
Total liabilities from financing activities	13,085	(2,499)	-	955	11,541

27. Financial instruments

Categories of financial instruments

	2023		2022	
	Financial assets £'000	Financial liabilities £'000	Financial assets £'000	Financial liabilities £'000
Group				
Financial assets at fair value through profit or loss	1,129	(281)	1,958	(1,114)
Trade and other receivables excluding prepayments	192,210	-	243,867	-
Cash and cash equivalents	62,879	-	49,972	-
Borrowings	-	(267,505)	-	(6,479)
Trade and other payables	-	(231,723)	-	(284,206)
	256,218	(499,509)	295,797	(291,799)

	2023		2022	
	Financial assets £'000	Financial liabilities £'000	Financial assets £'000	Financial liabilities £'000
Company				
Borrowings	-	(6,970)	-	(6,479)

Fair value estimation

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

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

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For the year ended 31 December 2023

27. Financial instruments (continued)

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial asset at fair value through profit or loss	-	1,129	-	-
Financial liabilities at fair value through profit or loss	-	(281)	-	-

Financial risk management objectives

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

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

28. Ultimate controlling party and related party transactions

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

The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Auxey Holdco Limited. The parent undertaking of the smallest such group is Auxey Finco Limited.

In 2023, the Group charged £23,535 to OMERS Administration Corporation in connection to CRM project support service the payment of which was settled in 2023.

One of the affiliated entities of OMERS, OCM Credit Portfolio Finance II LP ("OCM"), is a member of the lender syndicate which provides funding to the AMS Group by way of senior term loan of US$332.5m (2022: £0m). In 2023, interest payments (before withholding taxes) made to OCM for this facility amounted to US$1.2m (2022: US$ nil). The term loan matures in June 2027.

29. Pension arrangements

The pension cost charge for the current year of £10,041,000 (2022: £9,299,000) represents the amounts payable to defined contribution personal pension schemes.

30. Government grants

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

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

31. Fixed asset investments – Company

	2023	2022
	Company	Company
Subsidiary undertakings	£'000	£'000
Cost and net book value		
At 31 December 2023	52,718	52,718

The Company holds investments in the following subsidiary undertakings:

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

Alexander Mann Group Limited

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31. Fixed asset investments – Company (continued):

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

The principal activity of all trading subsidiaries is the provision of Talent Acquisition and Management Services, usually under long term contracts.

The registered addresses of the subsidiaries above are listed in the appendix to the subsidiary note.

32. Subsequent events

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

Alexander Mann Group Limited

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Appendix – subsidiary undertakings

Subsidiary Undertaking	Registered Address	Country of registration
Alexander Mann Associates Limited	60 London Wall, 2nd Floor, London, EC2M 5TQ	England and Wales
Alexander Mann Solutions Limited	60 London Wall, 2nd Floor, London, EC2M 5TQ	England and Wales
Amiqus Limited	60 London Wall, 2nd Floor, London, EC2M 5TQ	England and Wales
Alexander Mann BPO Limited	60 London Wall, 2nd Floor, London, EC2M 5TQ	England and Wales
Public Sector Resourcing Limited	60 London Wall, 2nd Floor, London, EC2M 5TQ	England and Wales
Alexander Mann Solutions GmbH	Rosenthaler Strasse 43 - 45, 10178 Berlin	Germany
Alexander Mann Solutions APS	Frederiksborggade 15, 1360 Copenhagen, Denmark	Denmark
Alexander Mann Solutions AB	Hälle Lider 2 B, 1 tr, 459 32 Ljungskile, Sweden	Sweden
Alexander Mann Solutions GmbH	Stockerstrasse 12, CH-8002 Zürich Switzerland	Switzerland
Alexander Mann Solutions S.R.L.	Corso Vercelli 40 CAP, 20145 Milano, Italy	Italy
Alexander Mann Solutions Poland Sp. Z.o.o.	Ul. Puszkarska 7f, 30-644, Krakow, Poland	Poland
Alexander Mann Solutions BVBA	Rond Point Schuman 6, Box 5, 1040 Brussels, Belgium	Belgium
Alexander Mann Solutions BV	Joop Geesinkweg 901-999, 1114 AB Amsterdam-Duivendrecht, The Netherlands	Holland
AMS Recruitment Process Outsourcing S.L.	Av. Josep Tarradellas, 123, 9ª planta, 08029, Barcelona	Spain
Alexander Mann Solutions Corporation	1300 E 9th Street. Suite 400, Cleveland, OH, 44114. USA	U.S.A
Alexander Mann CWS LLC	1300 E 9th Street. Suite 400, Cleveland, OH, 44114. USA	U.S.A
Alexander Mann BPO Solutions (Singapore) PTE Limited	63 Robinson Road, Afro-Asia, #08-00, Singapore 068894	Singapore
Alexander Mann Solutions S.A.R.L.	12/14 Rond-Point des Champs-Elysées, 75008, Paris, France	France
Alexander Mann Solutions Private Limited	B2, 402, Marathon Innova, Off Ganpatrao Kadam Marg, Opp Peninsula, Corporate Bank, Lower Parel, Mumbai, India	India
Flexability HR Solutions Private Limited	50, 6th Floor, Awfis Space Solutions, Chowringhee Road, Elgin, Kolkata, Kolkata, West Bengal, 700071	India
Alexander Mann Solutions K.K.	3-18-6 Toyo, Koto-ku, Tokyo, 135-0016, Japan	Japan
AMG Asia Pacific Pty Ltd	Level 27, 101 Collins St, Melbourne, Vic 3000	Australia
Alexander Mann Solutions (HK) Limited	Flat/RM 1108, 11/F Two Chinachem Central 26 Des Voeux Road Central HK	Hong Kong
Alexander Mann Solutions s.r.o.	U Garáží 1611/1, 170 00 Prague 7, Czech Republic	Czech Republic
Alexander Mann Solutions (KFT)	Kálmán Imre utca 1, Budapest, 1054 Hungary	Hungary
Alexander Mann Solutions (Shanghai) Enterprise Management Consulting Ltd	Unit 701, ZRT Tower, No. 20, Lane 1228 Jiangchang Road,Jingan District, Shanghai, 200072	China
Alexander Mann Solutions Inc	1000, rue De La Gauchetière Ouest, Bureau 900, Montréal, QC, Canada H3B 5H4	Canada
Karen HR Inc	1000, rue De La Gauchetière Ouest, Bureau 900, Montréal, QC, Canada H3B 5H4	Canada
Alexander Mann Outsourcing Solutions Limited	Trinity House, Charleston Road, Ranelagh, Dublin 6 DO6, Ireland, C8X4	Ireland
AMS Processo De Recrutamento E Terceirização Ltda	R Jesuino Arruda 797, Andar 10, Itaimi BIBI, CEP 04.532-082, Sao Paulo, UF: SP	Brazil
Alexander Mann Solutions S. De R.L. De C.V.	Insurgentes Sur 1787 Piso 4 Guadalupe Inn Col., Alvaro Obregon, Mexico D.F., 01020	Mexico
Alexander Mann Solutions AS	Vassboten 1, Building 2, Cadastral unit no 67, Sandnes, Norway	Norway
Alexander Mann Solutions BPO Inc.	10F One Ayala East Tower, Ayala Avenue corner EDSA, Makati City	Philippines
Alexander Mann Solutions (Pty) Ltd	West Tower Office, 2nd Floor, Nelson Mandela Square Maude Street, Sandown, Johannesburg, Gauteng 2146	South Africa
AMS Recruitment S.A.(Costa Rica)	Santa Ana, Forum 1, Building E, Second Floor, San Jose, 10903, Costa Rica	Costa Rica
AMS Solutions Services d.o.o.	Radnicka cesta 80, Zagreb	Croatia
AMS Solutions d.o.o. Beograd	Bulevar Zorana DINDICA 64A, Belgrade 11070	Serbia

Subsidiary Undertaking	Registered Address	Country of registration
Rocket TopCo Limited	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales
Rocket AcqCo Limited	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales
Unique Profile Limited	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales
The Up Group Limited	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales
Scale Digital Limited	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales
The Up Group Inc	12th Floor, Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP	England and Wales

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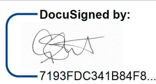
Gordon Stuart samantha.robin-hibbert@weareams.com Chief Financial Officer Alexander Mann Solutions Limited Security Level: Email, Account Authentication (None)	 Signature Adoption: Uploaded Signature Image Using IP Address: 45.90.201.63	Sent: 2/7/2024 | 07:31 Viewed: 2/7/2024 | 07:31 Signed: 2/7/2024 | 07:32

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