



Staffline
Group PLC



**Leading.
Trusted.
Changing
lives.**

Annual Report and Accounts
2024

Company registration number:
05268636



**Staffline is one
of the UK and
Ireland's leading
recruitment
groups.**





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BACK

Strong performance in both Recruitment divisions delivers underlying operating profit of £10.1m, up 40.3% on prior year, and net cash of £9.6m (pre-IFRS 16), up £5.8m.

In February 2025, the Group disposed of PeoplePlus for consideration of £12.0m, of which £2.0m is deferred consideration, and is subject to a deduction of £5.1m for advanced payments received for future revenue. The numbers presented below, including comparatives, are on a continuing basis, excluding PeoplePlus.

Financial Highlights*

Revenue

£992.9m ▲ 14.0%

2023: £871.3m (restated)

Gross sales value**

£1,122.3m ▲ 13.5%

2023: £988.8m (restated)

Gross profit

£70.8m ▲ 10.3%

2023: £64.2m (restated)

Underlying*** operating profit

£10.1m ▲ 40.3%

2023: £7.2m (restated)

Underlying*** EBITDA

£12.5m ▲ 25.0%

2023: £10.0m (restated)

Reported loss after tax

£(8.3)m ▲ £2.7m

2023: £(11.0)m loss

Underlying*** diluted earnings per share

3.1p ▲ 1.1p

2023: 2.0p (restated)

Diluted earnings per share

2.9p ▲ 3.7p

2023: loss (0.8)p (restated)

Pre-IFRS 16 net cash

£9.6m ▲ £5.8m

2023: £3.8m

Net cash

£4.9m ▲ £5.1m

2023: £(0.2)m debt

* All values relate to continuing activities apart from Reported loss after tax.

** Gross sales value represents the value of consideration received or receivable for the supply of services, including agency sales, (excluding fees) net of VAT.

*** Underlying results exclude goodwill impairment, amortisation of intangible assets arising on business combinations, reorganisation costs and other non-underlying charges.

What's inside

Strategic Report

- 1 Financial Highlights
- 2 At a Glance
- 4 Chairman's Statement
- 5 Investment Case
- 6 Chief Executive Officer's Review
- 8 Our Business Model
- 10 Our Strategic Priorities
- 12 Operational Review – Recruitment GB
- 16 Operational Review – Recruitment Ireland
- 18 Operational Review – PeoplePlus
- 20 Financial Review
- 26 ESG Report
- 50 Principal Risks and Uncertainties

Corporate Governance

- 60 Chairman's Introduction
- 62 Our Board
- 64 Corporate Governance Report
- 68 Stakeholder Engagement
- 70 Nominations Committee Report
- 72 Audit Committee Report
- 80 Remuneration Committee Report
- 87 Report of the Directors
- 91 Statement of Directors' Responsibilities
- 92 Independent Auditor's Report

Financial Statements

- 102 Consolidated Statement of Comprehensive Income
- 103 Consolidated Statement of Changes in Equity
- 104 Company Statement of Changes in Equity
- 105 Consolidated and Company Statements of Financial Position
- 106 Consolidated Statement of Cash Flows
- 107 Notes to the Financial Statements
- 140 Staffline Group PLC Unaudited Five-Year Summary of Financial Data
- 141 Company Details

At a Glance

Enabling the future of work.

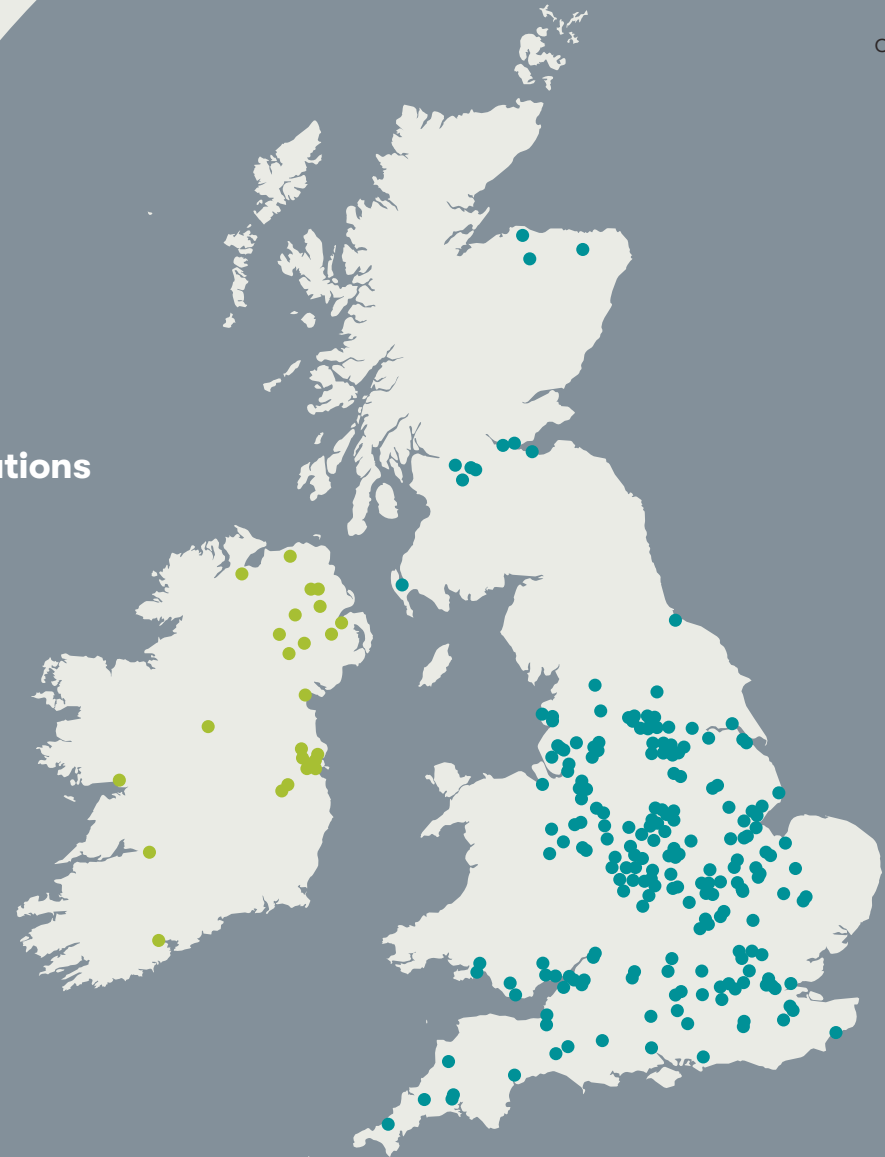
Our purpose.

Enabling the future of work by deploying a highly flexible and skilled workforce.

Our vision.

To be a world-class recruitment group, the clear market leader and trusted partner known for excellent service and integrity, driven forward by digital innovation.

Our locations



Locations

450

- **Recruitment GB:**
customer sites, branches and offices
- **Recruitment Ireland:**
customer sites, branches and offices



NEXT



BACK

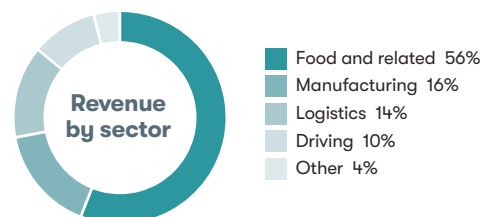
The Group has extensive scale and reach and a proven track record of exceptional delivery.



Recruitment GB is one of the largest recruitment businesses operating across England, Scotland and Wales. It is a market-leading provider of flexible, blue-collar workers supplying an average of c.35,000 staff per day to its customers. It operates from around 400 sites across the UK with sectors including supermarkets and retail, drinks, driving, food processing, logistics and manufacturing. The division's services encompass branches, permanent and contract recruitment, as well as Managed Service Provision and Recruitment Process Outsourcing ("RPO") delivered through its portfolio of brands.

Workers deployed every day (average)

c.35,000



→ For more information on
Recruitment GB see page 12.



Recruitment Ireland is a leading workforce solutions provider with 12 branch locations and 11 Onsite customer locations, all of which operate across multiple industries and supply c.4,500 staff per day on average. Staffline Ireland offers Temporary and Permanent workforce solutions as well as Recruitment Process Outsourcing and Managed Service Provision across the island of Ireland. It services a diverse range of blue-collar and white-collar customers, including within the agri-food sector, the banking and telecoms sectors, and the public sector in both Northern Ireland (where it is the largest employer in the region) and the Republic of Ireland, where it has achieved recent significant new customer wins.

Workers deployed every day (average)

c.4,500



→ For more information on
Recruitment Ireland see page 16.

Chairman's Statement



At Staffline, our core principle is simple: creating value for our clients translates into positive results for our shareholders.

Tom Spain
Chairman



Introduction

I would like to extend my sincere gratitude to our staff and management teams for their outstanding contributions in 2024. Their achievements stem from a combination of skilled expertise, dedication, and the strength of our market position.

Despite operating in a challenging market, our economies of scale and trusted relationships with key customers enabled us to defy the trend. Thanks to the tireless efforts of our people, we increased market share, delivering 14.0% year-on-year revenue growth and a 10.3% increase in gross profit. Our goal for the year ahead is clear: to drive further progress, improve operating profit, and ultimately enhance net profit after tax — a challenging but essential mission.

At Staffline, our core principle is simple: creating value for our clients translates into positive results for our shareholders. As Henry Ford once said, “I hold it is better to sell a large number of cars at a reasonably small margin than to sell a few cars at a large margin of profit.” Replace “sell” with “place” and “cars” with “people,” and you’ll understand our approach.

A strategic focus on value creation

Since joining the Board, we have taken significant steps to strengthen Staffline’s financial position. We have transitioned to a cash-positive business, grown operating profits, sold a non-core asset, and taken a disciplined approach to capital allocation.

Our primary objective is increasing per-share intrinsic value. While short-term results may not always be immediately apparent, our responsibility lies in the long-term value we create.

Intrinsic value is determined by the total future cash flows we expect to return to investors (either directly or through retained earnings), discounted at an appropriate rate. Market volatility often creates discrepancies between price and value. When our shares trade at a significant discount to their intrinsic value, we will act decisively — reducing shares outstanding and increasing each shareholder’s claim on future cash flows. Conversely, when no such discount exists, we will preserve capital and allocate it prudently.

With this disciplined approach in mind, we were pleased to announce a net cash balance (pre-IFRS 16) of £9.6 million at 31 December 2024 (2023: £3.8 million), exceeding expectations. Following the sale of PeoplePlus, we have further strengthened our financial position, enabling us to initiate an initial share buyback programme of up to £7.5 million.

For those interested in a deeper understanding of our capital allocation philosophy, I encourage you to refer to my previous Chairman’s Statement.

Thinking like owners

For a business to be run with an ownership mindset, its leaders must first be significant owners themselves. With a major shareholder at the helm, we are committed to reshaping Staffline’s culture from the top down.

Our strategy is to transform the business into a cash-generating machine rather than a cash-consuming one. Given our inherently thin margins, success requires a relentless focus on efficiency — reducing expenses, improving cost structures, and embedding a culture of financial discipline. Incentives must be aligned with value creation because, as the saying goes: “Show me the incentive, and I will show you the outcome.”

Board changes

I am delighted to announce that Amanda Aldridge, Independent Non-Executive Director, will assume the role of the Senior Independent Director with immediate effect.

Looking ahead

As we navigate the inevitable challenges of 2025 and beyond, I am confident in Staffline’s resilience and ability to seize opportunities, even in a difficult macroeconomic environment.

We are not just a people business; we are a people-focused business—dedicated to matching talented individuals with meaningful employment opportunities. Our enduring relationships with key customers and our ability to secure top-tier contracts demonstrate our ongoing commitment to excellence. We look forward to continuing this momentum in the year ahead.

Thank you for your continued trust.

Tom Spain
Chairman
7 April 2025

Investment Case

A strong platform for growth.

The Staffline Group has been transformed over the past five years with a focus on a robust governance environment, strong finances, close client relationships and flexible and adaptable operational delivery, leaving it well positioned for a prosperous future.

Firm foundations

Market leader

Scale and geographic coverage with the reputation as the quality supplier in the sector

Largest listed blue-collar recruiter

The listing requirements and obligations of regular reporting and transparency ensure a trusted recruitment partner

Blue chip customers

Enviably long-term customer relationships with large brands and strong position in niche markets

Strong finances

Healthy balance sheet and cash generative with defensive sectors such as food and logistics

A prosperous future

Strong cash generation

Cash-generative operating model

Increasing organic and market share growth

Increasing market share will contribute to increased profits and cash generation

Expanding into new markets

Exploring new markets such as Medical in Ireland and high volume permanent recruitment for G+S drives further growth as well as cross-selling opportunities across the Group

Sustainable and consistent profits

Profit generation allows the Group to grow further organically



Chief Executive Officer's Review

Staffline delivered an outstanding trading and cash flow performance across FY 2024, reflecting the resilience of our business model and the exceptional work of our team.



Albert Ellis
Chief Executive Officer



The Group remained focused on delivering across its operational and financial objectives during 2024, ensuring we continue to leverage our market-leading position within the recruitment sector.

Introduction

The Group delivered an outstanding trading and cash flow performance across FY 2024, reflecting the resilience of our organic growth strategy and business model. We continued to strengthen our balance sheet, which enabled us to carry out a £2.5m share buyback programme during FY 2024 and, with the sale of PeoplePlus we are well positioned to continue to deliver growth through our market-leading, recruitment focused Group.

In FY 2024, revenue from our continuing activities (excluding PeoplePlus) grew 14.0% to £992.9m (2023: £871.3m), driven mainly by market share gains across our recruitment divisions. Underlying operating profit was 40.3% higher than last year at £10.1m (2023: £7.2m), exceeding expectations. Cash flow performance was also significantly ahead of market expectations reflecting the strength and resilience of our cash-generative business model. These results were achieved despite a subdued recruitment market and a challenging macroeconomic backdrop.

A 10.3% increase in gross profit was reported as a result of good volumes from key food retailers, increased market share in the logistics sector and an excellent performance in permanent fees despite the widely reported challenges for permanent hires in the wider recruitment sector.

In February 2025, we completed the strategic disposal of the PeoplePlus division for £12m, which includes a deferred consideration of £2m. This followed a successful run of

contract wins. The transaction has enabled us to focus on our pure-play recruitment platform, with greater focus and resources deployed across recruitment activities.

Results for FY 2024 have seen the delivery of almost all of the operational targets set at the end of 2020, after which the Group was recapitalised and the transformation implemented, with Staffline now evolving a number of strategic growth targets.

Strategy

The Group's strategy is to simplify the business model by focusing on organic growth in recruitment and continued market share gains across the UK and Ireland. The leverage our market-leading position within the recruitment sector gives is particularly pertinent during this time of macro uncertainty where scale and reach are key to attracting and retaining customers. The disposal of PeoplePlus sharpens our operational focus on recruitment and has resulted in increased cash resources available to deliver further shareholder value.

Our strategic focus remains constant across FY 2025, namely:

- **Maintain and increase the Group's market-leading positions** by leveraging the Group's scale and reach and experience in delivery to organically grow market share in blue-collar temporary recruitment.
- **Broaden our portfolio** by growing, where appropriate, white-collar and adjacent recruitment activities, including managed services.
- **Continue to invest in the strong economy of the Republic of Ireland** by securing material new contracts and investing in new branches.
- **Increase shareholder returns** whilst maintaining a healthy balance sheet and returning excess cash to shareholders in the form of share buybacks from strong trading cash flows.

A key part of our strategy is ensuring that we remain disciplined in our allocation of capital, with the main objective being to enhance shareholder value. Across FY 2024, we undertook a £2.5m share buyback programme, and in February 2025 launched a further £7.5m share buyback programme. Our strategy provides a solid foundation for continued investment and providing cash returns to shareholders.



NEXT



BACK

Operational review

Recruitment GB

Revenue for the division was up 15.9% compared with 2023. Gross profit increased 9.2% to £56.7m and operating profit at £11.1m was up 29.1% year on year. Operational efficiency, measured by gross profit to operating profit conversion, reached a record 19.6% (2023: 16.6%) increase, and double the conversion achieved in 2020. This was driven by operational gearing, combined with tight overhead cost control.

Hours worked during the December peak outstripped the 2023 peak by 12% and on a full year basis, hours were 10% ahead of FY 2023. Worker headcount grew, peaking at 35,372 workers, with a full year average of 29,151.

Despite weaker like-for-like retail sales and declining demand in many sectors, Recruitment GB's growth continues to be driven by market share gains in third-party outsourcing and large supermarket customers, marking the fifth consecutive year of revenue and gross profit growth for Recruitment GB. Strong volumes from our key food retailers including Tesco, Sainsbury's, Morrisons and Marks & Spencer, combined with strong demand from the logistics sector underpinned the division's performance across 2024.

Significant growth was secured across major retailers, logistics providers, and food manufacturers, with several opportunities won which will continue to progress into 2025. Automotive performed well compared to 2023 but a slow-down in new car sales and reduced production toward the end of the year has resulted in a slightly weaker outlook for 2025 in this market. Logistics saw strong demand post-Black Friday, and supermarkets performed well with improved operating profit due to efficiency measures. Whilst like-for-like demand is expected to be flat or declining in some areas in logistics, customers are indicating increased appetite for greater agency workforce share as part of their strategy to counteract expected headwinds, influenced by changes to employer National Insurance contributions.

Mandates secured with new customer G4S in H1 2024 delivered a 5% growth in permanent recruitment during the year, further expanding our permanent placement service within the sector and reinforcing our strategy to increase our proportion of permanent recruitment.

To further improve efficiency and update the Group's technology advantage, a project to implement performance and security improvements on the main database platform including replacing adjacent finance and payroll remains on track.

Finally, operational and financial stability remain a priority, with ongoing strategic reviews on cost efficiency and system optimisation continuing into 2025.

Recruitment Ireland

In Recruitment Ireland, gross profit increased by 14.6% mainly due to the increase in permanent recruitment with underlying operating profit increasing by 55.6%. Permanent placement fees were up 38% on the prior year due to new customers and expanded HR assessment and consulting services. The previously reported An Garda contract win (Republic of Ireland Police Service) started slower than expected which held back the final result for the year, but is now performing as expected.

A longer-term shift in the mix of services resulted in revenues marginally lower than prior year. This has been the consequence of a successful strategy to focus on higher margin recruitment services particularly in the Republic of Ireland. Investment in increased fee-earning capacity and general office and technology infrastructure was substantially completed during 2024.

This highly creditable performance was set against the backdrop of the wider economic headwinds, weak results reported from peers in the sector, and the power sharing impasse at Stormont persisting during the first half of the year. With power sharing now resolved, we believe this will support demand for recruitment services in Northern Ireland's core public services sector.

PeoplePlus

On 25 February 2025, we announced the sale of PeoplePlus, for cash consideration of £12.0m, which includes £2.0m of deferred consideration and is partially offset by a deduction of £5.1m of advanced payments received in respect of future revenue. PeoplePlus has been an important part of our service offering for a number of years but following our renewed strategic focus on our recruitment divisions, 2025 was an opportune moment to implement this change. Cash proceeds from the disposal will be used for a combination of share buybacks and increasing funding capacity for the Group's successful organic growth strategy.

Looking back at FY 2024, the financial performance of PeoplePlus was slightly ahead of expectations, which were reset at the beginning of 2024. This was mainly as a result of a focus on overheads and restructuring.

Whilst the UK general election created significant uncertainty and delays in PeoplePlus's bid pipeline, an extension to the Restart (employability) contract was secured to 2028. In addition, a c.£49 million agreement to provide education and industry services at the newly built HMP Millsike over a 10-year period, in support of Mitie Care & Custody was secured. Results for the Prison Education Services bid, representing a c.£190m revenue opportunity, remain outstanding.

Board changes

The Group announces that Amanda Aldridge, Independent Non-Executive Director, will assume the role of the Senior Independent Director with immediate effect.

Current trading and outlook

Staffline's recruitment business delivered outstanding results for FY 2024, exceeding expectations in both underlying operating profit and cash flow. The ongoing macroeconomic headwinds particularly affecting permanent recruitment, and the increases in employer National Insurance rates will reduce visibility in the sector as customers continue to respond to the increase in labour costs.

Nevertheless, the recent divestment of PeoplePlus has strengthened the Group's balance sheet, providing additional working capital to support further share buybacks and ongoing organic growth. The Group's focus remains on market share growth and delivering shareholder value. We anticipate continued growth in blue-collar recruitment across Great Britain, driven by good momentum in new business, and sustained demand for essential workforce solutions.

Accordingly, the Board expects trading to remain in line with current management expectations for the year ending 31 December 2025.

Albert Ellis

Chief Executive Officer

7 April 2025

Our Business Model

Delivering recruitment solutions.

Our focus is to make a positive difference to people's lives and to our customers, for whom those people work.



Our drivers of success

Talent

- Succession and leadership
- Talent attraction and retention
- Productivity incentives
- Compensation

Operational excellence

- Focus and simplicity
- Clear leadership
- Organisational design
- KPI reporting

Clients and branding

- Leveraging existing clients
- Focus on growth sectors
- Growing sales pipeline
- Cross-selling

National reach and scale

- Presence across the whole UK
- Onsite and branch network
- 450 locations
- 40,000 workers out each day (average)

Databases, tech and innovation

- Digital transformation
- Cyber security and data management
- Automation and AI
- Technology supply chain

Financial strength

- Strong balance sheet
- Significant financing headroom
- Refinanced with lower costs
- Interest rate hedging



NEXT



BACK

Enabling the future of work.



Delivering sustainable value

Customers

Provide them with high-class specialist recruitment services.

Investors

Strong cash generation driven by consistent profit delivery enabled by strong financing arrangements with significant headroom.

Partners

Working with our partners through the labour supply chain, using workforce deployment technology allowing us to deliver for our customers.

Communities

Contributing to the communities we work within.

Employees

Supportive, inclusive culture where they experience real opportunities for development and a rewarding career.

Suppliers

Seek strong and enduring partnerships on fair terms.

Our Strategic Priorities

Consistent, sustainable growth.

Through its four strategic priorities, Staffline continues to lead the market as a trusted partner in providing flexible workforce solutions.

Broaden portfolio of services

Further expand existing expertise and technology capabilities to grow revenues from higher margin services including permanent recruitment and managed services.

Progress in FY24

Successfully delivered first full year with G4S offering permanent recruitment, Managed Service Provider solution.

Future outlook

Broadening Managed Service Provider offering to current client base.

Capitalise on market leadership

Staffline's recruitment divisions have market-leading positions in the supply of blue-collar temporary workers. Our focus is on taking advantage of our strengthened balance sheet to expand our market share to drive growth.

Progress in FY24

Significantly increased market share with key customers including GXO, Sainsbury's and Tesco.

Future outlook

Continued market share growth with top customers in distribution and food retail supply chain.

Grow in Republic of Ireland

Rol has an attractive recruitment market, allowing us to invest in additional branches and fee-earners. Our priority is expanding our high-margin white-collar recruitment service and retaining existing key public sector contracts in Northern Ireland.

Progress in FY24

Started to deliver our largest contract to date in Rol with the An Garda Síochána, the national police and security service of the Rol.

Future outlook

Increasing varied opportunities in Rol, including expansion of ESB contract.

Drive cash generation to deliver value for shareholders

Continue to strengthen the balance sheet to create ongoing competitive advantage, and, when appropriate, return excess cash to shareholders.

Progress in FY24

Purchased 6.9m shares with £2.5m share buyback programme.

Increased year-end net cash by £5.8m to £9.6m (pre-IFRS 16).

Future outlook

Launched £7.5m share buyback programme in February 2025.



Operational Review

A relentless focus on customer service fuelling market outperformance.



Divisional highlights

- **Customer satisfaction** reached 93% in 2024, a +7% improvement from 2023.
- **Retention** remains outstanding at 95%.
- **Share of available hours** with our top 20 customers has grown exponentially over the past two years. As a result, hours have been in continuous growth every week throughout 2024.

Division revenue

£884.4m



Food and related	56%
Manufacturing	16%
Logistics	14%
Driving	10%
Other	4%



Despite higher than expected inflation and reduced business confidence impacting recruitment, Staffline's unwavering commitment to exceptional service and customer focus has led to market outperformance and sustained growth.

Frank Atkinson
CEO, Recruitment GB

Transforming for sustainable growth: Unlocking potential in the UK recruitment market

Staffline Recruitment GB is undergoing a five-year transformation strategy to drive sustainable growth. Launched in late 2022 and embedded through 2023 and 2024, this strategy has delivered key milestones, including a comprehensive organisational restructure, the launch of a strategic relationship management programme, and a relentless focus on customer service. A core priority has been deepening relationships and increasing our share of hours with existing customers.

While our progress has been remarkable, our journey is far from complete. Over the past two years, we've achieved significant share growth, yet we estimate over £10bn in untapped revenue remains in the industrial temp market. This presents a compelling opportunity to expand further by strengthening current partnerships and forging new ones. Our nationwide service coverage, market-leading solutions, advanced technology, and commitment to compliance excellence will be key drivers of this growth.

Innovation and differentiation driving market leadership

As the UK's largest recruitment solutions partner, innovation and differentiation have been central to our success in 2024. These efforts enable us to build a balanced portfolio, helping us navigate market-specific challenges while enhancing margins.

Looking ahead, we remain focused on unlocking new opportunities, delivering exceptional service, and driving sustainable growth for our clients and business.



Strength of market position and balanced portfolio capitalised

2024 performance

Our focus on organic customer growth initiatives has paid off and has allowed us to outperform market and sector-specific trends, with welcome new site wins in the temporary blue-collar market from both new and existing customers.

The work that began in 2022 on aligning our structure and strategies much more closely to our existing customers, focusing on compliance and service delivery as our USPs, saw hours demand grow significantly across a number of our largest customers and has therefore bolstered our share of the blue-collar temporary recruitment market in 2024.

We have seen success in both sector (such as Aviation and Logistics) and also geographic (examples being the North and the East) growth initiatives, and we have confidence in the near- and long-term outlook in these and other growth priorities.

The growth in hours linked to our customer, sector and geographic focus areas has also been translated into improving profit trends. We have been able to leverage our existing operational footprint and have made deliberate, tactical operational capacity investments where necessary in order to maintain and improve our service levels to further empower our growth agenda.

We have, however, not been entirely immune from the market pressures. Like other businesses in the recruitment sector our permanent recruitment businesses saw a slow down in growth activity, which has stalled during 2024 given the challenging mix of a reduced number of vacancies, candidate shortages and candidate reluctance to move externally into new roles. However, new business wins such as G4S have helped to ensure that unlike the general permanent recruitment marketplace, we have managed to deliver a small YOY increase in Permanent recruitment sales, outperforming 2023 by 5%.

Market context

An industry-wide lowering of demand in recruitment has had a significant impact on the entire sector this year.

Consumer confidence and spending reduced during 2024 given high inflationary pressures, thus reducing customers' recruitment requirements with jobseekers (candidates) more likely to stay in existing roles for job security reasons.

The transition to a new government also delayed many hiring or investment decisions whilst businesses waited for greater certainty and improved market conditions.

Many businesses have also struggled to cope with the increasing costs of finance, in an economy of high interest rates. Elevated interest rates have further dampened market confidence and therefore both temporary and permanent recruitment activity.

Set against the context of these market pressures, the Recruitment GB business's 2024 performance displaying notable YOY growth feels all the more impressive.

Looking ahead to 2025

The economic and political landscape will continue to bring significant challenges to the recruitment sector, and to the UK market.

Business and consumer confidence levels will take time to rebound and improve, and the UK tax regime changes implemented in April 2025 are all but certain to bring heightened challenges to all sectors.

Elevated tax burdens and the associated cost profile increases (particularly with regards to National Insurance) are anticipated to fuel inflation, and to lead to job/vacancy reductions.

The Employment Rights Bill is also expected to adversely impact business confidence and will likely lead to further job and vacancy pressures.

However, despite the notable market pressures we have confidence in being able to further leverage our organic growth strategies. We will firstly see the annualisation benefit of our 2024 growth initiatives, but we also have a promising pipeline of new and existing customer opportunities that we expect to crystallise into further success stories throughout 2025.



Operational Review continued

Sustainability

Staffline remains committed to delivering on our annual environmental objectives. We aim to achieve ISO 14001 (Environmental Management Systems) Standard certification in early 2025, reflecting our dedication to environmental management.

Across our offices in Great Britain, we have established recycling arrangements and are actively collaborating with utility suppliers to transition to renewable energy. As a result, 15 Staffline offices now operate using electricity sourced from renewable energy, and we're continually enhancing the accuracy and breadth of our carbon emissions reporting. For 2024, this includes commuting and home working emissions within our Scope 3 data.

We were proud to receive a "Silver" EcoVadis rating in 2024 for sustainable and ethical business practices, ranking us among the top 15% of companies audited globally. This achievement highlights Staffline's ongoing commitment to sustainability and responsible business practices.



A high-flying Success: Staffline's Aviation division

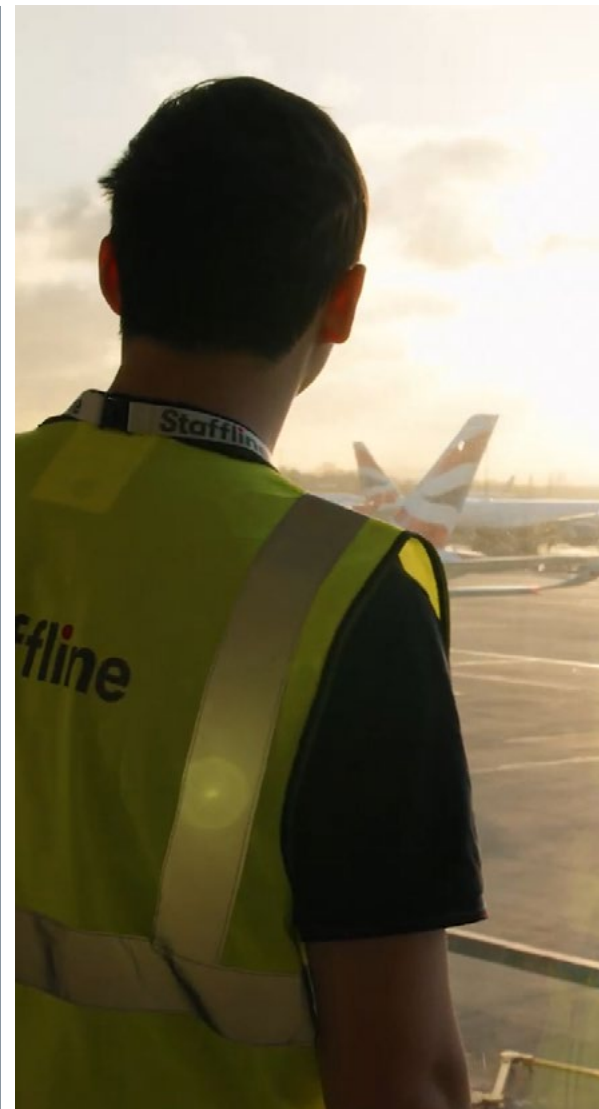
The aviation sector has experienced a robust recovery following the impact of COVID-19, with passenger numbers surging as the industry continues to rebound. This growth presents unique challenges for the highly regulated aviation market, where compliance, governance, and procedural excellence are paramount. As a PLC with deep expertise in these areas, Staffline identified a strategic opportunity to bring its market-leading solutions to this dynamic sector.

In 2022, Staffline launched a dedicated aviation division, combining industry-specific expertise with our proven recruitment capabilities. A specialist team was assembled to design a bespoke operating model tailored to the needs of aviation clients and candidates. Central to this model is an advanced referencing solution, ensuring streamlined compliance and faster time-to-hire. Alongside this, a strong focus on client and candidate care has become a hallmark of the division, earning consistent praise for delivering superior performance, exceeding client benchmarks, and enhancing satisfaction across the board.

Today, the aviation division supports some of the UK's largest and busiest airports, including Heathrow, Gatwick, Bristol, Liverpool, and Luton. By providing scalable people solutions in a challenging, high-demand environment, the division has quickly established itself as a profitable and integral part of Staffline's business.

Looking ahead, the success of the aviation division offers an exciting opportunity to replicate its innovative operating model in other markets. This expansion potential aligns with Staffline's broader strategy to drive growth through differentiation, innovation, and operational excellence.

The aviation division exemplifies Staffline's ability to adapt and deliver in highly regulated and complex industries. It not only underscores the Company's leadership in compliance-led recruitment but also highlights our agility in identifying and capitalising on emerging opportunities, reinforcing our commitment to enabling good work in every sector we serve.



Case study

Enhancing recruitment efficiency: Staffline's G4S partnership success

In partnership with G4S, a leading security and facility services company with a global workforce of 800,000 people, Staffline implemented an innovative outsourcing solution to streamline recruitment. A successful pilot programme demonstrated remarkable improvements in placement rates and time-to-hire, setting the foundation for a transformative, long-term partnership across diverse G4S operations.

G4S, with a £20bn turnover and operations spanning security solutions, care and rehabilitation, cash services, and patient transport is a large global employer. As a key player in highly regulated sectors, G4S faced significant recruitment challenges requiring compliance excellence, streamlined processes, and swift hiring to meet its diverse operational demands.

To address these challenges, Staffline collaborated with G4S to establish an outsourcing team and develop a bespoke recruitment solution. This innovative approach was designed to streamline the hiring process, incorporating secure and accurate checks and references to ensure workers held the necessary accreditations and legal rights to work in regulated industries.

The solution's effectiveness was tested during a 26-week pilot programme, which yielded outstanding results. Placement rates improved by 20%, and time-to-hire was reduced by an impressive 43%. These outcomes underscored the value of Staffline's approach, demonstrating its ability to deliver both operational efficiency and compliance excellence.

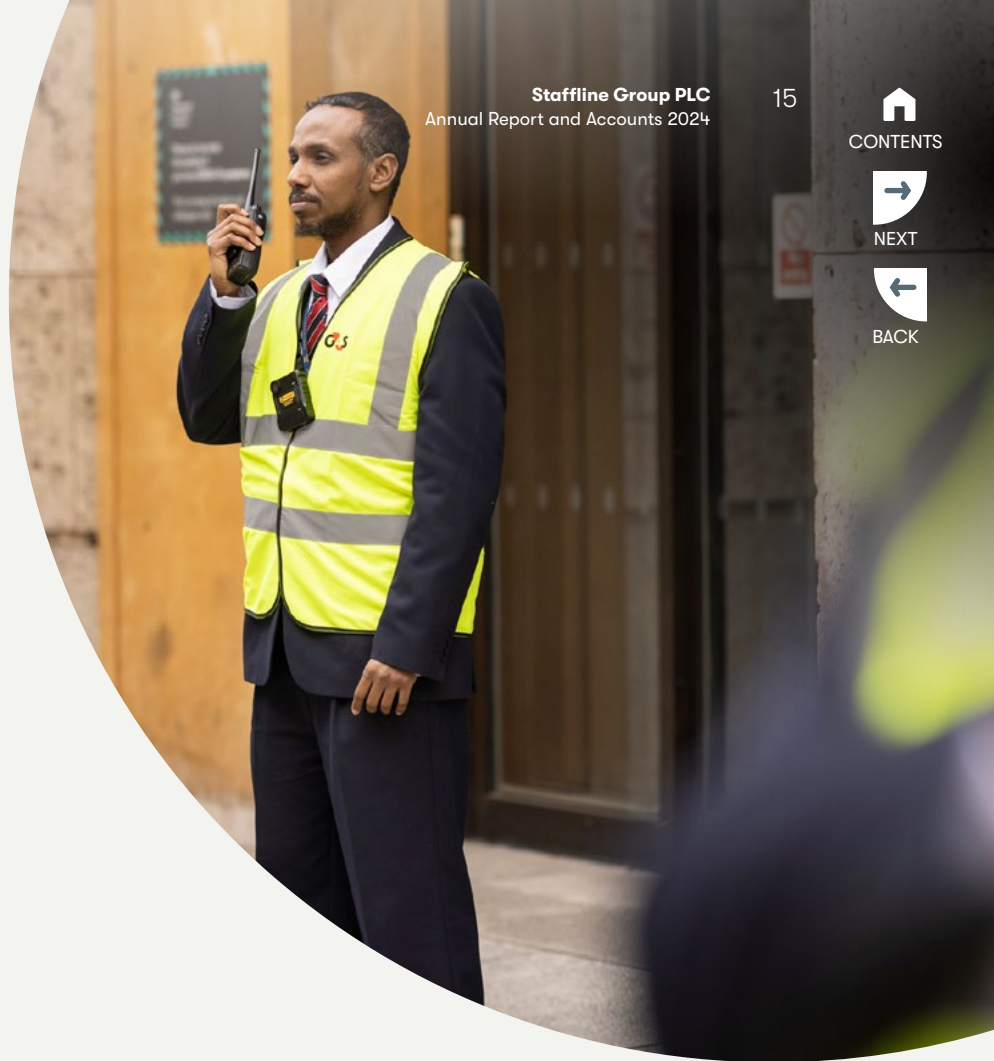
Building on the success of the pilot, Staffline implemented a full outsourcing model, including the TUPE transfer of G4S's in-house recruitment team. This transition has enhanced the partnership further, enabling Staffline to take ownership of end-to-end recruitment processes while maintaining the highest standards of service delivery.

The partnership's success has already sparked further trials across the broader G4S group, with exciting opportunities on the horizon. By delivering measurable results and exceeding expectations, this collaboration exemplifies Staffline's capacity to provide market-leading solutions tailored to client needs.

Looking ahead, the Staffline-G4S partnership is poised to expand, with the potential to revolutionise recruitment across the wider G4S business. Additionally, the success of this model has opened doors for Staffline to offer similar outsourced solutions to other businesses in regulated sectors, showcasing the scalability and impact of this innovative approach.

“

Staffline collaborated with G4S to establish an outsourcing team and develop a bespoke recruitment solution.



Operational Review continued

Ireland delivers strong results with excellent growth and key strategic wins.



Staffline Recruitment Ireland

Divisional highlights

- **Ireland delivered an outstanding performance** this year, with total operating profit up 55.5% to £2.8m and total gross profit up 14.6% to £14.1m. Despite headwinds in the Northern Ireland public sector, our Ireland business was able to maintain consistent revenue at £108.5m for the year.
- **Permanent recruitment** excelled in the year, rising 38.2% (£0.8m), followed by strong growth in our temporary recruitment divisions which returned 9.06% growth with increased margins. Strategic wins in the Republic of Ireland, such as An Garda Síochána and the Electricity Supply Board further underline our success and resilience this year.

Division revenue

£108.5m



	Food and related	38%
	Local government	35%
	Industrial	18%
	Banking	6%
	Other	3%

“

Ireland has had a tremendous year, with a focus on driving growth through strategic expansion in key sectors; positioning Staffline Recruitment Ireland as the leading recruitment agency across the island.

Tina McKenzie MBE

Managing Director, Recruitment Ireland

This year has been defined by strategic growth, innovation and resilience. Amid challenging conditions, we maintained steady revenue of £108m, showcasing our adaptability and focus on key priorities. Central to our success was the record-breaking growth in permanent recruitment across the island which delivered increased gross profit of £0.8m and our focus on temporary margin which delivered £0.9m growth.

Our Republic of Ireland operations continue to thrive, with branch revenue up 14% and on-sites up 9%, highlighting our ability to seize opportunities and deliver value. Alongside this, our Northern Ireland branches achieved an impressive 11% growth, with on-sites growing by 9%, reinforcing the strength of our diversified business model.

Margin enhancement was another critical achievement, with effective management driving a steady increase in temp margins from 9.6% to 10.6%. These gains reflect our strategic focus on sustainable growth, operational efficiency and exceptional service delivery.

This year's results underline our commitment to building a business that is resilient, adaptable and focused on delivering outstanding results for clients and candidates alike. By prioritising permanent recruitment, expanding in the Republic of Ireland and holding firm on pricing despite challenging conditions, we are well positioned to drive further success in the year ahead.

Empowering growth through strategic recruitment, innovation and trusted partnerships

2024 performance

Our financial performance this year reflects resilience, strategic focus and growth. Despite a challenging backdrop, total revenue remained steady at £108.5m, with strong growth across all branches: NI up 11%, Rol up 14%, and Onsites up 9%. Gross profit increased by 14.6% (£1.8m), driven by margin enhancements and exceptional growth in permanent recruitment, which surged 38.2% (£0.8m) and saw RPO rise by 202%. Rol permanent revenue increased by 58% (£0.4m), underpinned by strategic wins including An Garda Síochána and the Electricity Supply Board. Effective margin management saw temp margins increase from 9.6% to 10.6%. These results position us strongly for continued growth and market leadership.

Market context

The current market context presents both challenges and opportunities for our industry. Operating across two jurisdictions gives us a distinct advantage, allowing us to leverage diverse market conditions and regulatory environments. However, legislative changes like the “Good Jobs” Bill in Northern Ireland pose significant threats to the economy and labour market. We are trusted by our clients as thought leaders in the industry, providing market intelligence and supporting them with evolving legislative landscapes. Rising costs of doing business are being strategically addressed through external advocacy and internal cost management, focusing on productivity and profitability.

Despite challenges like rising costs and high economic inactivity, one of Staffline Ireland’s defining strengths is its unique and diverse mix of business offerings, which positions the organisation for long-term growth. From volume blue-collar on-site solutions to high-end roles in Executive Search, an expansive branch network and key public sector contracts in healthcare, policing and leisure; this multifaceted approach shields the business from sector volatility. It also positions Staffline Ireland as a versatile player capable of adapting to changing market conditions without compromising market share, ensuring resilience and readiness for future opportunities.

Looking ahead to 2025

Looking ahead to 2025, our strategic focus centres on continued growth in the Republic of Ireland, expanding into the life sciences sector and scaling our Recruitment Process Outsourcing and Executive Search divisions.

Ireland’s economy remains robust, with domestic growth of 5% in 2023. We aim to increase market penetration by leveraging new management talent to expand our emerging branches.

The life sciences sector, projected to reach €730 billion by 2025, presents a significant opportunity. Employing 40,000 people across Ireland, the sector continues to expand due to access to the EU market, making it a key growth area for us.

Our RPO division’s reputation for excellence underpins ambitious plans for growth, while new talent and updated branding will elevate our Executive Search offering, positioning us as a leader in high-end recruitment.

Sustainability

Staffline Recruitment Ireland is committed to sustainability, embedding environmentally conscious practices across all operations. We prioritise resource efficiency by minimising waste, promoting recycling, and choosing sustainable procurement methods. Recent achievements include reducing paper consumption by over 150,000 sheets annually through digital processes and lowering our commuting carbon footprint by 40% with hybrid working.

Employee and stakeholder engagement is central to our approach, with training and awareness programmes encouraging a culture of environmental responsibility. Our Electric Vehicle policy supports the transition to low-emission transport, with 8% take up so far and plans to expand this initiative further. Additionally, we continue to collaborate with sustainable partners and explore innovations to enhance our environmental impact.

Looking ahead, we are focused on achieving ISO 14001 certification by the end of 2026, enhancing recycling arrangements and implementing improved waste management controls. These efforts reflect our dedication to continuous improvement and to making a meaningful, long-term positive impact on the environment and the communities we serve.

Case study

Trusted recruitment partners to leading organisations throughout Ireland

Our client success stories reflect the positive impact of our partnerships, delivering tailored solutions and exceptional results.

“

We would like to extend our gratitude to Staffline Recruitment for their dedication and professionalism over the past 12 months. In a time when global recruitment demand is at an all-time high, particularly within the dynamic and challenging energy industry, Staffline has contributed to ESB’s success in attracting and acquiring top talent. We look forward to continuing our partnership with Staffline in 2025.”

Contract & Vendor Manager



Operational Review continued

A landmark year for the division, with growth into new sectors.



Divisional highlights

This has been a landmark year for the division, particularly for the Custody division, with growth into new sectors and geographies. PeoplePlus' partnership with Mitie Group plc successfully secured the contract to deliver educational and industry services in HMP Millsike, the UK's largest new build prison and its first "green" all-electric establishment. This marks an initial move into the private sector prisons estate, a market with considerable scope for growth. The division was also awarded the exclusive contract to deliver Education and Wellbeing services across the whole of the Scottish Prisons estate. Alongside the work of PeoplePlus with the Ministry of Justice, where it is the largest independent provider of education and digital prison education services, these wins contributed to a unique and comprehensive presence in the Custody sector.

2024 performance

The streamlined business model across the Custody, Community and Commercial sectors has delivered strong operational performance, solidifying PeoplePlus' market leadership in each of these sectors. This success supports our business development strategy, with bid win rates at their highest since 2018.

The division is the top-performing provider on the Prison Education Framework and Fair Start Scotland contracts and consistently ranks among the top three for Restart Scheme contracts, affirming its position as a leader in these markets. The "Voice of the Customer" strategy has also led it to win new business in the Health & Social Care sector this year.

“

Our consistent track record in performance leadership has driven substantial new business wins

Kenny Boyle
Managing Director, PeoplePlus

Market context

The UK labour market faces significant structural challenges, particularly concerning economic inactivity. In 2024, the economic inactivity rate for those aged 16 to 64 years was 22.2%, with a record 2.82 million people inactive due to long-term sickness. This issue is significantly affected by the rise in mental health problems among younger people and the impact of long-term health conditions.

Economic inactivity has increased sharply post-pandemic, with over 0.5m more inactive individuals aged 16 to 64 than before the COVID pandemic. The rise is not solely due to the this age group as younger age groups, particularly those aged 18 to 24, have also seen significant increases in inactivity. Changes to disability benefits and the high cost of living have exacerbated the problem.

Employers have a crucial role in addressing these challenges by adopting progressive social recruitment policies. By creating inclusive workplaces that support mental health and accommodate long-term health conditions, employers can help reduce economic inactivity. Offering flexible working arrangements, providing mental health resources and actively recruiting from under-represented groups can make a significant difference. Employers' commitment to these practices can create a more resilient and inclusive labour market, benefiting both individuals and the broader economy.



Financial Review

The Group's balance sheet and its significant financing headroom have enabled a strong performance, despite the significant global macroeconomic headwinds.



Daniel Quint
Chief Financial Officer
and Board member
responsible for ESG



Strong performance delivered full year underlying operating profit for the continuing businesses of £10.1m, ahead of market expectations.

Introduction

The Group delivered a strong trading and cash flow performance for the year in both recruitment divisions, against a challenging macroeconomic and market sector backdrop in the UK. Underlying operating profit on continuing activities of £10.1m (2023: £7.2m) was ahead of market expectations and strong cash flow was well ahead of market expectations, resulting in net cash of £9.6m (2023: £3.8m).

The disposal of PeoplePlus, which is described more fully below, led to a write down of its net asset value to the expected consideration after costs. The write down, which amounted to £14.5m, is included within the overall loss on discontinued operations of £12.4m. This item contributed to a reported loss for the year of £8.3m (2023: £11.0m).

Discontinued operation

On 24 February 2025, the Group disposed of its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the whole of the PeoplePlus division. The consideration for the sale was £12.0m, including £2.0m of deferred consideration. The consideration was on a cash free, debt free basis, subject to a deduction of £5.1m of advanced payments received for future revenue. The net proceeds of the disposal (including the deferred consideration) are expected to be £6.9m. The £2.0m of deferred consideration is contingent on the commencement of potential new contracts expected to take place within the next 12 months.

During the year, partly as a result of the general election, the pipeline for new contracts and the timing of tender results stalled considerably, impacting the prospects for the division. As a consequence, recognising a likely downturn in future profitability, an impairment charge of £12.9m was recognised at 30 June 2024. The annual impairment charge was increased to £14.5m based on the expected disposal proceeds.

Negotiations for the disposal had commenced during H2 of 2024 and, accordingly, the division is reported as held for sale in the statement of financial position, and as a discontinued operation in the statement of comprehensive income. Except where otherwise stated, all results disclosed in this review relate to continuing activities and comparatives have been restated where necessary.

Continuing activities

Gross sales for 2024 increased by 13.5% to £1,122.3m (2023: £988.8m) reflecting significant new business growth in the Recruitment GB division. Total revenue for the year of £992.9m (2023: £871.3m) was higher than the previous year by 14.0%.

Gross profit across the recruitment businesses increased by 10.3% to £70.8m (2023: £64.2m), with gross profit margin reducing slightly to 7.1% from 7.4%.

The Group continued to control overhead costs tightly, despite considerable inflationary pressures. This contributed towards underlying operating profit increasing by 40.3% to £10.1m (2023: £7.2m).

Net underlying finance charges were £4.9m (2023: £3.7m), reflecting the ongoing high interest rate environment during the year. The Group's purchase of a 3-year interest rate cap in October 2021, in order to manage its debt financing costs, meant that the impact of the high interest rate was partly mitigated.

The Group has continued to pursue its policy of organic growth with a focus on cost control and tight working capital management, conserving cash reserves, and further strengthening the balance sheet, while also carrying out share buybacks.

The Group ended the year with pre-IFRS 16 net cash of £9.6m (2023: £3.8m), after returning £2.5m to shareholders via a share buyback programme as well as buying shares for the EBT to the value of £1.9m. This means that the Group generated an underlying improvement in net cash of £10.2m.

The Group's balance sheet and its significant financing headroom have enabled a strong performance, despite the significant global macroeconomic headwinds, and remain a strong platform to enable the Group to capitalise on market share growth opportunities.

The Group comprises three trading divisions, namely, Recruitment GB, Recruitment Ireland and PeoplePlus.

Underlying¹ divisional performance – continuing activities

	Recruitment GB 2024 £m	Recruitment Ireland 2024 £m	Group costs 2024 £m	Continuing activities 2024 £m	Discontinued operations 2024 £m	Recruitment GB 2023 £m	Recruitment Ireland 2023 £m	Group costs 2023 £m	Continuing activities 2023 £m	Discontinued operations 2023 £m
Revenue	884.4	108.5	—	992.9	65.6	763.0	108.3	—	871.3	66.9
Year-on-year revenue increase/(decline)	15.9%	0.1%	—	14.0%	(1.9)%	1.5%	(2.1)%	—	10.3%	1.8%
Gross sales value ³	1,013.8	108.5	—	1,122.3	65.6	880.5	108.3	—	988.8	66.9
Year-on-year gross sales value increase	15.1%	0.1%	—	13.5%	(1.9)%	4.5%	(2.1)%	—	3.7%	1.8%
Gross profit	56.7	14.1	—	70.8	17.3	51.9	12.3	—	64.2	16.6
Year-on-year gross profit increase/(decline)	9.2%	14.6%	—	10.3%	4.2%	0.2%	(4.7)%	—	(0.8)%	(4.0)%
Gross profit as a % of revenue	6.4%	13.0%	—	7.1%	26.4%	6.8%	11.4%	—	7.4%	24.8%
Underlying operating profit before tax	11.1	2.8	(3.8)	10.1	1.3	8.6	1.8	(3.2)	7.2	3.1
Underlying operating profit as a % of revenue	1.3%	2.6%	—	1.0%	2.0%	1.1%	1.7%	—	0.8%	4.6%
Underlying operating profit as a % of gross profit	19.6%	19.9%	—	14.3%	7.5%	16.6%	14.6%	—	11.2%	18.7%
Pre-IFRS 16 ² net cash excluding unamortised refinancing costs	—	—	—	9.6	—	—	—	—	3.8	—
Post-IFRS 16 net cash/(debt) excluding unamortised refinancing costs	—	—	—	4.9	—	—	—	—	(0.2)	—

Key performance indicators – continuing activities

	Recruitment GB 2024	Recruitment Ireland 2024	Total Group 2024	Recruitment GB 2023	Recruitment Ireland 2023	Total Group 2023
Hours worked by temporary workers ⁴	45.6m	5.6m	51.2m	41.4m	6.2m	47.6m
Gross profit per fee earner ⁵	£86.6k	£107.2k	£90.0k	£76.5k	£98.8k	£79.9k

Alternative performance measures

¹ Underlying results exclude goodwill impairment, amortisation of intangible assets arising on business combinations, reorganisation costs and other non-underlying charges.

² Presented on a pre-IFRS 16 basis, which excludes lease liabilities, and also excludes refinancing costs.

³ Gross sales value represents the value of consideration received or receivable for the supply of services, including agency sales, (excluding fees) net of VAT.

⁴ Hours worked by temporary workers is the number of hours worked by temporary workers and charged to customers in the year.

⁵ Gross profit per fee earner is the gross profit for the year divided by the average number of operational staff responsible for revenue generation.

Financial Review continued

For management reporting purposes, the Recruitment GB division presents its “gross sales”, which includes sales under agency arrangements. The reporting of gross sales gives an indication of the full level of activity undertaken by the division. This value is adjusted for revenue reporting, in accordance with IFRS 15. The adjustment relative to reported revenue for the Group is as follows:

	2024 £m	2023 £m Restated
Gross sales value	1,122.3	988.8
Agency sales	(129.4)	(117.5)
Revenue as reported	992.9	871.3

Recruitment GB

Revenues in the Recruitment GB division increased by £121.4m to £884.4m. The division benefitted from its strategy of driving organic growth, by the expansion of key strategic partnerships and renewed contracts with key customers during 2023 and in 2024.

Increased gross profit of £56.7m (2023: £51.9m) was accompanied by a gross profit margin reduction to 6.4% (2023: 6.8%), reflecting the sector-wide reduction in permanent recruitment activity. Increases in general pay rates combined with the increase in the National Minimum Wage in April 2024, from £10.42 to £11.44 per hour for over 21s (previously over 23s), do not impact absolute gross profit, as they are passed through to customers, but do negatively impact gross margin percentage achieved.

Gross profit generated from temporary recruitment increased slightly as a proportion of the total to 93.6% (2023: 93.3%), with the remaining 6.4% (2023: 6.7%) of gross profit generated from permanent recruitment. Permanent recruitment fees increased by 5.7% to £3.7m (2023: £3.5m). Hours worked increased by 10.1% to 45.6m (2023: 41.4m), reflecting increased year-over-year supermarket and online retail volumes and new third-party logistics business.

The division’s revenues are traditionally weighted toward the second half of the year due to increased “peak” workload during the run up to Christmas. Revenues in H2 2024 were 16.5% higher than H2 2023 at £491.4m (2023: £421.8m). This was driven by organic growth from contracts won in H2 2023 and H1 2024.

Notwithstanding the combined effect of growth and inflationary pressures, particularly on staff costs, causing an increase in overheads, gross profit to underlying operating profit conversion rate increased from 16.6% to 19.6%. This delivered a 29.1% increase in underlying operating profit to £11.1m (2023: £8.6m).

Recruitment Ireland

Revenues in the Recruitment Ireland division increased slightly to £108.5m (2023: £108.3m), reflecting a stagnant market across the island. Temporary worker hours reduced to 5.6m (2023: 6.2m). This was offset by a 38.1% increase in permanent recruitment fees from £2.1m to £2.9m. Despite the difficulties in the local market, the division achieved a significant improvement in profitability after the reduction experienced in 2023.

Gross profit increased to £14.1m (2023: £12.3m) and gross profit margin increased to 13.0% (2023: 11.4%), in part due to an increase in permanent recruitment income from new customers and expanded HR assessment and consulting services. Gross profit generated from temporary recruitment accounted for 79.5% (2023: 83.2%) of the total, with the remaining 20.5% (2023: 16.8%) of gross profit generated from permanent recruitment.

The division successfully commenced operations on its significant contract with An Garda in the Republic of Ireland, albeit later than expected. Underlying operating profit for the year was £2.8m (2023: £1.8m).

Group costs

Group costs, which include Directors’ remuneration costs, have increased to £3.8m (2023: £3.2m) reflecting previously held back inflationary pressures on all areas of corporate spend and increased bonus provision.

Group result

Underlying operating profit, which was ahead of market expectations, was £10.1m (2023: £7.2m), an increase of 40.3%. Total non-underlying charges on continuing activities before tax, which are described below, were £0.2m before taxation (2023: £5.1m).

The underlying profit before taxation on continuing activities for 2024 was £5.2m (2023: £3.5m) and the underlying profit after tax on continuing activities for the year was £4.3m (2023: £2.7m).

The Group’s reported profit on continuing activities before taxation was £5.0m in the year (2023: loss £2.1m).

Net finance charges

Net underlying finance charges incurred in the year amounted to £4.9m (2023: £3.7m), reflecting the increased overnight SONIA rates averaging c.5.1% in the year. The Group limited its exposure to the interest rate through the use of an interest rate cap, which was purchased in October 2021. This reduced exposure to interest rates above 1% of SONIA is on an aggregated two-thirds of the combined Receivables Finance Agreement (“RFA”) and Customer Financing borrowings. The instrument, which expired on 13 October 2024, delivered receipts totalling £1.3m (2023: £1.9m).

On 20 September 2024, the Group entered into an amortising interest rate collar agreement, comprising a cap element to reduce exposure to a SONIA interest rate above 4.75% and a floor element to pay a fixed rate of 2.51%. The instrument has a term of 5 years effective from 14 October 2024, based on quarterly nominal amounts varying between £39.5m and £62.5m based on forecast borrowings over the term.

Taxation

The total tax charge for the year was £0.9m (2023: credit £0.9m), which relates principally to the movement of deferred tax balances. The estimated current corporation tax liability for the year amounts to £0.2m. Remaining tax losses of £12.1m carried forward in both divisions have been recognised as a deferred tax asset.

The amortisation charge in 2023, relating to intangible assets arising on business combinations and the goodwill impairment charge, which are not deductible under UK corporation tax, have been added back to taxable profits.

Alternative Performance Measures

In the reporting of its financial performance, the Group uses a limited number of alternative performance measures that are not defined under IFRS, the Generally Accepted Accounting Principles ("GAAP") under which the Group reports. The Directors believe that these non-GAAP measures assist with the understanding of the performance of the business and are not given undue prominence in these financial statements. These non-GAAP measures are not a substitute for, or superior to, any IFRS measures of performance, but they have been included as an additional means of comparing performance year on year. The alternative performance measures used are described in Note 3.

Non-underlying items

Non-underlying items of income or expenditure are items that are either non-recurring or of a particular size or nature such that they require separate identification. Non-underlying items are included in total reported results but are excluded from underlying results. Certain items can vary significantly from year to year and therefore create volatility in reported earnings. It should be noted that whilst the amortisation of intangible assets arising on business combinations has been added back, the revenue from those acquisitions has not been eliminated.

Non-underlying charges on continuing activities before tax amounted to £0.2m in the year (2023: £5.1m), which is analysed below.

Non-underlying expenses – continuing activities	2024 £m	2023 £m
Reorganisation, rationalisation and restructuring costs	—	1.8
Strategic consultancy	0.2	—
Amortisation of intangible assets arising on business combinations	—	3.3
	0.2	5.1
Tax credit on above non-underlying expenses	—	(1.2)
	0.2	3.9

During the year the Group incurred costs for strategic consultancy.

In 2023, the Recruitment GB division undertook a reorganisation, rationalisation and restructuring programme in response to the impact of economic and inflationary cost pressures on customers' permanent and temporary worker requirements. The scope of the activities included a reduction in administration headcount, a streamlining of the property portfolio and the consolidation of selected third-party spends.

The charge in 2023 for amortisation of intangible assets arising on business combinations related to the following acquisitions: Vital Recruitment (charge £0.7m: asset was fully amortised by February 2023); Passionate about People (charge of £1.7m: asset was fully amortised by October 2023); and Grafton (charge of £0.9m: asset was fully amortised by June 2023). The intangible assets on business combinations were fully amortised at the end of 2023.

Share buyback programme

On 1 August 2023, the Group announced the launch of a share buyback programme to repurchase Ordinary Shares in the capital of the Company up to an aggregate value of £4.0m. The 12,672,174 Ordinary Shares purchased at an average price of 31.6p, pursuant to the share buyback, were immediately cancelled.

On 4 October 2023, the Group announced the launch of a further share buyback programme to repurchase up to 3,904,598 Ordinary Shares in the capital of the Company. The 3,904,598 Ordinary Shares purchased at an average price of 26.4p, pursuant to the share buyback, were immediately cancelled. As a result of the programmes in 2023, the Company reduced the Ordinary Shares in issue from 165,767,728 to 149,190,956.

On 10 June 2024, the Group announced the launch of a share buyback programme to repurchase Ordinary Shares in the capital of the Company up to an aggregate value of £2.5m. The 6,860,792 Ordinary Shares purchased at an average price of 36.4p, pursuant to the share buyback were immediately cancelled. As a result of this programme, the Company reduced the Ordinary Shares in issue from 149,190,956 to 142,330,164.

The share buybacks were operated in accordance with the terms of the Company's general authority to repurchase Ordinary Shares granted by shareholders at its Annual General Meetings, held on 12 June 2023 and 22 May 2024.

	2024 £m	2023 £m
Cash at bank	14.6	13.3
Undrawn receivables finance facility agreement	61.3	49.1
Banking facility headroom	75.9	62.4

Working capital financing

The Group manages its working capital requirements using a Receivables Finance Agreement, and a number of separate, non-recourse, customer financing arrangements whereby specific customers' invoices are settled in advance of their normal settlement date via a funding intermediary.

The RFA leverages the Group's trade receivables with sufficient headroom and flexibility to manage the variability and size of weekly cash outflows. The key terms of the facility are set out below:

- i) maximum receivables financing facility of £60.0m (previously £90.0m) over a four-year term, with a one-year extension option;
- ii) an Accordion option of up to an additional £20.0m (previously £15.0m), subject to lender approval;
- iii) security on all of the assets and undertakings of the Company and certain subsidiary undertakings;
- iv) interest accruing at a maximum of 2.25% (previously 2.75%) over SONIA, with a margin ratchet downward to 1.5% (previously 2.0%), dependent upon the Group's leverage reducing to less than 1.00x;
- v) a non-utilisation fee of 0.35% (previously 0.7% during 2023);
- vi) maximum net debt (averaged over a rolling three months) to EBITDA leverage covenant of 4.0x; and
- vii) minimum interest cover covenant of 2.25x the last 12 months EBITDA to finance charges.

The balance outstanding on the RFA at 31 December 2024 was £5.0m (2023: £9.5m).

The balance funded under the customer financing arrangements at 31 December 2024 was £74.1m (2023: £63.1m).

Dividends

The Board is not proposing a final dividend payment for 2024 (2023: £nil).

Going concern

For the period to 31 December 2026, the Group's cash flow forecasts indicate ongoing headroom in the RFA and also full compliance with the financial covenants contained therein. The Group has sufficient day-to-day liquidity to ensure that short-term liabilities can be satisfied as and when they fall due.

The financial statements have been prepared on a going concern basis. The Directors have reviewed this basis and have made full disclosure in Note 3, concluding that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Daniel Quint

Chief Financial Officer

7 April 2025



ESG Report

Our commitment to supporting people and communities and the related environmental, social and governance responsibilities is integral to our business.



Daniel Quint
Chief Financial Officer
and Board member
responsible for ESG

Staffline
Recruitment GB

People placed
into good work

c.98,700

PeoplePlus
skills for growth

3,846

New job starts
through Restart

CO2 emissions*
year on year

↓54.8%

* Scope 1 and Scope 2 emissions only

Welcome to Staffline's 2024 ESG Report.

Staffline recognises the value of Environmental, Social and Governance (“ESG”) matters and their importance to delivering our purpose of putting people into good work.

As a business focused on recruitment and employability training we played a pivotal role in changing lives and empowering communities in 2024.

Given the size of our business, it is important that the Group provides leadership and sets an example in operating sustainably, not only in the corporate space but also more widely as an organisation of influence in society and in our communities. The clear commitments outlined in this report, which are overseen by our ESG Committee, seek to align with the ambitions of our partners and stakeholders, many of whom are also leading by example in the ESG space.

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Our focus is to make a positive difference to people's lives and deliver social value to the communities in which we operate.

Our approach.

Our purpose drives our activities. As a major recruiter and training provider across multiple sectors, we played a crucial role in both preparing people for employment and connecting them to suitable opportunities, supporting local communities and wider society.



Our strategy.

Our sustainability strategy sets out how we deliver against our responsibilities and is based around four key pillars, covering environmental, social and governance issues.

1 Making a positive difference to people and society

Our key focus and the area where the greatest positive impact can be delivered.

Developing skills and delivering training and support services transforms lives, including those of people from disadvantaged backgrounds, helping to unlock potential, improve people's prospects and get them into fulfilling jobs.

- Providing good work
- Delivering employability and skills training
- Community engagement
- Social Recruitment Advocacy Group

2 Supporting and developing our people

We share a commitment to changing and improving the working lives of our people every day.

We invest in all stages of the employee journey, driving a high-performance mindset through effectively engaging our people whilst supporting and creating a sense of belonging.

- Wellbeing
- Training, development and reward
- Diversity, equity, inclusion and belonging ("DEIB")
- Health and safety

3 Reducing our environmental impact

We place great importance on seeking to minimise our environmental impact and we recognise that our environmental responsibilities are integral to our business.

- Monitoring energy use and carbon emissions
- Carbon offsetting activities
- Compliance with environmental reporting requirements including the Task Force on Climate-related Financial Disclosures ("TCFD")

4 Doing business in a responsible way

Sound governance and doing business in a responsible way are fundamental to the way the Group operates.

Overseen and guided by our ESG Committee, we aim to demonstrate these responsibilities within our corporate policies and through our actions as a business and as individuals.

- Governance
- Regulatory compliance
- High ethical standards

ESG Report continued

1

Making a positive difference to people and society.

At PeoplePlus, we leverage our expertise in employability and skills training to make a meaningful impact on individuals, communities and society as a whole. By partnering with government bodies, employers and local organisations, we support individuals in securing sustainable employment while helping businesses to address workforce needs in a socially responsible way.

514
volunteering
days used by
PeoplePlus
employees
in 2024

Through tailored training and employability programmes, we enable people to build their capabilities and sustain employment. This includes working with businesses to develop inclusive hiring practices that promote equity and social value.

In the past year, we have supported c.5,000 individuals into employment through our employability programmes and the Social Recruitment Framework. Within the prison education system, we enabled over 12,300 learners to start or progress their educational journeys in 2024, delivering c.22,100 qualifications at a 93% success rate. These courses equip individuals with essential literacy, numeracy and vocational skills, preparing them for meaningful work upon release.

With more than 30 years' experience working to address disadvantage and tackle the root causes of worklessness, PeoplePlus is committed to delivering social value within local communities and embedding socially responsible practices across our services. As experts in social value creation, PeoplePlus seeks to bring knowledge and expertise to the businesses we work with in order to genuinely influence societal change.

The Social Recruitment Covenant



The Social Recruitment Covenant encourages employers to publicly commit to inclusive recruitment, training and employment practices. By focusing on individuals who have faced disadvantage in the labour market, such as young people not in education, employment or training (“NEETs”), unpaid carers, single parents, the long-term unemployed, ex-offenders and people with disabilities, the Covenant aims to reduce economic inactivity and promote social mobility across the UK.

By signing the Covenant, organisations commit to adopting recruitment and employment practices that help individuals overcome barriers endemic in traditional hiring processes. This commitment not only benefits individuals but also strengthens local economies by building a more diverse and resilient workforce.

The Social Recruitment Covenant was officially launched at Westminster’s Portcullis House in November 2024. Over 150 employers, government ministers and MPs attended the event, with major organisations like Lidl, Amey and Openreach among the first 100 signatories. In attendance was the Minister for Employment, the Rt Hon Alison McGovern MP, who highlighted the Covenant’s role in promoting social mobility, noting that workplaces are crucial for personal development. Partners, individuals and employers including Lidl also shared their experiences of inclusive hiring practices.

For further information about the Social Recruitment Covenant or to book a discussion please click on the link below:
<https://peopleplus.co.uk/socialrecruitmentcovenant>



Top: Members of the SRAG attending the launch of the Social Recruitment Covenant in Parliament

Bottom: SRAG Chair the Rt Hon Anne Milton, Minister for Employment the Rt Hon Alison McGovern and PeoplePlus Group MD Kenny Boyle



ESG Report continued

Social Recruitment Advocacy Group

Creating real, scalable social value

We recognise that meaningful social change cannot be achieved by one organisation acting alone. It requires collective effort and the support of our expert partners, bringing together the best from the public, private and third sectors to drive societal change across the UK.

This ethos of driving change led to the creation of the Social Recruitment Advocacy Group ("SRAG"), a multi-partner, multi-sectoral group addressing barriers to employment. The SRAG helps employers meet their recruitment needs by tapping into "new" talent pools that have been consistently overlooked in the employment market. Members of the SRAG including Lidl, G4S, Milestone, Ikea and Mitie benefit from a number of social value creation services, including the SRAG's strategic partner network of charities and not-for-profit organisations. We enable partnerships that drive transformation across the whole SRAG community, with the specialist skills and services that will make their goals a reality. Ride Tandem, AAE, RNIB and Springpod are just a few of our partners.

Members attend monthly "Lunch and Learn" sessions hosted by our strategic partners covering topics which include Supporting Refugees into Meaningful Work; Managing the Risks of Modern Slavery; Racial Awareness; Unpaid Carers; and Employing Prison Leavers. All these sessions are recorded and shared in our member-only portal.

SRAG members are also invited to visit prisons in which PeoplePlus provides education services to see the real challenges faced by people in prison and encourage them to think laterally about what further opportunities they can offer to both current prisoners and those who have already been released and are seeking employment. Visits to HMP Ranby,

HMP Stocken and HMP Nottingham allowed employers to identify potential collaborations, such as sponsoring industry workshops, offering interview preparation and conducting real or mock job interviews, which will help prisoners prepare for the modern job market.



To find out more
about SRAG
please scan here



As a recognised inclusive employer it has been critical to us, both culturally and operationally, to develop hiring practices that remove barriers and provide opportunities for those furthest from the labour market. Being part of the Social Recruitment Advocacy Group has provided wonderful insights from across industries and enabled Milestone to fast-track our initiatives and provide employment where we work."

Head of Social Value, Milestone Infrastructure



Devolution

Given the widespread demand from local government, we are deploying regional versions of the SRF and SRAG. These regional models enable PeoplePlus to support local government efforts and integrate employment and skills services to meet local needs. By focusing on critical skills and employability gaps, matching funding and aligning with local strategic plans and economic and social priorities, we ensure a targeted, demand-driven approach supporting a fairer, more equitable workforce.

This devolved strategy will help national employers link effectively into local communities, allowing for inclusive regional recruitment across multiple areas of operation. Using the SRF model, by connecting the best training providers to meet regional priorities and help underserved demographics, we ensure that employer demand is at the heart of skills funding, reducing the likelihood of supply-led solutions and bringing socio-economic benefits to all.

In Scotland we are already supporting the Community Wealth Building Agenda, having met with the Minister for Employment and Investment, to discuss the importance of moving disadvantaged and disabled individuals into the workforce. This highlighted how social value and community wealth play a crucial role in making these initiatives successful.



PeoplePlus colleagues and Scottish Minister for Employment and Investment, Tom Arthur

Case study

The Social Recruitment Framework and Lidl



The Social Recruitment Framework (“SRF”) is one of PeoplePlus’ most successful initiatives and uses a straightforward approach: starting with the available jobs and working backwards, filling them with those most in need of support in the labour market. By identifying where employers need to recruit then collaborating with our network of training providers across the UK, job seekers are equipped with the skills required to fill real vacancies. Viewing other training providers not as competitors but as partners, the SRF connects employers with multiple providers and funding sources across the UK. Through a robust network now comprising hundreds of organisations, we have created a platform for meaningful change, sharing best practice and leading initiatives that showcase how organisations can create real social value.

Lidl has been working with PeoplePlus since 2022; they are on the SRF network, are a member of the Social Recruitment Advocacy Group and are one of the founding signatories of the Covenant. A relationship that originally started locally, enabling participants on the Restart Scheme in the Kent area to find work in their local stores, it has grown nationally, securing work for more than 50 people all across the country. By joining the SRF, Lidl has been able to advertise hundreds of vacancies across our training provider network and in turn employ many people who may have been previously overlooked in the jobs market. By rolling the opportunities out region by region, Lidl has perfected their approach demonstrating best practise and achieving high levels of retention.

Further cementing our relationship, Lidl hosted the SRAG Q4 Summit in November 2024 at their head office.



Top: SRAG panel discussion
Above: Lidl GB receiving the SRAG Gold Charter Mark
Top right: SRAG members at Q4 Summit

“

Through a national rollout of our partnership with PeoplePlus, in 2024 we have recruited over 50 individuals who had been unemployed for over six months. These colleagues have added immense value to their teams and have shown commitment to their roles, evidenced through retention rates. This success story motivates us to build upon and grow our partnership in 2025.

Recruitment Manager, Lidl GB



ESG Report continued

2

Supporting and developing our people.

Our commitment to improving the working lives of our people is ongoing. Our values, as demonstrated by everyone across the Group, drive a high-performance culture by consistently engaging and developing our people while creating and maintaining a sense of inclusivity and belonging.

Promotions
139
awarded in
the year

Apprenticeships
48
completed in
the year

Training
c6,000
hours recorded
by Recruitment
Ireland

We listen, act and support.

Engagement with our people is at the heart of what we do in Staffline. Employees' and workers' views are critical as we seek to retain the best people in the right roles and ultimately to deliver successful, sustainable growth throughout our business. Recruitment GB, Recruitment Ireland and PeoplePlus have all conducted their annual engagement surveys. The results included:

Recruitment GB:

- 77.2% of employees feel happy to work for Staffline Recruitment GB
- 71% of employees would recommend Staffline Recruitment GB as a great place to work

Recruitment Ireland:

- 91% of employees feel happy to work for Staffline Recruitment Ireland
- 92% of employees would recommend Staffline Recruitment Ireland as an employer

PeoplePlus:

- 92% of colleagues agreed that PeoplePlus has a positive impact on society

Listening is only one part of engagement, with action on feedback being essential. New practices that have been implemented during 2024 in response to the surveys include:

- Making healthcare, medical and mental wellbeing support more accessible to our employees in real time through the promotion of wellbeing apps including articles, videos and live fitness classes, nutritional advice and recipes and access to retailer discounts and GP consultations.
- Introducing an Electric Vehicle Salary Sacrifice Scheme in PeoplePlus and for Northern Ireland employees of Recruitment Ireland, resulting in significant savings for employees and contributing to a cleaner environment. These schemes sit alongside a salary sacrifice scheme in Recruitment GB that offers hybrid and electric vehicles as well as petrol and diesel-engined models.
- Establishing a new, improved Staffline Intranet in Recruitment GB and Recruitment Ireland with dedicated "hubs" to improve communication and access to information.
- Rolling out a holiday purchase scheme to cover the whole Group, giving our people the flexibility to purchase more annual leave days to suit their work/life balance and wellbeing.
- Increasing senior team visibility across sites, including leadership lunches, corporate welcome days, site visits and quarterly town hall communication events.
- Hosting a variety of leadership engagement events across the Group, including annual conferences and a "Planning for Peak" event.
- Working with our Engagement Representatives to co-create action plans that drive improvement.

Our people belong.

We aim to be as diverse as the stakeholders we serve and we know that our commitment to inclusion, diversity and belonging is welcomed by our customers, candidates and employees.

This is not a separate strategy or a statement of intent, but is woven through every facet of our business: It is simply **“Who we are”**.

Employee gender split (Group-wide, excluding Board)

62%

female

38%

male

Number of women in senior positions

58

divisional Senior Leadership Team members and their female direct reports

We are committed to three things:

- 1 Raising awareness:** We are committed to increasing awareness of diversity, equity, inclusion and belonging matters across the business.
- 2 Constantly evolving:** Through effective policy change and the introduction of new initiatives and benefits, we strive to create a more inclusive culture for our people.
- 3 Supporting the communities in which we operate:** We are passionate about working alongside our communities and customers that are aligned to our purpose, and delivering more together.

Raising awareness

Over the last year, through national campaigns, employee development and senior leadership sponsorship we have continued to increase awareness of DEIB matters across the Group, highlighting specific themes and bringing people together to discuss relevant topics.

The many examples of how we have done this include:

Menopause: Bringing women and men together to talk about menopause and sharing of symptoms to raise awareness, educate and start conversations. A Menopause Support Group was created in PeoplePlus during the year to encourage women to come together to talk about their experiences.

Neurodiversity: Using the national awareness weeks, we invited employees to join a live event with our wellbeing partner, Benenden Health. We have also created a Neurodiversity Guide to support managers and employees, as well as a support group “Accessibility for All”.

Ethnicity and nationality: Whether it is Black History Month or other more generic campaign topics such as communication, we encourage all our colleagues to showcase their cultures and raise awareness of what it might be like to work in an organisation where English isn’t someone’s first language, or where they may be unrepresented within their teams or in society. In 2024, we held employee panels during Black History Month where employees talked about their experience of living/moving to the UK and in our communication campaign employees talked about their experiences of working in an English-speaking organisation when this isn’t their first language.

Men’s health: Working with our wellbeing partners, the team in Recruitment Ireland used November to feature insights on this topic from wellbeing consultants and contributors. Resources made available to our employees included expert articles; nutrition and fitness advice; mental health support and guidance on how to deal with feelings of isolation.

Other examples of support groups set up in 2024 include groups for unpaid carers, veterans and a committee of DEIB champions.

ESG Report continued**Constantly evolving**

Standing still in an ever-changing world is not an option for any organisation that wants to thrive rather than simply survive. Awareness is only one part of the journey; taking action to improve our policies, benefits and work environment is key to demonstrating our commitment to create a more inclusive culture.

Policy change is one part of our evolution and in 2024 we have introduced new or extended policies including:

- Worker Protection Act: Proactive prevention of sexual harassment.
- Domestic violence leave.
- Whistle-blowing changes.
- Safeguarding for customers and colleagues.
- Prevention of bullying and harassment.

Benefits are also evolving in line with our employees' requirements and expectations. Listening to and acting on feedback from our employees covering a wide range of topics and doing more to support our environment plays a key part. During 2024, PeoplePlus introduced an electric vehicle lease scheme for employees and Recruitment Ireland introduced a scheme for Northern Ireland employees offering hybrid and electric vehicles. These schemes sit alongside the existing scheme in Recruitment GB, which offers hybrid and electric vehicles as well as petrol and diesel-engined models.

Supporting the communities in which we operate

As in previous years, Staffline continues to be committed to supporting the communities in which it operates by volunteering and/or raising money for charities. All our employees are given a day in the community where they are encouraged to share their time and knowledge with our chosen charities and community groups. Here are some of the highlights from 2024:

- Supporting students from schools to FE colleges with mock interviews.
- Auctioning prisoners' artwork to raise funds for various charities.
- Proactively partnering with local Job Centres and Benefits Offices to deliver talks for jobseekers, jobs fairs, advice for economically inactive people who face barriers to employment and talks for career coaches.
- Actively supporting and organising local Chamber of Commerce events, for example Christmas toy appeals and local food bank collection points.
- Sharing current recruitment insights for local business communities supporting women back to work, partnering with local mums' groups to assist mothers back into the workplace via guidance on employers' expectations in the current marketplace.
- Working with Tesco, a Recruitment GB team supported their chosen charity by walking the Yorkshire Three Peaks to raise awareness and funds.

Case study

Listening and acting on feedback from surveys

Senior leadership visibility:

One of the statements in our employee engagement survey is:

“

I genuinely feel the Staffline leadership team are connecting more with the people that work here.

Across the whole Group, we have made a conscious effort to increase the visibility and connectivity of our senior leaders with our employees.

Within Recruitment Ireland and PeoplePlus this included introducing a Senior Leadership Welcome Session for all our new joiners and in Recruitment GB we have introduced Leadership Lunches, where the CEO and one other leader invite up to 12 employees to join them for lunch. Employees who have been promoted, passed their probation, have received a STARS award or have been identified as having high potential are eligible. Every member of the Senior Leadership Team also spent a minimum of two days in December visiting operational sites across the business in support of our peak efforts.

Finally, Recruitment Ireland held a successful Annual Management Conference in October, during which our managers shared presentations on their respective businesses; actions taken following the most recent survey feedback; creating connections and learning together; and celebrating progress while planning ahead for 2025. Attendees agreed that they left with clear understanding of the business strategy and feeling energised for the coming year.



Leadership Lunch with Sarah White,
People & Culture Director

Case study

Recruitment Ireland electric vehicle scheme

“

Before I joined the EV scheme I had to car share. The Scheme has given me my own vehicle for travelling to and from work, school pick-ups and endless sports activities for my children without any of the hassle of arranging alternative collection/drop offs.

I had excellent support from our HR team and current EV scheme members in the business who offered their guidance to help me choose the best car to meet my needs. The application process was so quick – I chose a car and picked it up less than 6 weeks from application with great communication from the car dealership.

I was spending a lot to maintain my previous car due to its age and condition, so not only am I being more eco-friendly and reducing my carbon footprint but I'm also saving money through avoiding the hassle of renewing my insurance and tax each year and using salary sacrifice to make further savings, leaving me free to focus on other aspects of my work and home life.

Coleen Lavery
Senior Talent Acquisition
Specialist



ESG Report continued

Case study

Have Your Say

Staffline Recruitment GB's worker engagement story

Staffline Recruitment GB's focus on experience and engagement is not just for our employees, it extends to our workers too.

Five years ago, Staffline launched "Have Your Say", a worker experience platform that enables thousands of workers to have their say on their personal experience of working for Staffline. Since then more than 100,000 workers have provided us with over 500,000 unique survey responses that comprise a treasure trove of information. Working in partnership with our customers we monitor feedback and continually improve approaches and processes to create a better worker experience.

Looking at the data throughout 2023 and into 2024 several key trends are still at play:

- 1 **"Type of work" is key for flexible workers.**
- 2 **"Happiness" is translating into lower attrition levels.**
- 3 **Training and learning new skills is a recurring theme among Staffline's temporary and permanent workers.**

To read the full 2023-24 "Have Your Say" Report please visit:

<https://goodwork.staffline.co.uk/have-your-say-worker-experience-platform>



have
your
say.

We invest in learning and development

Our investment in learning is continuous across our business as we seek to nurture and retain talent.

Whether an employee is a seasoned professional or just starting a career with us, we have endless opportunities for growth, development and discovery. We offer a diverse range of resources, programmes and interventions designed to enhance skills, expand knowledge and fuel personal and professional growth.

Some examples of our focus on continual development are below:

- Creating the best start: every employee receives both business-wide and role-specific inductions including new line manager inductions for new or newly-promoted employees.
- Tailored welcome days, ensuring that new starters can have the best start with skills development and also meet and ask questions of our senior management teams.
- Monthly 1-to-1 sessions and formal reviews with line managers that focus on performance and development.
- On-the-job development and secondment opportunities.
- Transparent career opportunities throughout the organisation with a focus on skills and career matrices for 2025.
- Apprenticeships across a variety of levels and topic areas



ESG Report continued

Internal leadership and talent development.

Across the Group, we are committed to identifying and developing our internal talent, specifically focusing on developing our current and future leaders.



Case study

Recruitment GB

Talent Forum – Developing employees with potential

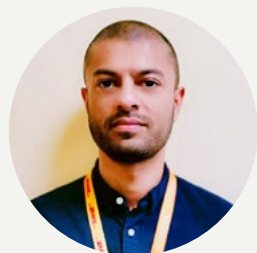
The Talent Forum is our approach to supporting development for our middle managers who want to progress their career. The programme is sponsored by Tim Southam, MD Divisions and led by Ali Guilliat (Senior People Partner) and Sarah Hopkinson (L&D Manager), supported by 12 internal mentors from across the business.

The purpose of the programme is to:

- Build a self-driven development programme that supports our managers to drive their own development, career and growth.
- Build strong succession where we need it most and ensure a healthy pipeline for the future.
- Retain our talent and improve the overall experience of being part of the Staffline team.

We had 22 applications from colleagues wishing to join the Talent Forum in 2024, of whom 15 were successful and started the programme in March 2024. All 15 will complete the programme in March 2025.

We have seen success during the year with two Talent Forum members being promoted: Raj Chauhan was promoted to Area Account Manager in the Driving team and, following a successful secondment, Lauren Howell has been confirmed as an Area Account Manager within the Third-Party Logistics team.



Raj Chauhan

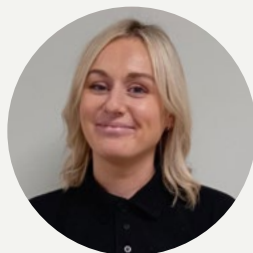
Area Account Manager, Driving (Recruitment GB)

“Being part of the Talent Forum has been a transformative experience, enabling me to gain a deeper understanding of myself and my management style. Through self-assessments, case studies and practical exercises, I have discovered my strengths as a leader, as well as areas for growth.

This self-awareness has allowed me to adapt my approach to better meet the needs of my team and foster a more collaborative and supportive working environment. The course has equipped me with tools to communicate more effectively, delegate strategically and inspire others towards shared goals.

During the course, I was fortunate enough to gain a promotion to an Area Account Manager role within the Driving Division, a move upwards and a change of divisions that certainly put me out of my comfort zone. However the course gave me the extra confidence to go for the role and having a mentor as a sounding board whilst in situ was an invaluable tool during the early months in my new role.

As a result, my team’s performance and morale have significantly improved and I feel more confident in my ability to navigate challenges and lead with purpose. This journey has not only made me a more effective leader, but has also reinforced the importance of continuous learning and self-reflection in leadership.”



Lauren Howell

Area Account Manager, Third-Party Logistics (Recruitment GB)

“Being part of the Talent Forum 2024 has been such a valuable part of my development journey. I have learnt so much about myself and developed my self-awareness, which has enabled me to be a more authentic leader. Reflecting on the beginning of my Talent Forum journey, I had no idea how much I would enjoy and gain from being put out of my comfort zone!

I have been able to share this journey with my team and support the development of their own self-awareness, which has fostered improved relationships, communication and performance. Developing my coaching leadership skills has allowed me to provide a high level of support and challenge to my teams to promote their own development.

Having a mentor with vast experience has been a huge support in my journey. Sharing the challenges I have faced within my role has given me the opportunity to see them from a different perspective, practice reflection and work towards solutions.”



Case study

Hannah Jenkins

Head of Employer Social Value (PeoplePlus)

Hannah was a participant in PeoplePlus’ first cohort of “Authentic Leader” training. The course provided her with valuable insights into leadership and self-awareness as she transitioned into her newly-appointed role as Employer Relationship Business Manager. The interactive sessions, supported by real-life examples from colleagues, helped her better understand effective leadership principles and how to apply them in practice.

Since completing the course, Hannah has enhanced her communication skills and focused on building stronger relationships with colleagues and external partners. These changes have resulted in more effective collaboration and better outcomes in her role and Hannah has gone on to be further promoted to Head of Employer Social Value.

Looking ahead in her new role, Hannah aims to strengthen partnerships with socially responsible employers and ensure initiatives create meaningful community impact. She is focused on integrating social value into employer collaborations and expanding pathways that align with these goals. Her ultimate objective is to drive organisational success while delivering tangible benefits for the community.

Recognising the importance of continuous learning and development in career progression, Hannah actively seeks opportunities to expand her knowledge and skillset through courses, workshops and external training, enabling her to stay informed about industry trends and prepare for future challenges.



Employee development in Recruitment Ireland

We have invested significantly this year in Executive Leadership Development through a trusted expert partner. A total of 45 training days were delivered, with specific focus on maximising effectiveness, performance management and building trust for open leadership communication.

We plan to invest further in 2025 through a comprehensive 360° review process with supportive 1-to-1 coaching; development of detailed job role competence; and knowledge and behavioural profiles, designed to support existing managers’ growth and development of future leadership talent.

Our CEO-led annual Talent Forum approach considers the performance of every employee across our business in a holistic way, ensuring that a range of views are considered to identify potential future leaders and creating a rich pipeline for promotion opportunities.

ESG Report continued

We celebrate success.



Staffline Ireland Annual Awards

We continue to celebrate our people's wins, recognising and rewarding both team and individual success through formal monthly, quarterly and annual awards based on our values and results. This is in addition to formal incentive schemes.

Internal recognition

External recognition is important, but ensuring that our people feel recognised for the amazing hard work that they do, going above and beyond for each other and their customers, is key to our success as a business and the retention of our people. Across the Group, each division celebrates its people in different ways.

In Recruitment GB, we have our Staffline Talent Awards, for which colleagues and line managers can nominate people and teams for going above and beyond any of our values. Nominations are reviewed quarterly, with winners winning £250 worth of vouchers to spend how they want to. At the end of each year we review all those winners and announce our Star of the Year at our "Going for Growth" event in January. This scheme sits alongside our Instant Awards scheme, where every SLT member is given a quarterly recognition pot to use at their own discretion to recognise their employees for doing a great job.

In Recruitment Ireland, the division's annual conference culminates in an awards celebration highlighting the valuable contribution of our people to our business success. There were 28 worthy winners in 2024, including five "Back Office Superstars", recognised for the vital role played by the support functions behind customer-facing operations.

External recognition

The Group has also enjoyed amazing external recognition through a variety of awards that we either have won or been nominated for, including the following:

Recruitment Ireland's Dundalk Branch Team were shortlisted in the 2024 Dundalk Chamber of Commerce Awards in recognition of their commitment to customer service, product knowledge and sustaining business practices in their local community.

Sarah Healy of Recruitment Ireland's Dublin Swords Branch was a finalist for Temporary Recruiter of the Year 2024 at the Irish Employment Recruitment Federation Awards.

Matthew Bysouth, carpentry tutor at PeoplePlus, won the Educator of the Year award in the prestigious Inspire Justice Awards. Organised by Skills for Justice, these awards highlight the remarkable contributions of individuals and teams within the wider justice sector, aiming to recognise those who often go unnoticed but play a crucial role in maintaining the smooth operation of our criminal justice system.

Investors in People is recognised as a definitive voice for employer organisations, having 50,000 members, including some of the largest, best resourced organisations in the world.

The Investors in People Awards 2024 was a culmination of over 300 entries from 200 organisations across 15 countries to celebrate the pinnacle of excellence in organisational development and people management.

PeoplePlus was shortlisted for two awards this year, the Award for Best Purpose-Driven People Community and the Award for Social Responsibility. We were thrilled to take home the Social Responsibility Award for the second year in a row. The award "celebrated initiatives that go beyond business goals to drive social change, contribute to local communities, and promote sustainability."



Dundalk Branch Team



Matthew Bysouth, Inspire Justice award winner

ESG Report continued

3

Reducing our environmental impact.

Staffline remains committed to clear and comprehensive reporting that reflects ongoing development of the corporate reporting environment in relation to climate change and sustainability, including both mandatory requirements and discretionary good practice.

Staffline Group PLC Board

Responsible for:

- Defining ESG/sustainability strategy based on recommendations from ESG Committee and input from external stakeholders
- Approving ESG Committee Terms of Reference
- Approving climate-related metrics and targets and monitoring achievement

ESG Committee (chaired by Group CFO)

Senior management workstream leads from:

- Divisional Human Resources/People teams
- Marketing/Communications team
- Divisional Governance teams
- Group Finance team
- Group Internal Audit function
- Company Secretarial function

Responsible for:

- Supporting the Board's ongoing development of ESG strategy
- Reviewing emerging trends and good practice in ESG management and reporting
- Developing Staffline's approach to ESG/sustainability risk management
- Compilation of Staffline's internal and external reporting on ESG/sustainability matters

Audit Committee (chaired by Non-Exec Director)

Responsible for:

- Overseeing risk management and internal control arrangements in respect of climate-related and other risks
- Overseeing the Group's compliance with reporting and disclosure regulations

Divisional Ops Boards (chaired by Divisional MDs)

Responsible for:

- Overseeing implementation of Group strategy on ESG/sustainability matters

Divisional Management Teams

Responsible for:

- Implementing Group strategy on ESG/sustainability matters
- Liaison with customers and suppliers around ESG/sustainability-related risks and opportunities
- Maintaining appropriate internal controls

The following statement is structured in accordance with the guidance contained within "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")" published in October 2021 and incorporates the components of the Non-Financial and Sustainability Information Statement ("NFSI Statement") required under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance and climate-related risks and opportunities

Governance structure

The graphic on page 51 sets out the component parts and respective responsibilities of Staffline's governance framework for identifying, assessing and managing climate-related risks and opportunities.

The role of the Board

The Board is responsible for setting the Group's overall business strategy and overseeing its delivery. Ensuring effective management of risks and opportunities including, but not limited to, those arising from climate change is seen by the Board as a fundamental part of securing the Group's long-term sustainability.

The Board sets, and periodically reviews, the ESG Committee's terms of reference. The Group CFO, who chairs the ESG Committee and is the nominated Board member responsible for sustainability matters, provides a conduit between the Board and the Committee and reports regularly to the Board regarding the Committee's activities.

The Audit Committee monitors the Group's management of exposure to climate-related risks as part of its role in overseeing the Group's overall risk management arrangements, as described below. It is also responsible for ensuring that the Annual Report and Accounts and all other public announcements fully comply with relevant laws and regulations and that all such information is presented in a true and fair manner.

The role of management

The senior managers comprising the ESG Committee are drawn from across the Group's trading businesses and central functions. They support development, communication and implementation of ESG/sustainability policy and initiatives to promote awareness of sustainability-related risks including climate change. As noted with regard to Staffline's processes for identifying and assessing climate-related risks (see below), the ESG Committee contributed to an internal risk assessment exercise around climate-related risks. The wider management teams across the business are central to Staffline's overall risk assessment processes as described on page 53, which consider climate change alongside other business risks.

The Committee also plays a coordinating role in defining metrics and ensuring that data sets used in reporting on ESG/sustainability matters are robust and, where applicable, consistent across the Group.

The management teams within Staffline's trading divisions are responsible for identifying and realising opportunities to improve the sustainability of the Group's operations, including delivery of formally defined Carbon Reduction Plans (see page 48 for further information).

Strategy

Climate-related risks and opportunities

The risks and opportunities faced by Staffline are both direct (affecting Staffline's business model, operations and financial position) and indirect (affecting customers' and clients' business models, operations and financial position).

Direct impacts are easier to assess but are potentially less significant than indirect impacts, which are likely to manifest differently in terms of nature, scope and timing across the business sectors in which Staffline, and particularly its recruitment businesses, operates.

In the opinion of the Board, Staffline is a low impact business in environmental terms but as part of its commitment to doing business responsibly, it should seek to reduce or eliminate such impacts where it is commercially sustainable to do so.

Staffline has adopted a strategy of positive engagement with stakeholders around ESG/sustainability matters, including climate change, and will continue to pursue active dialogue with all parties to better understand how their respective requirements are likely to develop in the short to medium term. This understanding will inform the development of the Group's strategy in the medium term, but the Board believes that neither the Group's strategy nor its core business model will be materially affected.



ESG Report continued

The table below summarises the key climate-related risks and opportunities that the Board considers relevant to Staffline and potentially material in nature based on financial impact and/or impact on Staffline's operating model.

	TCFD category	Potential impacts	Potential severity	Proximity	Staffline response
Direct risks					
Carbon pricing via taxation or other means (e.g. carbon credits)	Transition/ Policy and Legal	• Increased operating costs/reduced profitability	Low to moderate	Short to medium term	<ul style="list-style-type: none">• Carbon Reduction Plans including offsetting of some emissions• Offset costs by increasing margins where possible
Climate-driven increases in food and/or energy costs	Transition/ Market	• Increasing wage expectations from employees and workers/ pressure on margins	Low to moderate	Short to medium term	<ul style="list-style-type: none">• Constant monitoring of pay trends• Ongoing dialogue with customers and clients• Targeted pay increases directed towards lower-paid employees
Increased regulation, including emissions limits, reduction targets and/or increased reporting	Transition/ Policy and Legal	• Increased operating costs and administrative overheads	Low to moderate	Short to medium term	<ul style="list-style-type: none">• Ongoing monitoring of regulatory landscape• Use of external advisors to support strategy development and reporting
Unsuitable properties due to e.g. lack of adequate air conditioning	Physical/ Chronic	• Investment in upgrading or relocating activities	Low	Medium to long term	<ul style="list-style-type: none">• Compile business case for investment or relocation to remediate unsuitable properties• Revise qualifying requirements for selection of new properties

Severity

Low – Long transition period and/or little or no operational disruption and/or financial impact

Moderate – Medium transition period and/or limited operational disruption and/or financial impact

High – Short transition period and/or high operational disruption and/or financial impact

Proximity

Short term – Expected to crystallise within the next three years (FY 2025-2027)

Medium term – Expected to crystallise within the next four to seven years (FY 2028-2031)

Long term – Not expected to crystallise within the next seven years (FY 2032 or later)

	TCFD category	Potential impacts	Potential severity	Proximity	Staffline response
Indirect risks					
Changes in customers' and clients' operating models and supply chains, including demand for labour and/or operating locations	Transition/ Market	• Fulfilment challenges (volume, skills and location) affecting time to hire and cost of payroll	Low to moderate	Short to medium term	• Constant communication with customers and clients directed towards developing long-term partnerships beyond simple transactional relationships
Social change affecting customers' and clients' attractiveness as places of work if their sustainability performance is seen as deficient	Transition/ Market	• Fulfilment challenges as above	Low to moderate	Short to medium term	• Major customers and clients are predominantly large listed PLCs, private companies or public sector organisations with stated commitments to long-term sustainability
	TCFD category	Potential impacts	Potential severity	Proximity	Staffline response
Opportunities					
Operational efficiency through increased focus on sustainability of operations	Resource efficiency	• Cost reduction	–	Short to medium term	• Focus on cost base • Active programme to achieve sustainable sourcing
Increasing inward migration due to climate change in areas outside Europe	Markets	• Increased availability of labour, particularly for blue-collar roles	–	Medium to long term	• Develop strategies to target new labour pools as they emerge
Placement of workers into higher skilled green technology roles in e.g. automotive and construction sectors	Markets	• New customers/ revenue streams • Additional volume and/or higher margins	–	Medium to long term	• Drive business development efforts in potential growth sectors, whether new or adjacent to currently active sectors



NEXT



BACK

Effect of climate-related risks and opportunities on Staffline's strategic, financial and operational planning

The Group is not a significant producer of greenhouse gases, waste, pollutants or tangible products requiring disposal at the end of their useful life. The Board does not consider climate change a material strategic threat to Staffline but recognises its implications for the overall business environment in which the Group operates.

Staffline seeks to maintain flexibility in its fixed cost base, making use of leased properties and fixed-term employment contracts in cases where permanent roles are not appropriate, such as project-focused roles with a limited duration.

Business resilience to different climate scenarios

The COVID-19 pandemic in 2020 demonstrated Staffline's ability to respond quickly and effectively to unexpected and far-reaching change while maintaining services to customers and clients. Hybrid or home-based working patterns are now well established across the business, reducing, but not eliminating, dependence on fixed working locations.

The Board believes that different climate scenarios (e.g. a less than 2°C rise in temperatures vs a greater increase) would not lead to materially different direct impacts on the Group's activities and that any impacts would occur over a longer time period than was the case with COVID-19, giving more time to plan and prepare. Work to assess the potential indirect impacts is an ongoing process of engagement with customers and clients to understand their view of climate-related risks, how their activities might be affected and how this might affect Staffline.

A high-level review of the Group's property portfolio has been carried out to identify properties that might be subject to risk of

flooding or could become unsuitable due to lack of air conditioning in the event of a sustained rise in temperatures. Most properties were found to be at low risk of flooding, but some properties were found to be potentially unsuitable at certain times of year and would require either investment in air conditioning or relocation of activities to a more suitable property. Either of these situations will involve both initial outlay and ongoing costs that are likely to exceed current expenditure. An ongoing programme of refreshing individual site business continuity plans, or defining these plans where they are not yet in place, will incorporate consideration of climate-related risks.

Risk management Identifying and assessing climate-related risks

The ESG Committee sponsored an initial internal risk assessment exercise during 2023 that assessed the proximity and potential severity of climate changes, including increased temperatures, reduced precipitation, rising sea levels, increased frequency of extreme weather events and climate-change driven changes in the regulatory and tax environment. Impacts were assessed in terms of both direct impacts on Staffline and its operations and indirect impacts on customers' and clients' business models and operations, which are inevitably more difficult to predict with any degree of certainty. The nature and level of climate-related risks to the Group is not believed to have changed during 2024 and the Board is satisfied that the Group has limited exposure to climate-related disruption of its supply chain because it is essentially people-based.

Direct impacts were categorised as potentially affecting one or more of the following: Staffline's business model; its operations and operating costs; its employees; or its workers. Indirect impacts were initially considered by customer business sector and potential implications were then mapped to the same broad impact categories as direct impacts.

Climate-related risks are reflected in the Group's risk management process via inclusion within the appropriate component items on the Divisional and Group risk registers. For example, the impact of carbon pricing and/or changes in taxation is considered as part of the overall regulatory environment and compliance risk landscape and impacts on availability of labour are considered as part of service delivery-related risks.

Managing climate-related risks

The Board recognises the importance of identifying and managing climate-related risks, not least because of the scope and enduring nature of these risks and the opportunities for competitive advantage they may create. However, the Board regards climate-related risks as an integral part of the overall risk environment within which the Group operates and believes that risk management processes should address risk via an integrated approach that supports efficiency and effectiveness and reduces opportunities for conflict between risk management activities.

Climate-related risks and Staffline's risk management approach

Climate-related risks have historically been reflected within the relevant component

items on Divisional and Group risk registers, such as regulatory/taxation risk and service offer and delivery risk, which incorporates unpredictability of short- and longer-term customer demand in the recruitment businesses. This reflects multiple factors, including changes in labour supply due to climate-related migration, changes to customers' and clients' business models, such as increased automation in food and retail logistics and the effect of future carbon pricing regimes on the aviation sector.

Staffline's recruitment businesses in particular are exposed to fluctuations in demand for temporary labour driven by changing demand for their customers' products and services, most notably in the food and retail sectors, but also in sectors such as automotive and aviation.

It is not possible to produce accurate long-term forecasts of future demand beyond broad market trends, which are affected by many factors other than, and more significant than, climate change. All the Group's trading businesses maintain close relationships with their customers and clients to review current and emerging trends and provide appropriate flexibility with business plans, both operational and financial.

Area	Actions
Climate-related risks	<ul style="list-style-type: none"> • Continue engagement with customers and clients
Reducing our impact	<ul style="list-style-type: none"> • Continue regular review of Carbon Reduction Plans • Maintain extended ISO 14001 accreditations • Review opportunities identified by Compliant Energy Audits • Further extend use of renewable energy at source • Promote availability of hybrid and electric vehicles through salary sacrifice car schemes • Ongoing assessment of offsetting schemes
Reporting our performance	<ul style="list-style-type: none"> • Extend Scope 3 emissions data gathering

ESG Report continued

Metrics and targets

Climate-related metrics

Measurement of Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions is now well-established within the Group, with monitoring and reporting arrangements over current emissions for the sources included in Scope 1 and Scope 2 of the GHG Protocol now embedded.

A detailed review of the GHG Protocols and technical guidance was completed during 2024 and the Group has documented its assessment of Scope 3 categories that it considers to be in scope in the context of its business operations. Development of Scope 3 emissions monitoring has continued and data gathering has broadened in scope compared to prior years to include employee commuting.

Energy and carbon reporting

At Staffline, we place great importance on the role we play in helping to protect the environment surrounding us and we recognise that our environmental responsibilities are integral to our business.

We aim to fulfil these responsibilities through our actions and our corporate policies, supported by ISO 14001 (Environmental Management Systems) Standard certification which, from early 2025, now covers the Staffline Recruitment GB, Brightwork and Omega businesses as well as Datum RPO, which has held this certification for some time.

The data in Table 1 and Table 2 details emissions and energy usage across all large UK entities in the Group. Energy usage by subsidiaries outside the UK is not in scope for this report and is therefore excluded. Reported net total UK emissions in 2024 were 4,225.04 tCO₂e, which is higher than previous years due to the addition in 2024 of further Scope 3 emissions data including employee commuting.

The methodology used to calculate our emissions is based on the Streamlined Energy and Carbon Reporting (“SECR”) guidelines and has been calculated using the revised carbon conversion factors published by BEIS for each of the years noted. These disclosures are made in accordance with SECR guidelines.

We have continued the Scope 3 emissions data gathering process for categories 5 (Waste Generated in Operations), and 6 (Business Travel). During 2024, we have introduced categories 4 (Upstream Transportation and Distribution), and 7 (Employee Commuting), which includes all methods of travel and considers emissions for hotel use. Action plans are in place to prioritise category 1 (Purchased Goods and Services) data collation using the spend-based method, and to strengthen the category 5 data with greater coverage across our estate.

Salary sacrifice car schemes are in operation in Recruitment GB and for Northern Ireland employees only in Recruitment Ireland. The Recruitment GB scheme offers a full range of vehicles including electric and hybrid vehicles whereas the Recruitment Ireland scheme offers only electric and hybrid vehicles. We expect the take-up and general use of electric and hybrid vehicles to increase over time.

The Group’s trading divisions all have a Carbon Reduction Plan either in place or under development. These plans detail the division’s carbon footprint and confirm the business’s commitment to achieving Net Zero by 2050. Plans will be reviewed and updated in early 2025 to reflect 2024 usage data and in-year initiatives and activities that have been under way or are proposed for 2025.

Table 1 – UK emissions in metric tonnes CO₂e

	2024	2023	2022
Group total – Scope 1 (Gas)	195.56	514.50	256.82
Staffline Recruitment Limited	103.47	217.08	114.58
Staffline Recruitment (NI) Limited	3.09	0.29	0.00
PeoplePlus Group Limited	89.01	297.13	142.25
Group total – Scope 2 (Electricity)	197.39	355.23	572.10
Staffline Recruitment Limited	86.48	137.00	154.44
Staffline Recruitment (NI) Limited	34.14	34.34	47.04
PeoplePlus Group Limited	76.77	183.89	370.62
Group total – Scope 3 (Partial only)	4,049.58	521.41	606.01
Staffline Recruitment Limited	1,742.73	340.49	332.35
Staffline Recruitment (NI) Limited	51.49	45.11	39.72
PeoplePlus Group Limited	2,255.36	135.81	233.94
Total emissions	4,442.54	1,391.14	1,434.93
Total carbon offset (see Notes below)	217.50	322.29	242.70
Net total emissions	4,225.04	1,068.85	1,192.23
Efficiency ratio – Scope 1 and Scope 2			
Number of employees (see Notes below)	1,485	1,604	1,763
Average emissions per employee (before offset)	0.26	0.54	0.47
Efficiency ratio – Scope 3			
Number of employees (see Notes below)	2,187	1,604	1,763
Average emissions per employee (before offset)	1.93	0.33	0.34

Notes: 2022 offset adjusted by +8.76 tonnes CO₂e and 2023 offset adjusted by -71.35 tonnes CO₂e following data review and reconciliation exercise conducted with the Group’s partner organisation during 2024.

2024 Scope 3 employee count reflects PeoplePlus Justice division employees whose commuting data was not captured and reported in previous years. These employees create no Scope 1 and Scope 2 emissions reportable by Staffline.

Table 2 – UK energy consumption in kWh

	2024	2023	2022
Group total – Scope 1 (Gas)	1,071,384	2,798,188	1,396,761
Staffline Recruitment Limited	566,843	1,180,638	623,133
Staffline Recruitment (NI) Limited	16,919	1,592	0
PeoplePlus Group Limited	487,622	1,615,958	773,628
Group total – Scope 2 (Electricity)	963,214	1,523,661	2,453,895
Staffline Recruitment Limited	422,005	587,609	662,432
Staffline Recruitment (NI) Limited	166,607	147,306	201,775
PeoplePlus Group Limited	374,602	788,745	1,589,688
Total consumption	2,034,598	4,321,849	3,850,656
Efficiency ratio			
Number of employees	1,485	1,604	1,763
Average consumption per employee	1,370.10	2,694.42	2,184.15

Carbon offsetting

Working with our partner organisations, PeoplePlus introduced a carbon offsetting scheme in 2022, and we are delighted to confirm that this initiative has continued in 2023 and 2024. To date, a total of 3,523 trees have been planted, offsetting a total of approx. 650 tCO₂e.

Making the switch to green (renewable) energy at source continues to form part of our strategy to reduce our carbon emissions, as set out in our Carbon Reduction Plans. We've already made a great start, with 53.48 tCO₂e being offset during 2024. This important work will continue in 2025 and on an ongoing basis.

Landfill avoidance

All our confidential waste paper and general waste from some of the Group's office locations are managed responsibly and recycled wherever possible.

In addition, working with our trusted partner organisation we ensure that all waste electrical and electronic equipment ("WEEE") is processed with Best Available Treatment, Recovery and Recycling Techniques ("BATRRRT"). Refurbishment and reuse of equipment is prioritised over any other option and when this is not possible, all waste items follow whichever of the pathways below is appropriate, with none of our equipment going directly to landfill or standard waste disposal sites.

Following initial data sanitisation and removal of any identifying stickers/tags, items are processed as follows:

Successfully sanitised working or broken items of sufficient ongoing value:

Various types of WEEE are repaired, refurbished or dismantled so that the whole item, or parts of it, can be reused for their original purpose or recovered.

Items are cleaned, tested, repaired and graded before being listed for resale through our partner's consumer, reseller and refurbishment sales channels.

Any faulty parts that are removed or replaced are processed as below.

Working or broken items with little value:

If kit is of minimal value, or where the costs of repair/refurbishment outweigh the ongoing value, items are forwarded to an Approved Authorised Treatment Facility ("AATF") partner. This kit is stripped down, dismantled and shredded or otherwise destroyed. All shredded/destroyed items are split down and filtered into their core materials which are in turn forwarded to various refiners for ongoing re-use.

Mixed WEEE and faulty/scrap items:

These items are separated upon receipt by our partner before being sent off to the relevant AATF recycling partner for splitting down as noted above. All items, including cables, power packs etc. are stripped of plastic coating to retrieve internal metals.

Landfill avoidance 2024 (Tonnes)	
Electrical and electronic waste	2.81
General waste	15.01
Paper waste	7.78
Total	25.6

ESG Report continued

Responsible partnering

Working with responsible businesses is a continuing key priority for Staffline, as we want to ensure that our partners share our commitment to helping to protect the environment.

Our work with partner/supplier organisations to introduce new and/or stronger reporting arrangements to support our Scope 3 reporting continues and will be further strengthened with the introduction of the Staffline Supplier Code of Conduct during 2025.

Energy Saving Opportunities Scheme (“ESOS”)

Staffline is committed to working with the UK Environment Agency and continuing to comply with the Energy Saving Opportunities Scheme, the third phase of which has taken place during 2023-2024.

During 2024, the Staffline Recruitment GB and PeoplePlus businesses were both subject to independent ESOS Compliant Energy Audits in accordance with ESOS Phase 3 regulations. Both audits were completed successfully with some suggestions for energy saving opportunities which will be considered as part of our Carbon Reduction Plan review arrangements. Audit reports have been shared with the UK Environment Agency during 2024 and we have advised that our existing internal action plans and commitments will continue to be progressed and considered a priority.

EcoVadis Silver Rating

EcoVadis is the world’s largest sustainability ratings provider, with over 100,000 companies rated, and these ratings give companies a holistic view of their sustainability performance, enabling them to assess and share their current performance and what they have to do to improve. Our Staffline GB and Datum RPO businesses have achieved and maintained the EcoVadis Silver Rating, and our scores in 2024 place us in the top 15% of audited UK businesses for sustainability.

Climate-related targets and performance monitoring

Carbon Reduction Plans are not mandatory for Staffline Recruitment Limited, but a plan was developed during 2023 to set out a commitment to achieving Net Zero by 2050. The plan is updated annually to reflect actual activities and emissions performance against the 2022 “baseline” year.

Carbon Reduction Plans are similarly not mandatory for PeoplePlus, but some government contracts require such plans to be in place. Prime contractors have also devolved this requirement where PeoplePlus is operating as a second tier provider (e.g. the Department for Work and Pensions Restart programme). A plan was therefore developed during 2023 and has been updated annually since.

Activities to support achievement of carbon reduction targets include:

- Setting, monitoring and achievement of annual environmental objectives;
- Maintenance of ISO 14001 Standard certifications and extension of this certification where it is not already in place;

- Extension of data capture and reporting to include all applicable Scope 3 emissions;
- Recycling initiatives covering most business locations and continuing awareness campaigns;
- Waste management controls in place at most business locations;
- Active monitoring of business mileage and promotion of alternatives;
- Carbon offsetting projects/initiatives; and
- Increased efforts to transition energy supplies to renewable sources.

Greenhouse gas emissions data is collated and reported annually, providing the key metric by which Staffline judges its progress towards achieving its stated targets.





Doing business in a responsible way.

Staffline regards sound governance and doing business in a responsible way as fundamental to the way the Group operates.

This approach is endorsed by the Board and cascaded through the business via the policies, values and working practices that are in place, which may be standard across the Group or, where appropriate, are tailored to individual divisions. Key aspects of Staffline's approach are summarised here.

Governance

Significant effort has been put into strengthening divisional control environments, particularly around accounting and finance, over recent years and all senior finance staff within the Group and Divisional teams are professionally qualified. Ongoing investment in operational and financial management information systems within Recruitment GB is supporting continuous improvements in data quality and providing increased insight into the business at a detailed level.

Financial reports undergo multiple levels of review including variance analysis as part of month-end processes and material balances. External reporting and announcements of financial results are subject to external audit.

Legal and regulatory risk, including both compliance with existing legislation and the potential impact of future developments, is a standing item on Divisional and Group risk registers. The Group makes use of a panel of legal firms to provide advice when required and membership of trade bodies enables participation in consultations regarding future legislation and regulation.

Professional services firms provide regular updates on regulatory developments and are engaged to deliver specific pieces of work. Divisional Compliance teams undertake compliance monitoring work and, where appropriate, provide both specialist support with investigations and general support to promote awareness and understanding across Staffline's operations.

Both Recruitment GB and PeoplePlus are ISO 9001 accredited, meaning that management systems have been subject to regular independent audit.

Key policies are reviewed annually by the Board or appropriate Board sub-committees and employees are provided with training to ensure awareness of policies and Staffline's commitment to ensuring compliance. Completion of mandatory training is monitored, with any non-compliance escalated to line managers.

Whilst the Board delegates responsibility for oversight of policy implementation to the Chief Executive Officer, day-to-day operational responsibility is delegated to management at specific locations or within specific functions.

The Group does not, as a matter of stated policy, make political donations and a formal policy covering donations and sponsorships is in place.

Responsible business

Staffline operates a zero-tolerance approach to unethical behaviour. The Group has defined clear policies on health, safety and environmental matters and prevention of fraud, bribery, money laundering, facilitation of tax evasion, modern slavery and other ethics-related areas. These are supported by the Group Whistle-blowing Policy, which covers all employees and by the separate "Speakup" process for temporary workers within Recruitment GB. Appropriate monitoring including periodic audits and reporting on whistle-blowing reports to the Audit Committee is also in place.

Parts of Recruitment GB and Recruitment Ireland's activities are overseen by the Gangmasters and Labour Abuse Authority ("GLAA"), which conducts regular checks on working conditions and payment practices to ensure workers are not being exploited. Staffline also maintains a clear zero tolerance position in relation to modern slavery. All permanent staff are provided with training on how to spot potential indicators of labour exploitation and the Recruitment businesses work proactively with regulatory bodies and the police.

Brightwork, Recruitment GB's Scottish business, has played a leading role in the creation of Scotland Against Modern Slavery ("SAMS"), a joint initiative with the Scottish Government and Police Scotland aimed at raising awareness of human trafficking and labour exploitation within the business community.

Staffline handles large volumes of both employees' and temporary workers' personal data and maintaining the security of this information is vital to the Group's reputation.

Cyber security is a high priority for Staffline so systems are constantly monitored, and all employees are provided with regular awareness training to reduce the risk of data loss or leakage. Clear processes and reporting lines are in place for use when a potential or actual data breach is identified.

The Group seeks independent accreditation of its processes and practices where it is appropriate to do so. In addition to Recruitment GB's ISO 14001 certification and EcoVadis Silver accreditation mentioned elsewhere, preparatory work for ISO 27001 and Cyber Essentials Plus accreditations is under way with a view to securing accreditation in early 2026. Recruitment Ireland achieved Cyber Essentials Plus accreditation in late March 2025.

Diversity

The Board is committed to supporting diversity within the Group's workforce and ensuring that discrimination has no place in hiring, promotion or termination decisions. Staffline endeavours to treat everyone fairly in relation to job applications, training, promotion and career development.

The size of the Board is not expected to increase beyond the current five members but ensuring appropriate diversity will be a key consideration in any future Board appointments.

Principal Risks and Uncertainties

The Board of Directors of Staffline Group PLC regards effective monitoring and management of exposure to risk as critical to the delivery of the Group's strategic objectives and the creation of sustainable shareholder value.

The Group's risk management framework and internal control systems support robust risk management by establishing multiple integrated "lines of defence".

Approach to risk

The Group's risk management framework and internal control systems are central to the identification of existing and emerging risks and the development of mitigating actions. These include avoidance, reduction and/or transfer of risk by deploying robust processes and systems, maintaining effective monitoring and reporting arrangements and purchasing of appropriate insurance cover.

The complex environments in which the Group operates present exposures to a wide variety of risks and uncertainties that require ongoing monitoring and management to mitigate against adverse implications for Staffline's long-term performance.

Risk assessment methodology

A Group-wide Risk Management Policy was implemented in 2020 and is now embedded across the trading divisions.

The Group's risk assessment methodology requires that risks are evaluated based on the likelihood of occurrence and their potential impacts, which are considered in terms of business objectives around profitability, liquidity, reporting, regulatory compliance and reputation. The combination of likelihood and impact scores produces an overall risk score, which is used to rank risks based on the overall level of exposure they present.

Recruitment GB maintains functional risk registers covering areas such as operations, finance, technology and people, which are updated twice a year, reviewed by the divisional Risk and Compliance Committee and collated into a divisional risk register. Recruitment Ireland operates a more informal process based on quarterly review by the senior management team of a consolidated risk register that sets out all the risks identified by management.

Risk appetite

The Board has defined its appetite for risk in terms of the five objectives used in the risk assessment methodology as described above, which allows areas of potentially excessive exposure to be highlighted.

This appetite, which is reassessed annually, was unchanged in 2024 and can be summarised as follows:



Risk management process

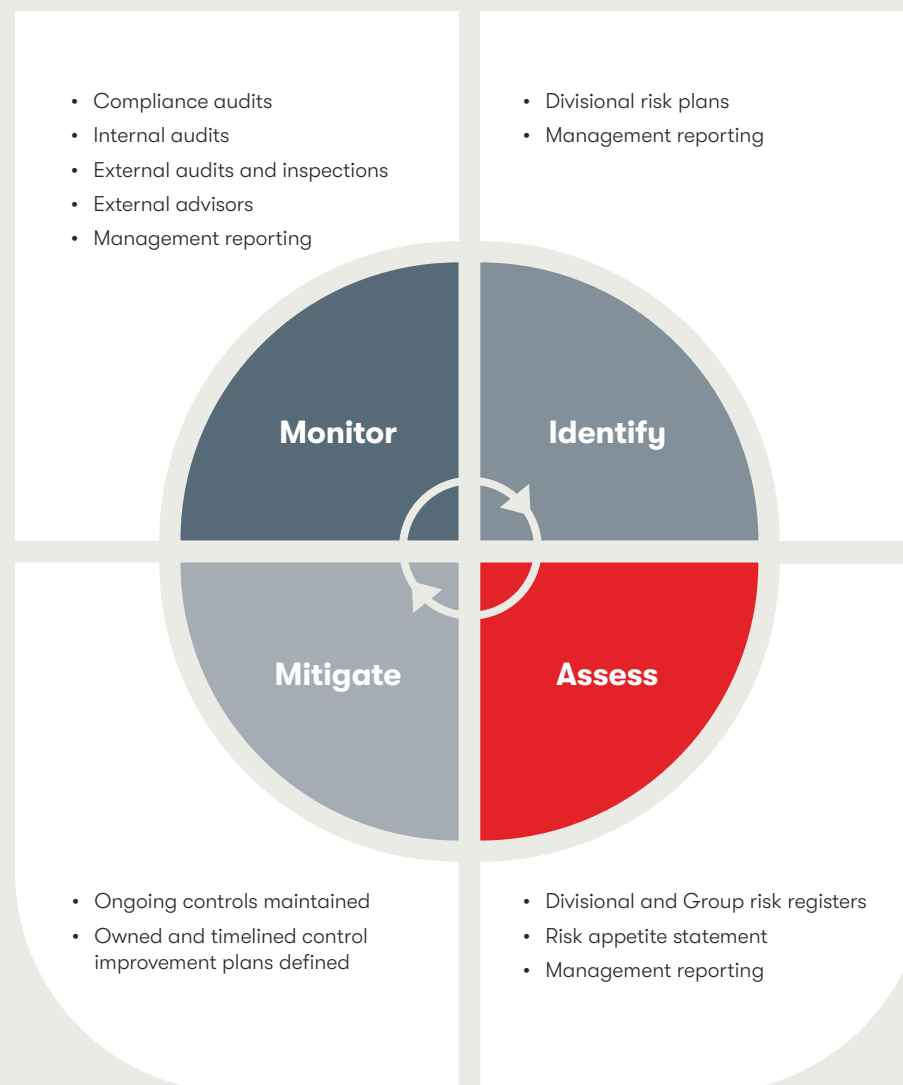
The Group has in place a standardised approach to risk management that provides a consistent framework within which the trading divisions can identify, assess and manage their risks. A three-year forward view is applied to ensure that emerging risks are included in the assessment process.

Risk management is an ongoing activity, supported by structured processes and documentation to facilitate communication and shared understanding between the trading businesses, compliance and internal audit functions and the Board. Where appropriate, external experts are engaged to provide advice, particularly in relation to legal, regulatory and compliance matters.

Staffline is a member of the Quoted Companies Alliance (“QCA”) and trade bodies such as the Recruitment and Employment Confederation (“REC”) and the Association of Labour Providers (“ALP”) and actively participates in consultations around matters relevant to the Group’s activities and the environments in which it operates.

Divisional risk registers are reviewed and updated regularly and are consolidated annually to provide a Group view as part of the strategic planning and budgeting process. The Group-level risk register process and its outputs are formally reviewed alongside the underlying divisional risk registers by the Audit Committee on behalf of the Board.

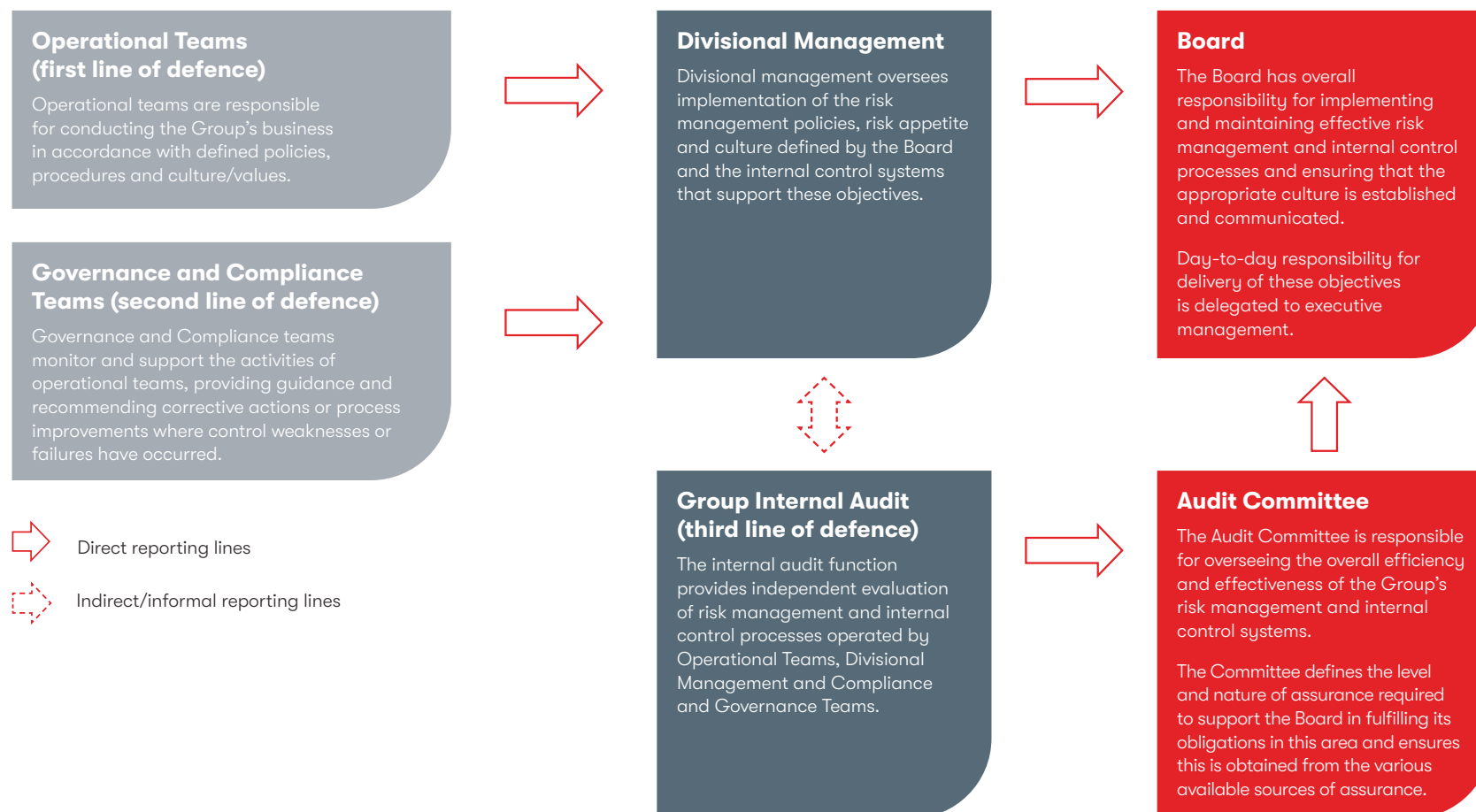
The Board also receives updates on key and emerging risks and any significant changes in the risk environment via routine monthly reports from divisional management.



Principal Risks and Uncertainties continued

Risk management and internal controls framework

The key components of the Group's risk management and internal controls framework and their interactions are summarised below:



Principal risks

The most significant risks and uncertainties to which the Board believes the Group is exposed are summarised below.

The assessment of these risks and the effectiveness of controls currently in place reflects management's view and is subject to change due to both internal and external factors affecting the overall risk environment in which the Group operates.

Risks are categorised as follows:

Strategic – Threats with the potential to affect the Group's ability to achieve its strategic objectives.

Operational – Threats inherent in the Group's day-to-day operations.

Financial – Threats arising from the Group's management of its financial resources and/or movements in financial markets.

	Strategic objectives affected	Residual risk level	Year-on-year trend
Strategic	Economic conditions	High	↑
	Labour market conditions	Medium	↑
	Contract portfolio – Recruitment GB	Medium	=
	People	Medium	=
	Sustainability and climate change	Low	=
Operational	Cyber security and IT systems	Medium	↓
	Legal and regulatory environment	Medium	↑
	Service delivery – Recruitment GB	Medium	=
Financial	Liquidity and covenant compliance	Low	=
	Interest rates	Low	=

Strategic objectives

- 1 Capitalise on market leadership
- 2 Broaden portfolio of services
- 3 Grow in Republic of Ireland
- 4 Drive cash generation

Risk trend indicators

↑ Increased year on year = Stable year on year ↓ Decreased year on year

Individual risks and the Group's response to each are summarised below:

Economic conditions

Residual risk level

High

Year-on-year trend

↑

Risk description

Economic conditions in the UK and Ireland affect the Group in a variety of ways, including unpredictable customer demand driven by consumer spending and the impact of the cost of living and higher interest rates on wage expectations on the part of both workers and permanent employees.

The October 2024 budget has not, in the main, been positively received by businesses across a range of sectors and both business and consumer confidence have decreased. Recession appears more likely than any significant and sustained growth in the UK economy during 2025, but it remains to be seen what measures the government will take to offset this risk and whether these are successful.

Whilst temporary labour volumes in Recruitment GB during Q4 2024 showed a significant increase year on year, any reduction in customers' future labour requirements will inevitably affect the Group's revenues from both temporary and permanent placements.

Increased unemployment presents opportunities for Staffline through an expanding labour pool, but any sustained reduction in demand could have an impact across the Group.

Economic pressures are also a key motivator for fraud, which is an inherent risk in any business.

Staffline response

Staffline provides temporary labour into a wide range of business sectors in both the UK and the Republic of Ireland. Food production, food logistics, online retail and public services are typically more resilient than, for example, automotive or travel and tourism, which dilutes the Group's exposure to downturn in any specific sector.

Flexible labour resourcing has historically provided the Group's customers with an important mitigation strategy in times of unpredictable demand from their end customers and may remain an attractive option when the cost of engaging a permanent employee increases due to changes to employer's NI contributions from April 2025.

The Group maintains robust anti-fraud controls, both preventative and detective. Appropriate policies and staff training are in place and whistle-blowing processes are available to both employees and temporary workers. A comprehensive Group-wide fraud risk assessment was also completed during 2024.

Principal Risks and Uncertainties continued

Labour market conditions			
Residual risk level	Medium	Year-on-year trend	
Risk description The marketplace for temporary labour has been highly competitive in recent years, with demand continuing to exceed supply during 2024. However, the Labour government's planned regulatory reforms around employment rights have increased uncertainty across a range of sectors. The permanent recruitment market was challenging during 2024, driven by a combination of economic and political uncertainty both in the run-up to and following the general election. Hiring activity remains depressed and the timing of any recovery is uncertain as businesses adapt to increased costs in the form of employer's NI contributions from April 2025. Reduced rates of pay growth as employers seek to offset these increased costs are likely to constrain any growth in perm margins and put further pressure on temp margins. Immigration remains a politically contentious topic affecting availability of foreign labour, which increasingly comprises non-EU nationals. It is not yet clear whether the Labour government intends to reduce levels of immigration and, if it does, how this might be done. The labour market is further complicated by legislative and regulatory factors, as referenced elsewhere.		Staffline response Recruitment GB continues to invest in digital technologies to increase its market presence and profile, speed up the process of attracting, onboarding and deploying workers to meet customer requirements and provide rich management information and insight for both Staffline and customer use. This is seen as key to attracting and retaining workers and customers in a competitive market. However, any downturn in hiring of temporary or permanent workers could have a significant impact if it continues beyond the short term.	

Contract portfolio – Recruitment GB			
Residual risk level	Medium	Year-on-year trend	
Risk description Much of Recruitment GB's business is derived from long-term contracts or framework agreements and it is essential that contractual service levels are achieved and maintained to secure contract renewals or extensions. A healthy pipeline of potential new business is also vital to ensure both growth and sectoral diversity to provide resilience. Unrealistic or unsustainable pricing of tenders by competitors to secure new business is a constant threat, but also provides opportunities for Recruitment GB to acquire market share from competitors who may experience financial challenges in the current economic environment.		Staffline response Recruitment GB's approach is to develop long-term relationships with customers that pay appropriate pay rates to workers, provide appropriate margins for its services and offer opportunities to extend its service offer into potential growth areas such as white-collar and permanent recruitment. The division's customer portfolio and its pipeline of potential new business and contract renewals or extensions are closely monitored. All tenders and contracts are scrutinised by the Commercial team, who make appropriate recommendations to management regarding any terms that are outside the division's standard terms and conditions.	

People			
Residual risk level	Medium	Year-on-year trend	
Risk description Attracting and retaining the talent required to maintain and develop the Group's business remains a challenge. Candidates' and employees' expectations around pay, benefits and working conditions continue to evolve and organisations' stances on environmental and social matters have become a significant factor in attracting and retaining staff. Competition for high-quality talent remains intense and the risk that existing and/or potential employees could be attracted away from the Group remains high. This affects not only middle and senior management levels but increasingly other levels of the permanent workforce. However, availability of good candidates may also increase as other organisations downsize to reduce their cost base.		Staffline response During 2024, the Board had in place separate Remuneration and Nominations Committees that were together responsible for ensuring appropriate governance of senior pay awards and promotions. The respective roles of these Committees were combined with effect from 17 March 2025. Remuneration and benefits packages are regularly benchmarked against the market to ensure the Group's proposition remains competitive. Succession planning and future resourcing needs are kept under regular review and discretionary pay awards may be made where specific high performers are seen as at risk of being attracted to roles outside the Group. Further information about the Group's employee engagement, development and retention programmes is set out in pages 32 to 41.	

Sustainability and climate change			
Residual risk level	Low	Year-on-year trend	
Risk description Climate change presents both direct risks to the Group's own operations and indirect risks through uncertainty about customers' responses and how these will affect their business models, supply chains and operations. Whilst any changes will have a gradual effect over a period of time, allowing the Group to adapt alongside its customers, some uncertainty remains. In the view of the Board, any risks to the Group arising from climate change are likely to be low-impact and to have no material implications for the long-term viability of the Group.		Staffline response Understanding and meeting customers' and other stakeholders' expectations around sustainability matters is likely to lead to some incremental costs to the Group, but the Board believes that significant opportunities may arise, particularly through ongoing collaboration with PeoplePlus around social value and access to pools of workers that have perhaps been overlooked in the past. Carbon Reduction Plans are in place for those parts of the Group that are required to have them and opportunities to reduce energy usage and/or offset CO ₂ emissions are actively pursued. Further information about ESG and sustainability matters and climate change-related risks is set out on pages 42 to 48.	

Principal Risks and Uncertainties continued

Cyber security and IT systems

Residual risk level	Medium	Year-on-year trend	↓
<p>Risk description</p> <p>The Group is heavily reliant on IT systems to operate and support its business activities. Disruption due to a deliberate cyber attack or failure of old or poorly maintained hardware or software could result in serious operational disruption, unexpected costs and/or adverse impacts on the Group's growth and diversification plans.</p> <p>A failure in key operational systems, particularly payroll systems, could lead to workers not being paid correctly and on time, with consequent reputational damage and/or worker attrition.</p>			
<p>Staffline response</p> <p>The Group has continued to invest in upgrading its cyber security arrangements, with roll out of secure devices with multi-factor authentication controls to all users completed during 2024. Robust security policies and practices are in place and Recruitment Ireland achieved Cyber Essentials Plus accreditation in late March 2025. Recruitment GB is working towards achieving both ISO 27001 and Cyber Essentials Plus accreditation in early 2026.</p> <p>Most core systems are hosted by major cloud service providers and disaster recovery plans with contractual recovery objectives are in place for these systems, which are replicated to minimise downtime and potential data loss. Recovery capability is tested regularly and business continuity plans are in place to ensure an appropriate response to systems outages and other disruption scenarios. Key payrolls could, as a last resort, be run and paid via manual processes if necessary due to extended system outages.</p> <p>A major upgrade programme involving replacement of Recruitment GB's temporary worker payrolling, billing and financial systems commenced during the second half of 2024 and is due to be completed in early Q3 2025.</p> <p>During 2024, Recruitment GB purchased the rights to the core code for its Universe front-end system and took all development of the system in house, reducing development timeframes and removing the previous reliance on the third-party vendor's new release cycle. A La Carte, which currently uses legacy front-end systems, will be migrated onto Universe during 2025.</p> <p>Recruitment Ireland completed a programme to migrate key systems off legacy infrastructure and further strengthen their resilience during 2024.</p> <p>The Group maintains both business interruption and cyber insurance policies. Whilst these may not fully cover all risks and potential losses, the Board is satisfied with the scope and level of mitigation provided, which is reviewed annually. The level of cover purchased has been substantially increased over recent years.</p>			

Legal and regulatory environment

Residual risk level	Medium	Year-on-year trend	↑
<p>Risk description</p> <p>The Group continues to operate in a fluid and increasingly complex legal and regulatory environment, particularly in relation to the supply of temporary labour. Other significant regulatory considerations arise in relation to health and safety, environmental matters and an ongoing increase in corporate reporting requirements.</p> <p>Staffline is responsible for the recruitment of workers and allocation of shifts to individuals, which introduces risk around right to work, modern slavery and, in certain sectors, gangmasters.</p> <p>Temporary workers generally fall under the direction and control of Staffline's customers while in the workplace but inadvertent breach of laws or regulations could expose the Group to liability.</p> <p>The Labour government has made clear that labour rights are a key area in which new and potentially far-reaching legislation is to be introduced, including the establishment of a Fair Work Agency that will combine the responsibilities of various currently separate regulatory and oversight bodies.</p>			
<p>Staffline response</p> <p>The Group actively engages with customers, regulators, external professional advisers and industry bodies to assess the requirements and implications of relevant regulations and working practices and any proposed changes.</p> <p>Employees are given training on National Living Wage (formerly National Minimum Wage) regulations. A monitoring process has been established and sites that pay workers at or just above minimum wage are regularly audited by in-house Compliance teams, with emphasis placed on sites that are seen as higher risk due to the nature of operations at customer premises.</p> <p>Compliance with laws and regulations such as "right to work" checks and Agency Worker Regulations is also monitored through both planned audits and investigation of exceptions identified by data analysis.</p> <p>Health and safety matters are closely monitored and regularly reported upon, with action plans drawn up where deficiencies or potential exposures are identified.</p> <p>Management will continue to monitor policy announcements and contribute to consultation processes in order to understand and, where appropriate seek to influence, the detail of proposed regulatory changes.</p>			

Service delivery – Recruitment GB

Residual risk level	Medium	Year-on-year trend	
Risk description Tight labour markets for both temporary and permanent workers and unpredictable levels of customer demand provide a constant challenge and require agility and innovation to ensure that customers' needs are met as they arise. Shift patterns may be highly complex and unpredictable working patterns driven by fluctuating consumer demand can increase the risk of worker attrition. Failure to meet contractual service levels and/or customer expectations can lead to performance penalties and adverse impact on customer relationships.		Staffline response Recruitment GB has established a strong customer proposition based on reliability, flexibility, use of technology and focus on compliance. Fulfilment rates are closely monitored and the management teams maintain close relationships with customers. Strengthening these relationships as part of developing long-term partnerships has remained an area of focus during 2024. Regular review meetings are held with customer management to discuss performance. 2024 has seen further new customer wins and increased share of existing customers' business, demonstrating confidence in Staffline's ability to deliver consistently high service levels.	

Liquidity and covenant compliance

Residual risk level	Low	Year-on-year trend	
Risk description Like most businesses, the Group is reliant on external financing to meet its short-term working capital requirements and longer-term investment plans. It is essential that such financing arrangements provide flexibility to allow unexpected events to be accommodated whilst, at the same time, limiting financing costs.		Staffline response The Group Finance team forecasts and monitors cash flows and banking facilities on a daily and weekly basis and maintains compliance with the other information undertakings required under the facility. 13-week cash flow forecasts are also prepared on a weekly basis to identify potential pinch points and ensure that sufficient cash reserves (including undrawn facilities) are in place to meet the short-term needs of the business. As previously reported, in December 2023 the Group entered into a new financing arrangement replacing the agreement entered into in June 2021. This new agreement involves two lenders and comprises a £60m Receivables Financing Agreement with a four-year term. Further details are provided in Note 21 to the Financial Statements on page 132. The Group has prepared financial forecasts covering the period to 31 December 2026 which show that headroom is expected to be available within the new facilities and that compliance with the relevant covenants can be maintained for the full period of these forecasts.	

Principal Risks and Uncertainties continued

Interest rates	
Residual risk level	Year-on-year trend
<div><div><div></div></div><div>Low</div></div> <div>Risk description Whilst central bank interest rates have fallen slightly during 2024, they remain higher than the historical medium term and further significant reductions in UK interest rates are now thought unlikely in the short to medium term due to inflationary pressures in both the global economy and the UK economy. Staffline has significant short-term working capital requirements that could, if not managed, drive significant financing costs that would adversely affect the Group's profitability.</div>	<div><div></div></div> <div>Staffline response In October 2021, the Group entered into an interest rate cap instrument that mitigated its exposure to rises in interest rates through the three years to October 2024. This instrument was replaced in September 2024 by an interest rate collar (cap and floor) arrangement with a five-year term. Further details are provided in Note 18 to the Financial Statements on page 130. This arrangement, coupled with the headroom available within the Group's current financing arrangements, is expected to provide continued opportunities for volume and market share growth, particularly in Recruitment GB, by allowing a level of certainty around debt and financing costs in the short term that many competitors do not share.</div>

Details of how the Group engages with its stakeholders, as required by Section 172 of the Companies Act 2006, are provided on pages 68 and 69.

The strategic report from pages 1 to 58 is approved by Board of Directors and signed on its behalf by:

Albert Ellis
Chief Executive Officer
7 April 2025

Corporate Governance

Inside this section

- 60 Chairman's Introduction
- 62 Our Board
- 64 Corporate Governance Report
- 68 Stakeholder Engagement
- 70 Nominations Committee Report
- 72 Audit Committee Report
- 80 Remuneration Committee Report
- 87 Report of the Directors
- 91 Statement of Directors' Responsibilities
- 92 Independent Auditor's Report

Chairman's Introduction



Tom Spain
Chairman

Ultimate accountability for the governance of Staffline lies with our Board of Directors, the majority of whom are Non-Executive Directors, who can draw on their considerable experience in diverse areas of business.

As an AIM-listed company, Staffline Group PLC has chosen to apply the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies ("the QCA Code"). In doing so, we have established internal governance processes that reflect best practice. Ultimate accountability for the governance of Staffline lies with our Board of Directors, the majority of whom are Non-Executive Directors, who can draw on their considerable experience in diverse areas of business. The Board is supported by Nominations, Remuneration and Audit Committees, of which the Chair and the majority of members are Non-Executive Directors. Our corporate values of teamwork, respect, commitment, reliability, creativity and integrity are driven by the Board and are at the heart of all our processes and decisions.

Since my appointment as Chairman, in an interim capacity, which was made permanent on 18 March 2024, the Company and the Board have continued to build on the significant progress in maintaining and improving the Group's governance, operational and financial processes. The Group has also further strengthened its financial position.

The following pages of this Corporate Governance Report set out how the Group has complied with the QCA Code, the activities of each Board Committee and the actions that we have taken to strengthen further our internal processes and controls.

Tom Spain
Chairman
7 April 2025

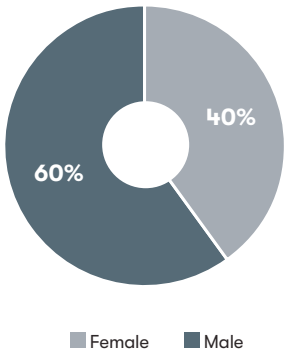
Highlights 2024/25

- During the latter part of 2024, an external Board evaluation was conducted by Boardelta, focusing on the Board’s remit and key issues it faces.
- With effect from 17 March 2025, the Board combined the roles of the Remuneration and the Nominations Committees.
- Amanda Aldridge was appointed Senior Independent Director on 7 April 2025.

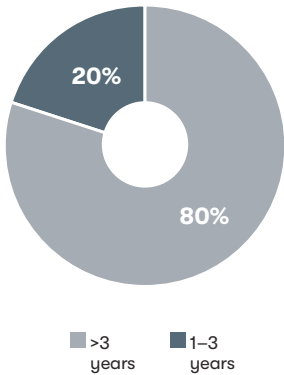
Skills and experience

Skill area	Executives		Non-Executives		
	Albert Ellis	Daniel Quint	Tom Spain	Catherine Lynch	Amanda Aldridge
Sector experience	●	●			
Business strategy	●	●	●	●	●
Business transformation	●	●		●	●
Financial reporting	●	●			●
Governance and internal controls	●	●		●	●
Capital markets and financing	●	●	●		●
M&A/business development	●	●		●	●
HR/People	●			●	
Other Board experience	●	●	●	●	●

Gender diversity



Board tenure



Our Board

Committee Membership: **A** Audit Committee **N** Nominations Committee **R** Remuneration Committee **●** Denotes Chair



Tom Spain
Chairman

Appointed to the Board as Non-Executive Director on 28 July 2021, and acting as Interim Chairman from 26 May 2022 until 18 March 2024, when his appointment was made permanent.

With effect from 17 March 2025, Tom was appointed a member of the combined Remuneration & Nominations Committee.

Background and experience

In his early career Tom worked as a stockbroker at Edward Jones. Tom holds the Chartered Institute for Securities and Investment qualification in Private Client Investment Advice and Management, as well as Chartered Insurance Institute Financial Planner status. Tom is a Chartered Wealth Manager and member of the Chartered Institute of Securities and Investment, as well as a member of the Personal Finance Society.

External appointments

Tom Spain founded the business Henry Spain Investment Services Limited in 2010.



Albert Ellis
Chief Executive Officer

Appointed to the position of Chief Executive Officer on 1 October 2020, having acted as an Independent Non-Executive Director for the Company from 17 March 2020.

Background and experience

Albert brings considerable experience in the staffing and human capital sector having spent over 21 years at Harvey Nash, the technology recruitment and IT solutions group. Albert held the position of Group Chief Executive Officer for 14 years, and prior to that, Chief Financial Officer. Previously, Albert also held a number of senior finance roles within Hays Plc, the FTSE 250 recruitment company. Albert is a qualified Chartered Accountant.

External appointments

Albert was appointed as a Non-Executive Director of HRnet Group with effect from 1 October 2022. HRnet Group, one of the largest Asia-based recruitment agencies, listed on the Mainboard of the Singapore Exchange ("SGX"), is the second largest shareholder in the Company (holding approximately 17% of the current issued share capital). Albert was formerly a Trustee of Asia House.



Daniel Quint
Chief Financial Officer

Appointed to the Board on 18 May 2020. Appointed as Chief Financial Officer on 1 February 2021, having acted as Interim Chief Financial Officer since 17 December 2019.

Background and experience

Daniel is an experienced Chief Financial Officer and a Fellow of the Institute of Chartered Accountants in England and Wales. With over ten years' board-level experience with private and public companies, Daniel also spent five years at Robert Walters plc, one of the world's leading professional recruitment consultancies, where he held the role of Finance Director (UK, Middle East and Africa). Most recently, Daniel was Interim Chief Financial Officer at AIM-listed Young and Co's Brewery PLC. Prior to this, Daniel spent three years as Chief Financial Officer of SPIE UK, the leading energy, safety and environmental solutions provider.

External appointments

None.



Catherine Lynch
Independent Non-Executive Director

A N R

Appointed to the Board on 1 January 2021.

Catherine is Chair of the Remuneration and Nominations Committees and a member of the Audit Committee.

With effect from 17 March 2025, Catherine was appointed Chair of the combined Remuneration & Nominations Committee.

Background and experience

Catherine is a highly experienced HR Director, with over 25 years' experience, and is currently Interim Chief People Officer at Mobico Group plc, a FTSE 250 company and leading international transport provider, operating in 11 countries across Europe, North America and the Middle East. She was formerly Chief People Officer at Essentra plc and has held a number of HR Director roles at leading companies such as Rentokil-Initial plc, Flutter Entertainment plc, BGL Group and Santander and was Chief People Officer at Virgin Media for several years. Catherine is a Fellow of the Chartered Institute of Personnel and Development ("CIPD") and a member of the Advisory Board of Dial Global, a community focused on inclusion.

External appointments

Catherine is currently Interim Chief People Officer at Mobico Group plc.



Amanda Aldridge
Senior Independent Director

A N R

Appointed to the Board on 17 April 2023 and appointed as Senior Independent Director on 7 April 2025.

Amanda is Chair of the Audit Committee and was a member of the Remuneration and Nominations Committees. With effect from 17 March 2025, she was appointed as a member of the combined Remuneration & Nominations Committee.

Background and experience

Amanda is a Fellow of the Institute of Chartered Accountants in England and Wales and has extensive audit, governance and capital market experience having worked at KPMG LLP ("KPMG") for 33 years until 2017, including 20 years as a partner. During her time at KPMG, Amanda held numerous positions including Head of the Retail Sector practice before becoming Head of Contract Governance in the Risk Consulting Division.

External appointments

Amanda is currently a non-executive director of Helical plc and Chair of the Audit and Risk Committee, a non-executive director of Impact Healthcare REIT plc and Chair of the Audit Committee, a director of The Brunner Investment Trust Plc, and a director of The Low Carbon Contracts Company Limited. Amanda is a Fellow of the Institute of Chartered Accountants in England and Wales.

Managing Directors



Frank Atkinson

Managing Director, Recruitment GB

Having joined the business in late 2019 as Chief Operating Officer, Frank was appointed to the role of Managing Director, Recruitment GB in April 2020.

Background and experience

Frank brings a wealth of corporate leadership experience within FTSE businesses. He joined Staffline from Sky where he served as Sales and Commercial Director for the Commercial division of the UK and Republic of Ireland business, having joined the PLC in 2010. Prior to that, Frank was a main UK Board Director of the membership division of Homeserve PLC, leading the Customer Sales, Retention and Claims Handling operations for seven years as a Financial Conduct Authority Approved Person. Before that, Frank spent seven years in the business process outsourcing sector. Frank leads the operational and strategic delivery of the Recruitment GB businesses focusing on service delivery and growth.

External appointments

None.



Tina McKenzie MBE

Managing Director, Recruitment Ireland

Tina launched Recruitment Ireland in 2013 as a start-up after running various Randstad companies across the UK for over 11 years.

Background and experience

A graduate of Ulster University, Tina built a global career across many sectors, returning to Northern Ireland in 2013 to found Staffline Recruitment across the island of Ireland. As Recruitment Ireland's first employee, Tina has grown the business to where it is today with 11 offices and thriving branch network, RPO, public sector, medical, executive search and OnSite divisions.

External appointments

Tina chairs the Federation of Self Employed and Small Businesses ("FSB") in Northern Ireland and is Chair of the UK FSB Policy and Advocacy Board. She is a member of the Ireland Funds Global Board, is a Visiting Professor at Ulster University and was named one of the UK's most influential political figures by *Politico*.

In June 2023, Tina was awarded an MBE for Services to the Economy in Northern Ireland in the King's inaugural Birthday Honours.

“

The Board is satisfied that it has an appropriate mix of skills and experience to deliver the Company's strategy.

Corporate Governance Report

Staffline Group PLC (“the Company”) is an AIM-listed company and is committed to maintaining the highest standards of corporate governance throughout its operations and ensuring that all of its activities are conducted transparently, ethically and efficiently. The Company believes that scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in its continued success and improve shareholder value.

In compliance with the AIM Rules for Companies, the Company has chosen to comply with the Quoted Companies Alliance Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (“the QCA Code” or “the Code”). An updated version of the Code was published in November 2023 with companies expected to reflect the amended requirements in any disclosures made in relation to financial years commencing on or after 1 April 2024. However, Staffline already substantially complies with these amended requirements and has therefore chosen to report against these requirements in respect of the year to 31 December 2024.

The requirements of the QCA Code 2023 and how the Company complies with each of them are set out below:

Principle 1 Establish a purpose, strategy and business model which promote long-term value for shareholders

The Group’s purpose: Enabling the future of work by developing and deploying a highly flexible, robust and skilled workforce.

The Group’s vision is to be a world-class recruitment and training group, the clear market leader in the UK and Ireland and a trusted partner known for excellent service and integrity, driven forward by digital innovation.

The Group’s strategy is to drive the long-term growth of the business. The Group’s business model is set out on pages 8 and 9 and the strategic priorities of the Group are set out on pages 10 and 11.

The Group comprises two operating divisions: Recruitment GB and Recruitment Ireland, details of which are provided in the Operational Reviews on pages 12 to 17.

The principal risks and uncertainties faced by the Group in achieving its strategic objectives are detailed on pages 50 to 58.

Principle 2 Promote a corporate culture that is based on ethical values and behaviours

The Group’s corporate values are detailed on the Staffline Group website: www.stafflinegroupplc.co.uk/about-us/strategy-vision-and-values/ and are as follows:

- Teamwork: working together across the business to achieve more for our customers;
- Respect: taking time to understand, trust and support each other to achieve shared success;
- Commitment: demonstrating a relentless and driven ambition to exceed expectations;
- Reliability: fulfilling all our customer requirements, getting the job done;
- Creativity: solving problems and suggesting new ideas and insights; and
- Integrity: doing things the right way, for the right reason, ethically, honestly, every time.

These values are driven by the Board and are at the heart of all Board processes and decisions. Group policies including Anti-Bribery, Anti-Fraud, Anti-Money Laundering and Whistle-blowing policies, details of which are provided in the Audit Committee Report on pages 72 to 79, are owned by the Board.

The Board is committed to reducing the threat of modern slavery and human trafficking and the Group works with like-minded organisations to achieve this as described in the ESG Report on page 49, along with the commitment to health and safety and the approach to UK Data Protection Regulations.

Principle 3 Seek to understand and meet shareholder needs and expectations

The Board is accountable to shareholders for the long-term success of the Group.

A dedicated email address exists to enable all current and prospective shareholders to contact the Group directly at investors@staffline.co.uk. The Board recognises that, whilst the majority of shareholders are large institutions, the Company’s private shareholders are important and the Board welcomes dialogue with them.

The Company uses the “Investor Meet” platform for its investor presentations and the Board studies closely the polls, feedback, questions and analytics generated, demonstrating its shareholder engagement activities.

Links to presentation slides can be found in the Media Library at www.stafflinegroupplc.co.uk/investor-relations/media-library.

In addition to the formal institutional meetings at the half year and year end, the Executive Directors meet existing and prospective investors throughout the year as part of an ongoing investor engagement strategy. The Chairman also meets key shareholders during the year to discuss corporate governance matters and listen to any concerns that are raised. The Independent Non-Executive Directors are also usually available to meet with shareholders and provide an independent point of contact on Board matters at the AGM and can be reached by email at investors@staffline.co.uk.

During 2024, the Remuneration Committee Chair consulted with a number of the Company's major shareholders on certain remuneration issues, including the design and grant of options under the Long-Term Incentive Plan for Executive Directors and senior management.

All shareholders are encouraged to attend the Annual General Meeting ("AGM"). Shareholders will be able to attend the AGM 2025 in person and arrangements will be made to enable shareholders to submit written questions to the Board in advance of the meeting. Shareholders will be invited to vote by proxy, the results of which will be published on the website at www.stafflinegroupplc.co.uk following the meeting.

Principle 4

Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success

The Board recognises its social, environmental, and economic responsibilities to wider stakeholders and is committed to act in a way which it considers to be most likely to promote the success of the Group, having particular regard to:

- the likely social, environmental, and economic consequences of any decision in the long term;
- the interests of the Group's employees and temporary workers;
- fostering strong and transparent relationships with customers, suppliers, regulators and investors;
- reducing the risk of modern slavery and other labour abuse mechanisms in our supply chains;
- the impact of the Group's operations on communities and the environment;
- setting high standards of business conduct; and
- the need to act fairly between shareholders of the Company.

This wider perspective underpins the Board's approach to setting the overall strategic direction of the Group and supports its core values, policies and procedures, which in turn, creates an environment in which the business and its employees can act with integrity and effectiveness, whilst driving profitable growth. This is demonstrated through Board decisions and within corporate policies.

The statement on Stakeholder Engagement, which sets out how the Board considered its stakeholders when making principal decisions, can be found on pages 68 and 69.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board maintains a strong system of internal controls to safeguard shareholders' interests and the Group's assets and regularly monitors its effectiveness. The system of internal financial controls in place is designed to provide reasonable but not absolute assurance against material misstatement or loss.

A clear structure of delegated authority levels covering a wide range of transactions is in place along with a formalised Schedule of Matters Reserved for the Board, which is reviewed annually. The framework provided by these documents provides clarity around the extent to which the Board, as the body that has ultimate responsibility for managing the Group's business and safeguarding the interests of its stakeholders, has chosen to delegate its authority in specific areas. Further delegation of authority within the divisions is also documented, with arrangements aligned to each division's particular organisational structure and operations.

Group-level policies intended to establish a standard approach across the business in relation to matters such as fraud, bribery, competition, whistle-blowing and conflicts of interest form part of mandatory training for most employees.

The Group's Head of Internal Audit oversees a robust, standardised approach to risk management at Group level that complements and builds upon divisional risk management processes, which are predominantly operationally focused. Further information about the risk management process and the criteria used to assess risk is provided in the Principal Risks and Uncertainties section on pages 50 to 58.

Regular updates on risk matters are provided to the Audit Committee and the Board through both management reports and the work of the Head of Internal Audit. The Head of Internal Audit works closely with divisional Governance and Compliance teams and facilitates the sharing of knowledge and good practice across the divisions.

The Group's divisions maintain independent compliance audit functions that sit locally within each division and are responsible for checking workers' legal employment status and compliance with industry body and regulatory standards e.g. Recruitment and Employment Confederation ("REC"), the Gangmasters and Labour Abuse Authority ("GLAA") and National Minimum Wage "NMW" regulations. The Payroll teams in both divisions also receive ongoing training to ensure compliance with relevant legislation and procedures.

There is regular review of financial information, including year-to-date performance against current year budget, prior year and latest forecast, at all management levels up to and including the Board. Both risks to financial performance and potential opportunities are monitored to ensure that performance is in line with expectations and that opportunities are exploited.

Corporate Governance Report continued

Principle 6 Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board provides leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed.

Whilst not strictly compliant with the QCA Code 2023, the Board is satisfied that there is an appropriate balance of Executive and Non-Executive Directors, with two Executive and three Non-Executive Directors, two of whom are independent. Tom Spain, the Chairman, leads the Board and is responsible for promoting the strategic success of the Company and creating value for shareholders in the long term whilst ensuring that sound, effective corporate governance practices are embedded in the Group and in its decision-making processes.

Albert Ellis, Chief Executive Officer, is responsible for developing and delivering the Group's strategy within the policies and values established by the Board. Daniel Quint, Chief Financial Officer, is responsible for managing the financial resourcing, reporting and planning of the Group.

Amanda Aldridge and Catherine Lynch, the two Independent Non-Executive Directors, bring independent and objective analysis to all matters considered by the Board and its Committees using their substantial and wide-ranging experience. They monitor the Executive Directors' delivery of the Group's strategic objectives within the risk and governance structure agreed by the Board.

Non-Executive Directors are expected to commit two days per month to the Company. This includes attendance at Board and Committee meetings, strategy sessions, the AGM and meetings with shareholders and employees.

The Board meets at least six times each year. During 2024, the Board held 19 formal Board meetings.

Individual Directors' attendance at the Board meetings held in 2024 is summarised below:

Director	Number of meetings attended	Maximum number of meetings possible
Tom Spain (Chair)	19	19
Albert Ellis	17	19
Daniel Quint	19	19
Catherine Lynch	18	19
Amanda Aldridge	19	19

Directors are given comprehensive, timely and relevant management information before each Board meeting. Directors are able to obtain independent professional advice in the course of their duties, at the Group's expense. All Directors submit themselves for re-election annually.

The Board delegates certain functions to its three principal Committees as follows:

Nominations Committee

The Nominations Committee reviews the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors. Succession planning and approval of Board appointments form an important part of the Committee's responsibilities.

Audit Committee

The Audit Committee works with management, the external auditor and the Group's internal audit and governance teams to oversee Staffline's financial reporting, internal control and risk management processes.

Remuneration Committee

The Remuneration Committee ensures that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests, while also complying with the requirements of relevant regulations.

Details of the members of the Board and its Committees are set out on page 62.

Detailed reports for the Nominations Committee, Audit Committee and Remuneration Committee are provided on pages 70 and 71, 72 to 79, and 80 to 86, respectively.

With effect from 17 March 2025, the Board combined the roles of the Remuneration and the Nominations Committees. Catherine Lynch was appointed Chair of the combined Remuneration & Nominations Committee.

Principle 7 Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities

The Board currently comprises the Chairman, two Independent Non-Executive Directors and two Executive Directors, who provide a range of experience and backgrounds detailed in the "skills and experience" matrix on page 61. With effect from 17 March 2025, the roles of the Remuneration and Nominations Committees were combined and on 7 April 2025, Amanda Aldridge was appointed as Senior Independent Director.

The Board believes that the Company has a strong, independent, highly qualified and diverse Board with the right people in place to lead the business. Biographical details of the Directors are set out on page 62.

Tom Spain, the Chairman, is responsible for leading the Board, facilitating the effective contribution of all members and ensuring that it operates effectively in the interests of the shareholders. Tom founded Henry Spain Investment Services Limited in 2010 and is actively engaged in the business.

Amanda Aldridge, a qualified Chartered Accountant, has significant financial expertise, specifically in financial management, control and reporting. Amanda also has extensive audit, governance and capital markets experience having worked at KPMG LLP for 33 years until 2017, including 20 years as a partner. During this time, Amanda held numerous positions including Head of the Retail Sector practice before becoming Head of Contract Governance in the Risk Consulting Division.

Catherine is a highly experienced HR Director and is currently Interim Chief People Officer at Mobico Group plc, a FTSE 250 company. She was formerly Chief People Officer at Essentra plc and has held a number of HR Director roles at leading companies such as Rentokil-Initial plc, Flutter Entertainment plc, BGL Group and Santander and was Chief People Officer at Virgin Media for several years. Catherine is a Fellow of the CIPD and is currently a member of the Advisory Board of Dial Global, a community focused on inclusion.

Albert Ellis and Daniel Quint are both Chartered Accountants with over 40 years' board-level experience at private and public companies between them.

Albert was appointed as a Non-Executive Director of HRnet Group Limited with effect from 1 October 2022. HRnet Group Limited is the second largest shareholder in the Company (holding approximately 17% of the current issued share capital).

The Nominations Committee is responsible for the recruitment and appointment of Directors but ensures that the whole Board is involved in the process. With effect from 17 March 2025, the Board combined the roles of the Remuneration and the Nominations Committees.

Directors are encouraged to keep their skills up to date by attending appropriate training courses. Directors are either currently, or have previously been, members of other boards.

Principle 8

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board evaluation is conducted on an annual basis and includes an external evaluation at least every three years. During the latter part of 2024, under the guidance of Catherine Lynch, as Chair of the Nominations Committee, an external evaluation was conducted by Boardelta, focusing on the Board's remit and key issues it faces. In particular, the Board considered how it discharges its strategic remit and reviews key issues facing the Group.

As required, Directors discussed any matters with the external consultant as appropriate and the overall outcome of the evaluation, including recommendations and actions, was discussed with the Board.

Following consideration of the recommendations of the external Board evaluation, Amanda Aldridge was appointed Senior Independent Director on 7 April 2025.

The Senior Independent Director will support the Chairman and provide an independent point of contact for shareholders on Board matters, including being available to meet with shareholders at the AGM and otherwise as appropriate.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Remuneration Policy developed by the Remuneration Committee ensures that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests while complying with the requirements of relevant regulations.

Further information about the Remuneration Policy and how it supports long-term value creation and the Company's purpose, strategy and culture can be found on pages 80 to 86.

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board represents and promotes the interests of the Group's shareholders and is accountable to them for the long-term success of the Group. The statement on Stakeholder Engagement can be found on pages 68 and 69.

The Executive Directors hold regular meetings with institutional shareholders. They also provide updates on the performance of the Group to shareholders and wider stakeholders at the interim and annual results presentations.

The Executive Directors also hold regular meetings and maintain an ongoing dialogue with the Group's lenders.

Stakeholder Engagement

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

In the decisions taken during the year ended 31 December 2024, the Directors have acted in the way they consider to be in good faith, most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, and for the benefit of its stakeholders, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006.

How we engage with our key stakeholders

Staffline as a responsible employer

The Board is committed to being a responsible employer and creating a working environment where employees are engaged, informed and involved.

Throughout the year the Group's divisions provide valuable opportunities to share, listen and learn via in-person meetings, regular online communications, employee forums, annual conferences and quarterly town hall meetings. The Group's aim is to do more of what our people like and improve upon what they tell us they want from an employer of choice. We offer opportunities to feed back to the respective leadership teams in each of the Group's businesses through regular management and leadership events. We gather and analyse personnel management data through regular employee pulse/voice surveys across each of the Group businesses and respond transparently to what our people are telling us by sharing findings and planned actions at all levels of each business. Colleagues tell us that they value regular communication with their managers and the Group's medical benefits and annual leave packages. We continue to review the benefits offer on an ongoing basis.

Further information about Staffline as a responsible employer can be found in the ESG Report on pages 32 to 41.

Staffline as a responsible partner for temporary workers

Temporary workers are an integral part of Staffline's customers' businesses and the Group's ethos in respect of these workers is summed up by its mission statement "Providing Good Work".

The Group's divisions are committed to paying workers accurately and on time, and to ensuring all relevant rules and regulations, such as Agency Worker Regulations, National Minimum Wage and holiday pay rules, are complied with.

Further information about how Staffline partners with its temporary workers can be found in the ESG Report on pages 28 to 31.

Staffline as a responsible partner for customers

Staffline is committed to developing long-term partnerships with its customers, supporting their businesses as they adapt to meet their own customers' changing needs.

Staffline is committed to operating compliantly and maintains independent compliance audit functions that sit locally within each division and are responsible for checking workers' legal employment status and compliance with industry body and regulatory standards e.g. Recruitment and Employment Confederation, the Gangmasters and Labour Abuse Authority and National Minimum Wage regulations. The Payroll teams in both Recruitment divisions also receive ongoing training to ensure compliance with relevant legislation and procedures.

Staffline also works with a number of blue chip customers to introduce innovative ways of working that deliver productivity gains to the customer and provide additional revenue for the Group.

Further information about how Staffline works with its customers can be found in the ESG Report on pages 28 to 31.

Staffline as a responsible partner for investors and lenders

The Group maintains regular dialogue with its shareholders and finance providers in support of its long-term partnerships.

The Executive Directors engage with the investor community and with lenders via face-to-face meetings and regular presentations, typically connected with trading updates and other finance-related events. The Group seeks the support of shareholders through long-term relationships based on transparency and trust. Likewise, the Group's lenders have shown their ongoing support for the Group by entering into an updated financing arrangement in December 2024, as described in the Chief Finance Officer's review on page 25.

Staffline as a responsible partner for the community and the environment

The Group's commitment to supporting people and the related environmental, social and governance responsibilities is integral to our business.

In the opinion of the Board, Staffline is a low impact business in environmental terms but as part of its commitment to doing business responsibly, it should seek to reduce or eliminate such impacts where it is commercially sustainable to do so.

Further information about how Staffline works with its customers can be found in the ESG Report on pages 28 to 31.

Staffline as a responsible business partner and maintaining high compliance standards

The Group's commitment to maintaining its reputation and doing business in a responsible way is integral to our business.

Sound governance and doing business in a responsible way are fundamental to the way the Group operates.

Further information about how Staffline ensures a high level of compliance and maintains its reputation can be found in the ESG report on page 49 and in the Corporate Governance Report on pages 64 to 67.

Our principles in action

Key decisions made by the Directors during 2024 are described below and in the Strategic Report on pages 1 to 58.

- **Share buyback programme.** Following authorisation received at the AGM in May 2024 to acquire up to 10% of the Company's own shares, the Board considered the potential for implementing a share buyback programme at its meeting in June 2024. In consideration of the Group's available cash resources and taking account of medium-term plans and growth prospects, the Board announced the launch of a third share buyback programme on 10 June 2024. The launch of the programme reflected the Group's disciplined approach to the allocation of capital with the main objective being to enhance shareholder value. This third programme completed on 24 September 2024, with £2.5m returned to shareholders.
- **Sale of PeoplePlus.** During the year, partly as a result of the general election, the pipeline for new contracts and the timing of tender results, stalled considerably, impacting the prospects for the division. Following the receipt of an approach from an interested party, the Directors considered the disposal of PeoplePlus to be for the long-term benefit of shareholders. Accordingly, negotiations for the sale commenced in the second half of the year, eventually culminating in the sale on 24 February 2025. Further details of the sale can be found in Note 10 to the Financial Statements and in the Financial Review on page 20.

Nominations Committee Report



Catherine Lynch
Chair of the
Nominations
Committee

The Nominations Committee reviews the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors. Succession planning and approval of Board appointments form an important part of the Committee's responsibilities.

Membership and meetings

The Nominations Committee comprises two members, Catherine Lynch, Independent Non-Executive Director and Amanda Aldridge, Independent Non-Executive Director. The Committee is chaired by Catherine Lynch unless the matter under discussion is her own succession. Other Directors are invited to attend as appropriate and only if they do not have a conflict of interest. The Committee is also assisted by executive search consultants as and when required.

The Nominations Committee meets at least once a year and otherwise, as required. During 2024, the Committee met on two occasions, the first of which was to review the continuation of Tom Spain's appointment as Chairman at the AGM on 26 May 2022, in an interim capacity, which was made permanent on 18 March 2024. In making this recommendation the Committee took into account the views of shareholders and feedback from Board members on Tom Spain's performance as Chairman.

Attendance in 2024:

Director	Number of meetings attended	Maximum number of meetings possible
Catherine Lynch (Chair)	2	2
Amanda Aldridge	2	2

The Chairman and Chief Executive Officer were both invited to attend all meetings during the year.

With effect from 17 March 2025, the Board combined the roles of the Remuneration and the Nominations Committees. Catherine Lynch was appointed Chair of the combined Remuneration & Nominations Committee.

Role of the Committee

The Committee regularly reviews the structure, size and composition of the Board and its Committees to ensure they continue to provide informed and constructive support and challenge to the management team. The Committee is responsible for identifying and reviewing suitable Board candidates through a formal and transparent process, and for ensuring that plans are in place for orderly succession to the Board. It also oversees the development of a pipeline for succession to senior management roles within the Group.

Key items considered by the Committee

Succession planning

The Committee met to review succession plans. The focus of these discussions was to review our succession planning strategy and ensure robust plans were in place for members of the Executive. The Committee will keep succession planning under close review in 2025 to implement the actions identified by the Board performance evaluation in 2024. The Committee also considered the number of Independent Directors and the recommendation from the evaluation for the appointment of Amanda Aldridge as Senior independent Director with effect from 7 April 2025.

Board diversity and inclusion

The Committee focuses on the leadership required for the executive management team to fulfil its purpose, achieve its vision and execute its strategy. This requires a clear focus on inclusion and diversity to maximise the skills and capabilities from which the executive management team can benefit. Our policy is to have a broad range of skills, backgrounds and experience on the Board and executive management team. Alongside the Board, the Committee continues to champion the benefits of diversity and inclusion at Board, Committee and senior management level. Appointments are always based on merit and we continue to challenge our external search consultants where necessary, to ensure that diversity and inclusion is always considered when drawing up candidate shortlists.

Audit Committee Report



Amanda Aldridge
Chair of the Audit
Committee

The Audit Committee works with management, the external auditor and the Group’s internal audit and governance teams to oversee Staffline’s financial reporting, internal control and risk management processes.

Membership and meetings

The Audit Committee comprises two members, Amanda Aldridge (Committee Chair) and Catherine Lynch, both of whom are Independent Non-Executive Directors. Further information about individual Board and Committee members can be found on page 62.

The Committee meets at least four times a year as required by its terms of reference, which are available at www.stafflinegroupplc.co.uk/about-us/corporate-governance. Meetings are scheduled at appropriate intervals throughout the financial reporting and audit cycle, with additional meetings held as required.

Attendance in 2024:

Director	Number of meetings attended	Maximum number of meetings possible
Amanda Aldridge	5	5
Catherine Lynch	5	5

The Chairman, Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Group Head of Internal Audit and the Group’s external auditor were invited to attend all scheduled meetings of the Committee and other meetings as appropriate to the business to be considered.

Committee agendas are structured around an underlying annual cycle of review and monitoring of financial reporting and internal control matters whilst maintaining ongoing oversight of internal control, risk management and other controls-related matters (e.g. whistle-blowing reports, fraud investigations and gifts and hospitality provided or received) through quarterly updates from the Group Head of Internal Audit. Key items covered by this annual cycle during the year are summarised below:

Meeting	Financial reporting matters	Internal control matters
March	External audit findings and approval of results announcement. Review of external auditor's performance. Approval of Annual Report and Accounts.	Internal control observations arising from external audit. Annual review of internal control environment.
June	Approval of agreed upon procedures for the half year.	Internal control presentations by Divisional Finance Directors. Re-adoption of key Group compliance-related policies.
September	–	Internal control presentations by Divisional IT teams. Review of Divisional and Group risk registers. Re-adoption of other Group internal controls-related policies.
December	Review of external audit planning and approval of fee proposal. Review of external auditor's independence.	Review of Committee effectiveness. Approval of proposed 2025 internal audit work programme. Review of internal audit performance, including private session with Group Head of Internal Audit without management in attendance.

Other meetings during the year were convened to consider the following business:

Meeting	Financial reporting matters	Internal control matters
July	Approval of half-year results announcement. Review of mid-year going concern update. Disclosure of ESFA claim and proposed settlement.	–

Audit Committee Report continued

Role and responsibilities

The Audit Committee is an integral part of Staffline's governance infrastructure, providing independent oversight of the Group's financial reporting, internal control and risk management arrangements.

The Committee's key responsibilities, as defined by its terms of reference, and its approach to fulfilling them are summarised below:

Responsibility	Approach
Oversight of the effectiveness, integrity and quality of the Company and Group's financial reporting	<p>The Committee Chair maintains ongoing contact with both executive management and the external auditor to discuss the Group's current or proposed practices in areas that might have a financial reporting impact or implication.</p> <p>The Group operates a policy of early engagement with the external auditor when any change in accounting policy or practice that might impact on the Group's financial reporting is being considered.</p>
Monitoring developments in relevant financial reporting legislation and regulation and their adoption by the Group	<p>The Committee reviews management reports assessing the impact on the Group's financial reporting of both proposed and enacted changes to relevant accounting standards, guidance and other regulatory matters.</p> <p>The external auditor also provides regular updates on the regulatory environment and potential changes.</p>
Appointment of the external auditor and oversight of their independence and performance	<p>The Committee monitors the length of tenure of the incumbent external auditor and reviews regulatory reports such as the Audit Quality Inspection and Supervision Reports published by the Financial Reporting Council ("the FRC").</p> <p>The Committee also reviews findings arising from the auditor's work and seeks feedback from management with regard to the auditor's performance, understanding of the Group's business and operations and interactions with Staffline personnel.</p> <p>The Committee would oversee any audit tender process and any recommendation by management would be subject to the Committee's approval prior to being put before shareholders at the Company's AGM.</p>

Responsibility	Approach
Oversight of the external audit process, including meeting the external auditor and reviewing any reports from them regarding financial reporting and internal control systems	<p>The Committee Chair maintains ongoing contact with the external auditor both with and without executive management involvement and receives informal progress reports from the external auditor during the audit.</p> <p>The Committee receives formal reports on completion of the audit work, which are discussed with the auditor and with executive management to ensure that Committee members are fully conversant with the key subject matter and that any internal control issues identified during the audit are addressed.</p>
Oversight of the design, implementation and effectiveness of internal financial controls, including identifying and commissioning specific internal control reviews	<p>The Committee receives formal presentations on the financial control environment within each division from Divisional Finance management. These cover accounting adjustments and any internal control concerns identified during the external audit, control improvement initiatives and resourcing of Finance and Governance teams.</p> <p>IT management provide similar presentations covering the systems environment, IT strategy, IT spend and cyber security arrangements.</p> <p>The Committee Chair also meets with Divisional Finance Directors, as appropriate, to discuss matters relating to financial reporting, internal controls and governance.</p> <p>The Committee has commissioned specific internal audit reviews where concerns have arisen or independent insight and assurance is required.</p> <p>The Committee Chair also has periodic one-to-one meetings with the Group Head of Internal Audit.</p>
Oversight of the internal audit function, including its independence and effectiveness	<p>The Committee reviews annually the charter under which the Group Internal Audit function operates. This incorporates safeguards to protect the function's independence, including direct access to the Chief Executive Officer and/or Committee Chair if required.</p> <p>The Committee also meets with the Head of Internal Audit once a year without executive management in attendance and seeks confirmation of the function's freedom from inappropriate influence or interference.</p>

Responsibility	Approach
Oversight of the Group's risk register, risk appetite and risk mitigation arrangements	<p>The Committee reviews outputs from the annual risk assessment process overseen by the Group Head of Internal Audit (see Principal Risks and Uncertainties on pages 50 to 58 for more detail), which considers potential threats, existing controls and further mitigating actions. Areas where risk is seen as potentially exceeding the appetite set by the Board are highlighted for more detailed consideration by the Committee.</p> <p>Divisional management provide ongoing commentary on risk within their regular Board reports and the internal audit work programme is closely linked to risk registers.</p>
Review of the effectiveness of the Group's whistle-blowing arrangements	<p>Whistle-blowing reports are summarised and reported to the Committee every quarter as part of regular internal controls updates from the Group Head of Internal Audit.</p> <p>The Committee formally reviews and approves re-adoption of the Group Whistle-blowing Policy annually.</p>

Financial reporting and external audit

Key matters considered by the Committee in relation to the Group's financial reporting for the year ended 31 December 2024 comprised:

Description of matter	Committee actions and conclusions
<p>Accounting treatment of PeoplePlus disposal</p> <p>The Committee considered the accounting treatment of PeoplePlus in light of the post year-end disposal of the business.</p>	<p>The Committee considered a paper prepared by the Group Finance team in respect of the proposed treatment of the PeoplePlus business as an asset held for sale at year-end.</p> <p>This matter was also discussed with the external auditor and based on this the Committee was satisfied that the treatment of this item was appropriate and compliant with relevant accounting standards.</p>

Description of matter	Committee actions and conclusions
<p>Going concern</p> <p>Use of the going concern basis for preparation of the Group's accounts is a mandatory requirement under the Companies Act 2013 unless the Board believes that it would be inappropriate to do so.</p> <p>Whilst the Group's performance remains resilient and its financing has been secured, economic uncertainties continue to present an ongoing risk to Staffline's future performance.</p>	<p>The Committee and Board received regular updates in respect of the Group's actual and forecast performance and its ability to maintain compliance with its obligations under its financing facility. The Board also received detailed presentations from divisional management and Group executives as part of the annual budgeting and planning process, after which it approved the budget for the year ending 31 December 2025 and plans for the following two years.</p> <p>The Committee reviewed a detailed year-end memorandum prepared by the Group Finance team that set out the Group's financing arrangements and covenant obligations, FRC guidance in relation to assessment of going concern matters, both budget/ actual and forecast profitability and cash flows and headroom against current funding arrangements.</p> <p>In the opinion of the Committee, use of the going concern basis when preparing the Group's accounts for the year ended 31 December 2024 remains appropriate.</p> <p>The Committee also noted that the auditor had highlighted no concerns in this area when reporting on the findings of the 2024 audit at its meeting in March 2025.</p>
<p>Accounting treatment of interest rate cap</p> <p>The interest rate cap instrument the Group entered into in October 2021 expired during the year and was replaced in September 2024 with an interest rate collar.</p> <p>Accounting treatment of such arrangements is defined by IFRS 9, Financial Instruments.</p>	<p>The Committee reviewed a paper prepared by the Group Finance team covering accounting treatment of the interest rate collar.</p> <p>In the opinion of the Committee, the proposed accounting treatment complies with the requirements of IFRS 9.</p>

Audit Committee Report continued

Description of matter	Committee actions and conclusions
<p>PeoplePlus income recognition on significant contracts</p> <p>PeoplePlus has historically had issues around revenue recognition on certain long-term contracts that led to prior year reserves adjustments in the 2021 and 2022 accounts.</p> <p>PeoplePlus also operates under certain long-term sub-contracts where the recognition of revenue and costs at interim stages during the contract term depends on management estimates.</p>	<p>The Committee reviewed the revenue recognition principles that the division has adopted in respect of individual significant contracts during 2024 and is satisfied that they are compliant with the requirements of IFRS 15 and that there is no basis for identifying any of these contracts as either onerous or potentially onerous.</p>
<p>Valuation of goodwill and intangible assets</p> <p>IAS 36, Impairment of Assets requires that reporting entities undertake periodic reviews of the carrying value of assets to identify any indicators that assets may be overvalued in relation to the future economic benefits that they are expected to generate.</p>	<p>The Committee reviewed a paper prepared by the Group Finance team summarising the impairment review carried out on the goodwill, intangibles and property, plant and equipment allocated to the Group's cash-generating units at 31 December 2024.</p> <p>Detailed assumptions used in the review were considered by the Committee and deemed reasonable and appropriate.</p> <p>The review indicated that an impairment adjustment was required in relation to the carrying value of the PeoplePlus CGU, as described in Notes 11 and 13 to the Financial Statements.</p>
<p>Valuation of investments</p> <p>Management believed that the valuation of the Company's investment in the PeoplePlus division was likely to require an impairment adjustment to reflect a reduction in its carrying value.</p>	<p>The Committee concurred with management's view that an impairment of £17.2m in the carrying value of the Company's investment in PeoplePlus was required and noted that this had no effect on the Group result.</p>

Description of matter	Committee actions and conclusions
<p>TCFD/NFSI Statement disclosures</p> <p>Staffline is required to disclose information regarding climate-related financial risks and business sustainability as defined by the Task Force on Climate-related Financial Disclosures ("TCFD") and the Non-Financial and Sustainability Information ("NFSI") Statement required by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 within its Annual Report and Accounts.</p>	<p>The Committee reviewed the draft disclosures prepared by management and was satisfied that they properly reflected the relevant requirements and were consistent with the Committee's understanding of the Group's governance, strategy, risk management arrangements and targets in relation to climate-related risks.</p> <p>Feedback received from the external auditor was also incorporated into the disclosures.</p>
<p>Alternative Performance Measures ("APMs")</p> <p>The Committee considered the appropriateness of APMs used in the Annual Report and Accounts, including the reasons for their use, the definitions used and the prominence of their presentation relative to statutory measures.</p>	<p>The Committee noted the APMs used were consistent with previous years and was satisfied that they remain appropriate and are not given undue prominence in their disclosure.</p>

Description of matter	Committee actions and conclusions
Other Matters Considered Other financial reporting and external audit-related activities undertaken by the Committee during the year included: <ul style="list-style-type: none"> • review of other key accounting judgements and estimates not itemised above; • approval of annual external audit plans and the auditor's fees and engagement letter; • review of year-end external audit findings, including findings relating to internal controls; • approval of the annual results announcement and Annual Report and Accounts; • approval of the interim results announcement and periodic trading updates; and • approval of Letters of Representation provided to the external auditor. 	The Committee considered various sources of information, including papers prepared by management and discussions with executive management and the external auditor where required, to enable it to reach an informed decision on individual matters.

Description of matter	Committee actions and conclusions
External Audit The Committee reviewed the performance of the external auditor during the year and the effectiveness and efficiency of the audit process.	<p>As in previous years in carrying out its assessment of the external auditor's performance the Committee considered:</p> <ul style="list-style-type: none"> • feedback from the Chief Financial Officer and Group Finance team, who monitor the external auditor's performance, behaviour and effectiveness during the audit and liaise with divisional Finance teams who work directly with the auditors; • key audit plans and reports, which were discussed and, where appropriate, challenged; • the nature, tone and content of engagement with the external auditor during both formal Committee meetings and ad hoc meetings, including meetings without any member of management present; • the Committee Chair's discussions with the Senior Statutory Auditor and audit management team ahead of Committee meetings at which the external auditor is due to present to the Committee; and • how the auditor supports the work of the Committee and how the audit contributes insights and adds value to the Group. <p>The Committee was satisfied with the auditor's performance during the year ended 31 December 2024 and the audit of the Group's financial results and reporting for this period.</p>

Audit Committee Report continued

Independence and non-audit services

The Committee monitors the arrangements in place to safeguard the external auditor's independence.

The Company appointed Grant Thornton as auditor after a formal tender for the year ended 31 December 2019. Under current FRC guidance the next audit tender will be required in respect of the year ending 31 December 2029. Until then, the Committee and Board will continue to monitor the auditor's performance and make any appropriate recommendations.

The Group has in place a formal policy covering provision of non-audit services. This clearly defines what services may and may not be provided by the Group's external auditor as a matter of Staffline policy and is reviewed annually by the Committee.

As in previous years, non-audit services provided by the external auditor during the year ended 31 December 2024 comprised agreed upon procedures on the Group's interim results and audit work on PeoplePlus' defined benefit pension scheme. Both are recurring engagements that were approved by the Committee and are permitted under the Group's policy on non-audit services.

The external auditor's risk assessment procedures identified no risk to the auditor's independence as a result of these engagements.

The Audit Committee has recommended to the Board that a resolution to reappoint Grant Thornton is proposed to shareholders at the next AGM.

Internal controls, risk management and governance

The Committee took the following actions during 2024 to maintain and support development of the Group's internal control, risk management and governance arrangements:

- review and approval for re-adoption of the Group's Schedule of Matters Reserved to the Board, the Group Delegation of Authority Policy and the Delegation of Authority Matrix, including changes thereto;
- review and approval for re-adoption of key compliance-related Group-level policies including the Anti-Fraud Policy, Anti-Bribery Policy, Anti-Money Laundering Policy, Anti-Facilitation of Tax Evasion Policy and Whistle-Blowing Policy;
- review and approval for re-adoption of other Group-level policies including the Gifts and Hospitality Policy, Donations and Sponsorships Policy, Drugs and Alcohol Policy, Non-Audit Services Policy and Bid-Related Costs Policy;
- review of the external auditor's findings in relation to internal control matters and management's responses to the items raised;
- review of divisional and Group risk registers and management's plans to mitigate the level of risk exposure;
- monitoring of the Group's engagement with HMRC including findings arising from an investigation by HMRC into a missing trader VAT fraud that was resolved with no penalties imposed against Staffline;
- implementation of formal quarterly reporting on cyber and data security matters including email security and data breaches across the Group; and
- sponsoring the inclusion of the Group Head of Internal Audit as a member of the steering committee for a key IT systems replacement programme in Recruitment GB.

Areas of focus in 2025

The Committee has identified the following areas of focus for the coming year:

- ongoing review of the Group's cyber security risk and response;
- oversight of risks relating to generative artificial intelligence ("AI"), including internal deployments of AI technologies and the risk of fraud by internal or external actors;
- obtaining appropriate assurance around future-proofing of key IT systems, including the replacement of core systems in Recruitment GB, and enabling internal audit involvement where appropriate; and
- ongoing consideration of regulatory changes, including the audit reform agenda and developments in financial reporting (including sustainability reporting) and their potential impact on the Group's risk profile and resourcing.

Internal audit

The Group maintains an in-house internal audit function, which was established in 2020 and reports through the Chief Financial Officer for administrative purposes but maintains direct lines of communication with the Audit Committee Chair.

During 2024, the Committee received internal audit reports covering:

- health and safety arrangements at HM Young Offenders Institution, Werrington;
- the Group's net debt reporting process;
- controls around historical TUPE transfers and preservation of employees' rights and entitlements
- permanent recruitment revenue in Recruitment GB and Recruitment Ireland;
- Staffline's readiness for implementation of the Worker Protection Act at the end of October 2024;
- a Group-wide assessment of fraud risk; and
- follow-ups of various internal audit reviews completed in previous years, including the 2022 review of cyber security arrangements across the Group.

The Head of Internal Audit works closely with divisional Governance and Compliance teams to ensure that information and examples of good practice are shared and opportunities for alignment of divisional processes are considered where this could improve the efficiency or effectiveness of internal controls.

The Audit Committee approves a broad programme of work each year and a rolling six-month plan comprising specific projects at each of its quarterly meetings. This provides flexibility to respond to changing business priorities, emerging risks and ad hoc requirements where a need for additional assurance has been identified by the Committee or management.

The 2025 work programme approved by the Committee at its December 2024 meeting includes reviews of:

- talent management;
- procurement policy and practice;
- non-payroll business continuity planning;
- data protection incident management and reporting;
- temporary and permanent recruitment terms of business; and
- mandatory training compliance and reporting.

The majority of reviews cover the whole Group in order to identify and disseminate good practice where it is appropriate to do so, but more focused pieces of work within specific divisions are carried out where required.

Remuneration Committee Report

Catherine Lynch
Chair of the
Remuneration
Committee

The Remuneration Committee ensures that remuneration arrangements support the strategic aims of the business in a manner that is aligned to shareholder interests, while also complying with the requirements of relevant regulations.

Membership and meetings

The Remuneration Committee comprises two members, Catherine Lynch, Independent Non-Executive Director and Amanda Aldridge, Independent Non-Executive Director. The Committee is chaired by Catherine Lynch.

In addition to reviewing and agreeing Directors' remuneration, the Committee also approves proposed remuneration packages for new appointments and remuneration changes for all employees whose basic gross salary is (or would be after any increase) £125,000 or above.

Except as shareholders and Directors, none of the members has any other personal financial interest in the Group.

The Remuneration Committee meets at least twice a year and otherwise as required.

Attendance in 2024:

Director	Number of meetings attended	Maximum number of meetings possible
Catherine Lynch (Chair)	8	8
Amanda Aldridge	8	8

The Chairman, Chief Executive Officer and Chief Financial Officer were invited to attend all meetings of the Committee and other meetings as appropriate to the business to be considered.

With effect from 17 March 2025, the Board combined the roles of the Remuneration and the Nominations Committees. Catherine Lynch was appointed Chair of the combined Remuneration & Nominations Committee.

Advisers to the Committee

During the year, the Committee Chair consulted with a number of the Company's major shareholders on the remuneration and "reward philosophy" of Executive Directors and certain members of the senior management team and, in particular, long-term incentive arrangements.

Responsibilities

The Committee acts in accordance with its formal terms of reference, which are available on the Company's website. The Committee makes recommendations to the Board on the remuneration and other benefits, including bonuses and the Long-Term Incentive Plan, of the Executive Directors and members of senior management, acting within its terms of reference and policy on Executive Directors' remuneration.

The Board, excluding the Non-Executive Directors, sets the annual base fees payable to the Independent Non-Executive Directors and they do not receive any additional benefits, nor are they eligible to participate in any pension, bonus, or share-based incentive arrangements.

No Director plays a part in any decision about his or her own remuneration. Due to the number of Independent Non-Executive Directors on the Committee, the Board as a whole is required to approve any proposed changes to Non-Executive Directors' fees, including additional fees for Committee Chairs.

Executive Directors may accept appointments outside the Group subject to prior Board approval.

Key items considered by the Committee during 2024

- Remuneration arrangements to be offered to senior management appointments within the Group.
- Bonus objectives and annual bonuses for the Chief Executive Officer, Chief Financial Officer, Divisional Managing Directors and Divisional Finance Directors.
- Executive remuneration and Non-Executive fees, including additional fees for Committee Chairs.
- Approval to offer remuneration packages to proposed senior appointments.
- The SAYE share option scheme.
- The Long-Term Incentive Plan for Executive Directors and senior management.
- Standardisation of contracts for the Group's senior executive management.

Summary of policy on Directors' remuneration

Component	Purpose and link to strategy	Operation	Maximum	Performance
Basic salary	The Executive Directors' remuneration packages are designed to attract, motivate, and retain Executive Directors of the high calibre needed to help the Group successfully compete in its marketplace. The Group's policies are to pay Directors a salary at market levels for comparable jobs in the sector whilst recognising the relative size and complexity of the Group.	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole. The Committee reviews the basic salary of Executive Directors annually. In addition, salary may be reviewed if an individual changes position or responsibility. In deciding appropriate levels, the Committee takes into account objective research on, and benchmarking with, comparable companies, general market conditions and business and personal performance.	n/a	n/a
Benefits	To provide a market-competitive benefits package.	Offered in line with market practice, and includes life assurance, private medical insurance, car allowance and permanent health insurance.	n/a	n/a
Pension arrangements	To provide an appropriate level of retirement benefit.	The Group has a defined contribution pension scheme with Scottish Widows for all permanent employees. During 2024, Executive Directors were entitled to receive a contribution from the Group, equivalent to 15% of their basic salary into this or another scheme of their choice.	15% of base salary	n/a

Remuneration Committee Report continued

Component	Purpose and link to strategy	Operation	Maximum	Performance
Annual bonus	To reward performance against annual targets which support the strategic direction of the Group.	<p>Annual bonuses are awarded at the discretion of the Remuneration Committee as an incentive and to reward individual performance during the financial year pursuant to specific performance criteria. In exercising its discretion, the Committee takes into account the underlying operating profit before interest and taxation and performance against budget, amongst other things. The Committee believes that incentive compensation should recognise the growth and profitability of the business, which should be aligned to the interests of shareholders.</p> <p>Awards are based on annual performance and are normally payable in the following proportion: 66.67% through payroll and 33.33% in the Company's Ordinary Shares.</p> <p>Details of the 2024 annual bonus payable to Albert Ellis and Daniel Quint on 31 March 2024 are provided below on page 84.</p>	100% of salary	Sliding scale financial and/or personal/ strategic targets
Long-Term Incentive Plan ("LTIP")	To drive and reward the achievement of longer-term objectives, support retention and promote share ownership for Executive Directors.	<p>Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/ clawback provisions at the discretion of the Committee.</p> <p>Details of the LTIP awards to Albert Ellis and Daniel Quint as at 31 December 2024 are provided on page 84.</p>	100% of salary for 2023, increased to 125% of salary from 1 January 2024	Performance metrics will be linked to financial and/or share price and/ or strategic and/or performance targets

Component	Purpose and link to strategy	Operation	Maximum	Performance
Save As You Earn (“SAYE”) share scheme	The SAYE scheme is open to all permanent employees in the UK, giving them the opportunity to participate in the future growth of the Group via share option arrangements.	Details of the SAYE options awarded to Albert Ellis and Daniel Quint as at 31 December 2024 are provided on page 85.	n/a	n/a
Shareholding guidelines	To promote share ownership for Executive Directors.	Executive Directors are expected to build a minimum shareholding in the Group of 200% of salary over time by retaining the net of tax LTIP awards which vest.	n/a	n/a
Non-Executive Directors	The Board, excluding the Non-Executive Directors, determines the fees for the Non-Executive Directors.	<p>The remuneration of the Independent Non-Executive Directors is determined by the Board excluding the Non-Executive Directors and is based upon independent surveys of fees paid to Non-Executive Directors of similar companies.</p> <p>Fees may include a basic fee and additional fees for further responsibilities. These fees are normally paid in through payroll.</p>	n/a	n/a

The remuneration of the Directors, which was all paid by the Group, is detailed on page 86.

Basic salary

The Board of the Company comprised two Executive Directors, Albert Ellis and Daniel Quint, during the year. Details of their basic salary are provided on page 86.

Remuneration Committee Report continued

Salary review

The Committee reviewed the salaries of Albert Ellis and Daniel Quint in March 2025 albeit no increases were awarded in light of the economic outlook and in line with the senior management team.

Entitlement to reduce salary

The Committee recognises that there may be circumstances where the continual normal operation of the Company's business is reasonably perceived to be at risk due to exceptional and/or unexpected serious national or international events which directly or indirectly impact on the Company (including, but not limited to a catastrophe, pandemic, war, terrorism, or financial crisis). In these circumstances, the Company has reserved the right, acting reasonably, to reduce the salary of Albert Ellis or Daniel Quint by a maximum of 20%, without any corresponding reduction in their normal working hours.

2024 annual bonus

Albert Ellis and Daniel Quint received a bonus of 57.5% of their base salary in March 2024 relating to the 2023 financial year and they are entitled to receive a 100% bonus in March 2025 in relation to the 2024 financial year. The annual bonus, which is subject to the achievement of pre-determined performance conditions, was and is not contractual and all payments are made at the sole discretion of the Committee.

Long-Term Incentive Plan

The Board believes it is key that the Group incentivises Executive Directors and senior managers to drive the business forward, whilst aligning their interests with those of shareholders. In 2022, 2023 and 2024, the Board approved the award of, and granted, nil cost options ("the Options") over its Ordinary Shares of 10 pence each in the Company ("Ordinary Shares") to certain employees, including Albert Ellis and Daniel Quint, as set out below.

The vesting of these Options is subject to the Company achieving certain financial performance criteria for the financial years ending 31 December 2024, 2025 and 2026 respectively. 50% of the Options awarded are subject to achieving earnings per share hurdles and 50% are subject to achieving EBIT hurdles. These vesting criteria are subject to the discretion of the Remuneration Committee.

The Options awarded to, and held as at 31 December 2024, by Albert Ellis and Daniel Quint, are set out in the table below:

Director	Date of award	Options granted	Vesting date	Exercise period end date
Albert Ellis	May 2022	711,806	May 2025	May 2032
	February 2023	1,043,485	February 2026	February 2033
	January 2024	2,096,950	January 2027	January 2034
		3,852,241		
Daniel Quint	May 2022	559,276	May 2025	May 2032
	February 2023	819,881	February 2026	February 2033
	January 2024	1,715,686	January 2027	January 2034
		3,094,843		

On 14 June 2024, Albert Ellis and Daniel Quint were awarded 213,386 and 167,660 Ordinary Shares respectively upon vesting of the 2021 award. The value of the shares was £151,383 and £121,475 respectively.

There has been no grant of awards under the LTIP scheme in 2025, up to the date of this report. Any new awards are pending the outcome of a review being conducted by external advisers on behalf of the Remuneration & Nominations Committee, the results of which are expected during the second quarter of 2025.

The Group intends to fully satisfy the future exercise of options through purchases of Ordinary Shares by the Employee Benefits Trust in order to limit the level of dilution experienced by existing shareholders.

SAYE Share Scheme

These schemes are open to all permanent employees in the UK, giving them the opportunity to participate in the future growth of the Group via share option arrangements.

As at 31 December 2024, options over 2,110,389 Ordinary Shares remain in the SAYE share scheme for 169 employees.

In 2022, the Company announced the grant of options to employees as part of its SAYE share scheme for 2022. Eligible employees were invited to subscribe for options over the Company's Ordinary Shares with an exercise price of 29.96p, a 20% discount to the closing middle market price of 37.45p on the trading day before the invitation to participate was made on 12 October 2022. The options have a contract start date of 1 December 2022 and are exercisable between 1 December 2025 and 31 May 2026.

Options totalling 120,160 shares were granted to the following Executive Directors in respect of savings up to the £500 monthly savings limit applicable to all SAYE contracts:

Director	Position	Shares granted under option in SAYE scheme 2022
Albert Ellis	Chief Executive Officer	60,080
Daniel Quint	Chief Financial Officer	60,080

As at 31 December 2024, options over 1,658,196 Ordinary Shares remain in the SAYE share scheme for 2022 (95 employees), representing c.4% of the permanent workforce. Details can be found on page 119.

Pension arrangements

Albert Ellis and Daniel Quint each received a monthly cash allowance of 15% of basic salary in lieu of contributions to the Company pension scheme.

During the year, the Group operated a defined benefit pension scheme, which is closed to new entrants. No current Directors are members of this scheme. The scheme related to employees of PeoplePlus Group Ltd, which was sold on 24 February 2025.

Other benefits and benefits in kind

Albert Ellis and Daniel Quint are entitled to receive the following benefits:

1. life assurance cover of four times salary;
2. private medical insurance for themselves, their spouse and their children;
3. car allowance of £19,314 and £16,750 p.a. respectively; and
4. permanent health insurance.

None of the Non-Executive Directors or the Chairman received any benefits or benefits in kind.

Non-Executive Directors' remuneration

The Independent Non-Executive Directors do not receive any benefits apart from their basic fees.

The remuneration of the Independent Non-Executive Directors was as follows:

- the basic fee of the Independent Non-Executive Directors was £45,000;
- an additional fee of £6,000 p.a. payable to the Chair of each of the Board Committees; and
- subject to prior agreement by the Remuneration Committee, a day-rate can be charged at a rate of £1,500 per day (plus VAT, if applicable), by any Independent Non-Executive Director, in the event that there is work required in addition to their normal duties. The normal duties of an Independent Non-Executive Director are anticipated to take two days per month.

Following a review in March 2025, it was agreed by the Board that there would be no increase in the fees payable to the Independent Non-Executive Directors for the 2025 financial year.

Tom Spain was re-elected as Chairman at the Annual General Meeting on 22 May 2024. Tom Spain is the Board representative of Henry Spain Investment Services Limited ("Henry Spain"), the largest shareholder in the Company. Tom Spain (on behalf of himself and Henry Spain) agreed that no fee shall be payable in respect of his (or any replacement representative Director) appointment. On 18 March 2024, Tom Spain was appointed as Chairman of the Board on a permanent basis. Tom Spain has agreed that no fee shall be payable in respect of his appointment as Chairman.

Service contracts

The Executive Directors have entered into service agreements with the Company. Albert Ellis and Daniel Quint both have service agreements which are terminable on 12 months' notice given by either party.

Appointments

Catherine Lynch and Amanda Aldridge each have contracts terminable on six months' notice given by either party. There are no contractual termination payments other than as a result of the contractual notice period.

Tom Spain and the Board agreed to an extension and renewal of his contract with effect from 26 May 2022, terminable on one months' notice. There is no contractual termination payment.

Remuneration Committee Report continued

Directors' remuneration summary (audited)

The table below sets out the remuneration received by the Directors in respect of the years ended 31 December 2024 and 2023:

Directors	Year	Salary, fees £000	Annual bonus ¹ £000	Car allowance £000	Pension ² £000	Share options	Other ³ £000	Total £000
Executive Directors								
A Ellis	2024	385	385	19	58	151	2	1,000
	2023	359	206	18	54	—	2	639
D Quint	2024	315	315	17	47	121	2	817
	2023	282	162	15	42	—	2	503
Chair								
T Spain ⁴	2024 and 2023	—	—	—	—	—	—	—
Non-Executive Directors								
C Lynch	2024	57	—	—	—	—	—	57
	2023	50	—	—	—	—	—	50
A Aldridge ⁵	2024	51	—	—	—	—	—	51
	2023	32	—	—	—	—	—	32
I Starkey ⁶	2024	19	—	—	—	—	—	19
	2023	19	—	—	—	—	—	19
Total	2024	808	700	36	105	272	4	1,925
Total	2023	742	368	33	96	—	4	1,243

- For 2024 the bonus was paid wholly through payroll. The bonus for 2023 was settled in the following proportion: 66.67% through payroll and 33.33% in the Company's Ordinary Shares.
- Pensions include both Company contributions and cash allowances where the Directors have elected not to have contributions paid into a pension fund.
- Other represents medical insurance benefits.
- Tom Spain agreed that no fee shall be payable in respect of his (or any replacement representative Director) following his reappointment as Chairman at the Annual General Meeting on 22 May 2024.
- Amanda Aldridge was appointed as Senior Independent Director on 7 April 2025 and agreed that no fee shall be payable in respect of this appointment.
- Ian Starkey resigned from the Board and as a Director on 16 May 2023.

Report of the Directors

The Directors present their Annual Report for the Group and the Company together with the audited financial statements for the year ended 31 December 2024.

Reporting requirements

The following information is provided in other appropriate sections and is included in this Directors' Report by reference and so is deemed to be part of it:

Information	Reported
Corporate Governance <ul style="list-style-type: none">Corporate Governance ReportStatement of Directors' Responsibilities	Pages 59 to 100 Page 91
Nominations Committee Report	Page 70 and 71
Audit Committee Report	Pages 72 to 79
Remuneration Committee Report	Pages 80 to 86
Future development and events occurring after the balance sheet date	Details can be found in the Strategic Report on pages 6 and 7
Stakeholder Engagement and Key Decisions	Details can be found in the Strategic Report on page 4 and in the s172 Statement on page 68
Financial instruments	Details can be found in the Notes to the Financial Statements on page 130
Greenhouse gas emissions – Streamlined Energy and Carbon Reporting	Details can be found on pages 46 and 47

Principal activities

A review of the activities of the Group, including financial and non-financial information, can be found in the Strategic Report, along with details of the Group's future developments.

Dividends

The Board is not proposing a dividend payment for 2024 (2023: £nil).

Directors

The names and biographies of the Directors who held office at the date of this Annual Report are set out on page 62. There were no changes to Directors from 1 January 2024 and up to the date of this Report.

Qualifying third-party indemnity provisions

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force at the date of approval of the financial statements for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial year.

Branches

The Group has operations in the United Kingdom and the Republic of Ireland.

Employee involvement

The Directors recognise the value of involving employees in the business and ensure that matters of concern to them, including the Group's strategic objectives, vision, values and principles, are communicated in an open and regular manner. Employees are kept aware of progress against these objectives and key developments within the Group by regular briefings by the divisional management teams. Further details can be found in the ESG section of the Strategic Report on pages 32 to 41.

Employment of disabled persons

It is the Group's policy to give full and fair consideration to suitable applications for employment from disabled persons. Once employed, disabled persons receive equal opportunities for training, career development and promotion. Opportunities exist for employees of the Group who become disabled to continue their role or to be trained for other positions within the Group.

Payments to suppliers

The Group aims to comply with the payment terms agreed with suppliers when goods or services have been provided in accordance with the agreed conditions.

Political donations

The Group has made no political donations in the current or prior year.

Charitable donations

The Group made charitable donations of £13,661 in the year (2023: £3,421).

Research and development

The Group continues to invest in and develop its digital platforms as discussed in the Strategic Report.

Report of the Directors continued

Share capital

At 31 December 2024, the Company's issued share capital consists of 142,330,164 Ordinary Shares with a nominal value of 10 pence each with each share having equal voting rights. No Ordinary Shares are held in treasury, therefore, the total voting rights in the Company are 142,330,164.

Shares held in the EBT are intended to be used to satisfy awards made under employee share schemes. During the year, the EBT acquired 6,021,800 shares and issued 247,535 shares to Executive Directors as part settlement of a bonus award and issued 554,950 shares, that vested under the Long-term Investment Plan. At 31 December 2024, the EBT held 8,353,706 Ordinary Shares.

The Company currently has general authority to allot shares and authority to purchase its own shares. During the year the Company fully utilised its authority to purchase 10% of its own shares by acquiring and cancelling 6,860,792 of its Ordinary Shares. Resolutions for the Company to renew its general authority to allot shares and to purchase its own shares will be proposed at the Annual General Meeting 2025.

Share options

The Company operates certain share option schemes for the benefit of its employees. Details are provided in Note 7.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed this basis and have made full disclosure in Note 3, concluding that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Annual General Meeting

The Annual General Meeting 2025 is proposed to be held at 09.30am on Wednesday, 21 May 2025, at the offices of DLA Piper LLP, 160 Aldersgate Street, London, EC1A 4HT. A separate notice convening the Annual General Meeting 2025 (including the business to be considered at the meeting) will be made available to shareholders on the Group's website at: www.stafflinegroupplc.co.uk/investor-relations/agm.

Substantial shareholdings

The interests, by Parent Company, of the top ten shareholders in the issued Ordinary Share capital of the Company, which have been notified as at 31 December 2024, were as follows, representing 83.5% of the total issued Ordinary Share capital:

	Ordinary Shares of 10p each ('000)	Percentage of Ordinary Shares (%)
Henry Spain Investment Services	35,365	24.8%
HRnet Group Limited	25,367	17.8%
Schroder Investment Management	23,824	16.7%
Gresham House Asset Management	16,766	11.8%
Hargreaves Lansdown, stockbrokers	6,129	4.3%
Interactive Investor	3,963	2.8%
AJ Bell, stockbrokers	2,351	1.7%
HSDL, stockbrokers	1,820	1.3%
River Global Investors	1,777	1.2%
Barclays Smart Investor	1,604	1.1%
	118,966	83.5%

In accordance with AIM Rule 26, insofar as the Company is aware, the percentage of the Company's issued share capital that is not in public hands is 56.7%.

The latest allocation can be viewed on the Group's website at:
www.stafflinegroupplc.co.uk/investor-relations/shareholder-information.

Directors' shareholdings

The beneficial holdings of the Directors in the Company's issued share capital at 31 December 2024 were as follows:

Director	Ordinary Shares of 10p each in issue	% of total
Albert Ellis	997,296	0.70%
Daniel Quint	761,490	0.53%
Catherine Lynch	10,000	0.01%
Tom Spain ¹	1,675,000	2.38%
Amanda Aldridge ²	80,000	0.06%

¹ Tom Spain is the Board representative of Henry Spain Investment Services Limited, the largest shareholder in the Company. Henry Spain Investment Services Limited is considered to be a "person closely associated" with Tom Spain by virtue of him discharging managerial responsibilities over it (he is a Director and the sole shareholder). Henry Spain Investment Services Limited acts as discretionary investment manager (including holding discretionary voting rights) to a number of underlying private clients, resulting in a notifiable interest in 35,364,545 Ordinary Shares at 31 December 2024.

² Amanda Aldridge was appointed as Senior Independent Director on 7 April 2025.

Long-Term Incentive Plan

The Board believes it is key that the Group incentivises Executive Directors and senior managers to drive the business forward, whilst aligning their interests with those of shareholders. In the years 2021 to 2024, the Board has approved the award of, and granted, nil cost options over its Ordinary Shares of 10 pence each in the Company to certain employees, including Albert Ellis and Daniel Quint as set out below.

The vesting of the Options is subject to the Company achieving certain financial performance criteria for each of the three financial years ending 31 December 2024 to 31 December 2026. The financial performance criteria for the Executive Directors and relevant central Group senior employees are based on the Group as a whole, with 50% of the Options awarded subject to achieving earnings per share hurdles and 50% subject to achieving underlying operating profit hurdles. The performance criteria for senior employees operating within the divisions of the Group are based 20% on the Group performance criteria as above and 80% on underlying operating profit hurdles relating to their own division.

The Options awarded to, and held as at 31 December 2024, by Albert Ellis and Daniel Quint, are set out in the table below:

Director	Date of award	Options granted	Vesting date	Vesting period end date
Albert Ellis	May 2022	711,806	May 2025	May 2032
	February 2023	1,043,485	February 2026	February 2033
	January 2024	2,096,950	January 2027	January 2034
		3,852,241		
Daniel Quint	May 2022	559,276	May 2025	May 2032
	February 2023	819,881	February 2026	February 2033
	January 2024	1,715,686	January 2027	January 2034
		3,094,843		

There have been no grants of awards under the LTIP scheme during 2025 up to the date of this report.

The Group intends to fully satisfy the future exercise of outstanding options through purchases of Ordinary Shares by the Employee Benefits Trust in order to limit the level of dilution experienced by existing shareholders.

SAYE Share Scheme

The SAYE scheme is open to all permanent employees in the UK, giving them the opportunity to participate in the future growth of the Group via share option arrangements. During 2022, eligible employees were invited to subscribe for options over the Company's Ordinary Shares of 10 pence each with an exercise price of 29.96p, a 20% discount to the closing middle market price of 37.45p on the trading day before the invitation to participate was made on 12 October 2022. The options have a contract start date of 1 December 2022 and are exercisable between 1 December 2025 and 31 May 2026. Options totalling 120,160 Ordinary Shares were granted to the Executive Directors as follows:

Director	2022 SAYE options granted
Albert Ellis	60,080
Daniel Quint	60,080

No grants were made under the SAYE Share Scheme during 2024.

Report of the Directors continued

Purchase of own shares

During the year the Company purchased and immediately cancelled a total of 6,860,792 of its own Ordinary Shares of 10 pence each. The shares, which had an aggregate nominal value of £0.7m, were acquired for an aggregate consideration of £2.5m.

Further details are provided in Note 24.

Post balance sheet events

On 24 February 2025, the Group disposed of its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the whole of the PeoplePlus division. The consideration for the sale was £12.0m, including £2.0m of deferred consideration. The consideration is on a cash free, debt free basis, subject to a deduction of £5.1m of advanced payments received for future revenue. The net proceeds of the disposal (including the deferred consideration) are expected to be £6.9m. The £2.0m of deferred consideration is contingent on the commencement of potential new contracts expected to take place within the next twelve months.

On 25 February 2025, the Group announced the commencement of a share buyback programme to purchase Ordinary Shares of 10p each in the Company for up to a minimum consideration of £7.5m. The shares purchased pursuant to the buyback will be cancelled.

There were no other events between the balance sheet date of 31 December 2024 and the approval of these accounts on 7 April 2025 that are required to be brought to the attention of shareholders.

Auditor

The Directors who hold office at the date of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all steps that he or she ought to have taken to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution to appoint Grant Thornton UK LLP as auditor will be proposed at the forthcoming Annual General Meeting.

The Report of the Directors was approved by the Board and signed on its behalf by:

Louise Barber FCG
Company Secretary
7 April 2025



NEXT



BACK

Statement of Directors' Responsibilities

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 prepared the Group financial statements in accordance with UK-adopted international accounting standards and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101) have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors confirm that:

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

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

To the best of our knowledge:

- the Group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole;
- the Company financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Louise Barber FCG
Company Secretary
7 April 2025

Independent Auditor's Report

to the members of Staffline Group PLC

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Staffline Group PLC (the "parent company") and its subsidiaries (the "Group") for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

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

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

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

- obtaining an understanding of how management prepared their base case forecasts for the period to 31 December 2026, including performing a review of the design and implementation of management's processes and controls in respect of forecasting;
- evaluating the accuracy of management's historical forecasting with reference to actual results, and the impact of this on the reliability of management's assessment;
- performing arithmetical and consistency checks on management's model with support from our internal financial modelling specialists;
- evaluating the key inputs and assumptions underpinning the model, including key trading assumptions for the continuing business and future borrowing requirements, and corroborating these assumptions to supporting documentation;
- assessing the accuracy of the loan covenants calculations within the forecasts and agreeing these to the finance facilities agreement;
- considering the severity and plausibility of management's downside scenarios and reverse stress testing, evaluating the assumptions regarding revenue reductions and increased costs under each of these scenarios;
- evaluating the availability, timing and impact of mitigating actions available to management if downside scenarios were to realise;
- inspecting unaudited post year end performance and minutes of meetings of the board of directors and all of its committees, to check if any post year end events have been appropriately factored into management's forecasts; and
- assessing the adequacy and completeness of related disclosures within the annual report.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflationary pressures and high interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the 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.

Our approach to the audit



Overview of our audit approach

Overall materiality:

Group: £2,000,000, which represents approximately 0.2% of the Group's continuing revenue.

Parent company: £1,246,000, which represents 2% of the parent company's total assets.

Key audit matters were identified as:

- Recruitment revenue unusual account combinations – occurrence (same as previous year);

Our auditor's report for the year ended 31 December 2023 included four key audit matters that have not been reported as a key audit matters in our current year's report. These related to:

- PeoplePlus outcome-based revenue on significant contracts
We do not consider this to be a key audit matter this year as the amount of revenue in these contracts have reduced significantly, resulting in a lower risk of material misstatement.
- Going concern basis of accounting
We do not consider this to be a key audit matter this year as the assessed level of risk has reduced significantly, with an improvement in the cash position and covenant performance.
- Goodwill – valuation of PeoplePlus group of cash generating units, and
- Investments in the Company – valuation of PeoplePlus
We do not consider either of these to be key audit matters this year as there is less judgement involved in arriving at the recoverable amount, due to the post year end sale of People Plus.

Our work performed over components covered 87% of the Group's continuing revenue, and 65% of the Group's continuing profit before tax.

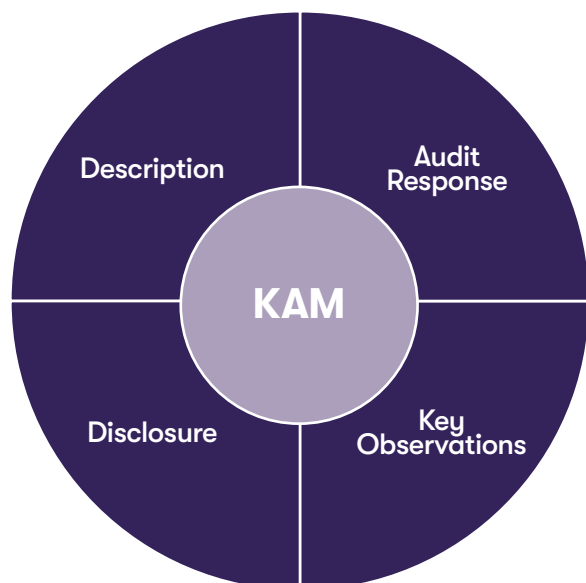
We performed audit procedures on the entire financial information (full scope audit) of two group components. We performed audits of one or more classes of transactions including specified, risk focused audit procedures (specific-scope procedures) relating to the risks of material misstatement of the Group financial statements for three components. We performed analytical procedures at group level (analytical procedures) on the financial information of all the remaining group components.

A number of changes were made to the Group audit approach from the prior period, this included undertaking analytical procedures for two entities that were previously full scope audit/specified scope procedures. Also undertaking specified scope procedures for two entities that were previously full scope audits and one entity that was previously analytical procedures.

Independent Auditor's Report continued to the members of Staffline Group PLC

Key audit matters

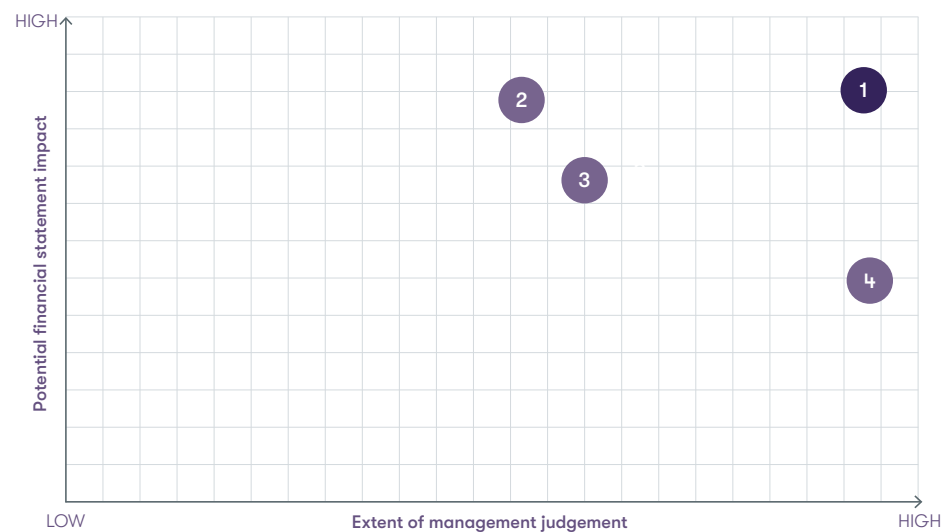
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included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



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

● Key audit matter

● Significant risk



1. Recruitment revenue unusual account combinations – occurrence
2. Management override of controls

3. Going concern basis of accounting
4. People Plus revenue recorded under the Restart contract – occurrence and accuracy

Key Audit Matter – Group**Recruitment revenue unusual account combinations – occurrence**

We identified unusual account combinations related to recruitment revenue as one of the most significant assessed risks of material misstatement due to fraud.

Under ISA (UK) 240 revised there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. Revenue recorded by the Group is one of the key factors that impacts underlying operating profit and is a Key Performance Indicator for the Group.

The majority of revenue within the recruitment segment are considered non-complex and are accounted for in a standardised manner aligned with the normal course of business. Postings made with unusual account combinations outside of the normal business process therefore pose a risk of fraud due to their abnormality.

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- Understood and documented the process for initiating and recording revenue transactions, assessed whether relevant controls identified within the process were appropriately designed and implemented to mitigate the risk of fraud in revenue recognition;
- Assessed whether the accounting policies adopted by the directors are consistent and appropriate, in accordance with the requirements of International Financial Reporting Standard (IFRS) 15 “Revenue from Contracts with Customers”, and whether management accounted for revenue in accordance with the accounting policies, including journal entries outside of the normal business process;
- Utilised audit data analytics techniques to identify potentially unusual transactions within revenue. For recruitment revenues we expect the majority of transactions to follow a simple process through revenue, receivables and VAT, followed by settlement in cash, with a limited number of other related accounts. We analysed the account combinations of every transaction which impacts revenue or receivables in the recruitment streams during the period. Transactions that were not in line with our understanding were selected to assess whether these entries were appropriate by enquiring with management to understand why they had occurred and agreeing that to supporting information; and
- Supported the audit data analytic via testing the design, implementation and operating effectiveness of bank reconciliation controls, and performing a substantive test of detail on a sample of revenue transactions by agreeing the transaction to supporting documentation to gain assurance over the occurrence of the transaction.

Relevant disclosures in the Annual Report and Accounts

- Financial statements: Note 3, Accounting Policies
- Financial statements: Note 4, Segment Reporting

Our results

Our audit procedures did not identify any material misstatements in relation to the occurrence of recruitment revenue unusual account combinations.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Independent Auditor's Report continued to the members of Staffline Group PLC

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

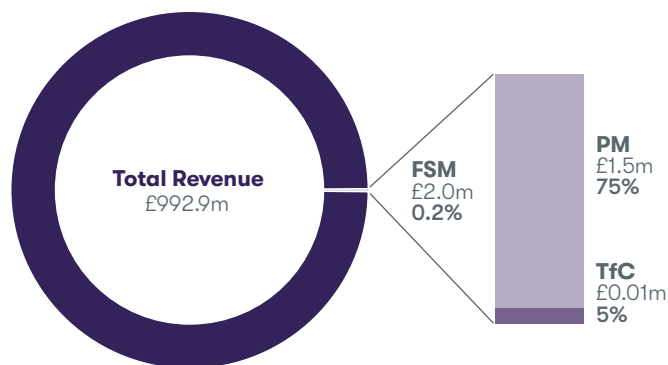
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£2,000,000 (2023: £1,800,000), which represents approximately 0.2% of the Group's continuing revenue.	£1,246,000 (2023: £1,490,000), which represents 2% of parent company's total assets.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we considered the following significant matters:</p> <ul style="list-style-type: none"> • The selection of appropriate benchmark; • The selection of an appropriate percentage to apply to that benchmark; and • The consideration of other qualitative factors including the previous year materiality and results of competitor benchmarking. <p>Revenue is considered to be the most appropriate benchmark as it is a key performance indicator for the Group, and the Group has been close to breakeven for several years.</p> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2023 to reflect the increase in continuing revenue and improved stability of the group.</p>	<p>In determining materiality, we considered the following significant matters:</p> <ul style="list-style-type: none"> • The selection of appropriate benchmark; • The selection of an appropriate percentage to apply to that benchmark; and • The consideration of other qualitative factors including the previous year materiality and results of competitor benchmarking. <p>Total assets is considered to be the most appropriate benchmark as the company's purpose is that of holding of investments in subsidiary entities. The company does not undertake any trading activities.</p> <p>Materiality for the current year is lower than the level that we determined for the year ended 31 December 2023 to reflect the decrease in total assets.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£1,500,000 (2023: £1,350,000), which is 75% (2023: 75%) of financial statement materiality.	£934,500 (2023: £1,110,000), which is 75% (2023: 75%) of financial statement materiality.

Materiality measure	Group	Parent company
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we considered the following significant matters:</p> <ul style="list-style-type: none"> • Our experience with auditing the financial statements of the Group in previous years – based on the number of identified misstatements in the prior year audit and management’s attitude to correcting misstatements identified; and • The number of components within the Group and the extent of audit procedures planned and performed at these components. <p>The performance materiality determined was not revised during the audit.</p>	<p>In determining performance materiality, we considered the following significant matters:</p> <ul style="list-style-type: none"> • Our experience with auditing the financial statements of the parent company in previous years – based on the number of identified misstatements in the prior year audit and management’s attitude to correcting misstatements identified. <p>The performance materiality determined was not revised during the audit.</p>
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> • Directors’ remuneration; and • Non-routine related party transactions. 	
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£100,000 (2023: £90,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£62,300 (2023: £74,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

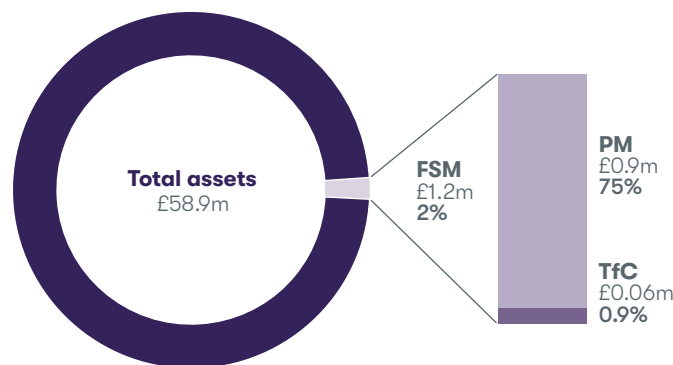
Independent Auditor's Report continued to the members of Staffline Group PLC

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality – Group



Overall materiality – Parent



FSM: Financial statements materiality PM: Performance materiality TfC: Threshold for communication to the Audit Committee

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- The group auditor obtained an understanding of the Group and its environment, including common controls, and assessed the risks of material misstatement at the Group level;
- The group auditor obtained an understanding of the effect of the Group organisational structure on the scope of the audit, identifying that the Group financial reporting team and systems are centralised in the UK; and
- The group auditor specifically noted that three operating segments are identified by management: Recruitment GB, being the provision of workforce recruitment and management to industry, Recruitment Ireland being the provision of generalist recruitment services, and PeoplePlus, being the provision of skills services. These segments are monitored by the Chief Operating Decision Maker, and the Group's Board. Strategic decisions are made on the basis of these operating segments.

Identifying components at which to perform audit procedures

- The group auditor determined the components at which to perform further audit procedures, by considering the following:
 - Components required to be in scope due to individually including a risk of material misstatement to the group financial statements due to the component's nature or circumstances;

- Components required to be in scope to ensure sufficient appropriate audit evidence is obtained for significant classes of transactions, account balances and disclosures, or for unpredictability.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- audit procedures on the entire financial information of the components (full-scope audit) were performed of the parent company, Staffline Group PLC, and Staffline Recruitment Limited. These full-scope audits included all our procedures on the key audit matter as described above.
- audits of one or more classes of transactions including specified, risk focused audit procedures (specific-scope procedures) were performed in the financial information of PeoplePlus Group Limited, Staffline Recruitment (ROI) Limited, and Datum RPO Limited.
- analytical procedures at group level (analytical procedures) were performed on the financial information of all other components using Group materiality.

Performance of our audit

- All audit procedures were performed by the group auditor and took place in the UK.
- Our full-scope audits and specified-scope procedures gave coverage of 87% of the Group's total continuing revenue and 92% of the Group's continuing Profit Before Tax (PBT). We performed analytical procedures on the financial information of the remaining 14 components in the Group during the year.

- Further audit procedures performed on components subject to specific-scope procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.
- The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage continuing revenue	% coverage continuing PBT
Full-scope audit	2 (2023: 5)	82% (2023: 97%)	47% (2023: 99%)
Specific scope procedures	3 (2023: 1)	5% (2023: 3%)	18% (2023: 1%)
Full-scope and specific scope procedures coverage	5 (2023: 6)	87% (2023: 100%)	65% (2023: 100%)
Analytical procedures	15 (2023: 14)	13% (2023: 0%)	35% (2023: 0%)
Total	20 (2023: 20)	100%	100%

Changes in approach from previous period

In the current period the following changes to our audit approach were made:

- PeoplePlus Group Limited and Datum RPO Limited were subject to specific-scope procedures, whereas these entities were subject to full-scope audits in the previous period.
- Staffline Recruitment (ROI) was subject to specific-scope procedures, whereas this entity was subject to analytical procedures in the previous period.
- Staffline Recruitment (NI) was subject to analytical procedures, whereas this entity was subject to full-scope audit in the previous period.
- Brightwork Limited was subject to analytical procedures, whereas this entity was subject to specific-scope procedures in the previous period.
- Our approach to in scope components remains otherwise unchanged from the previous period.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 91, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report continued to the members of Staffline Group PLC

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and parent company through our inquiries of management, knowledge of the business, and review of minutes from board meetings. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (International Financial Reporting Standards, United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, and the QCA Corporate Governance Code);
- We assessed the susceptibility of the Group and parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud including potential management bias in:
 - Revenue journal entries to unexpected accounts within the recruitment segment, including post year end consolidation journals; and
 - Determining revenue recognition on certain significant contracts (being those contracts which are recognised on an overtime basis using the input method) within PeoplePlus Group.
- Our audit procedures involved:
 - evaluating the design and implementation of relevant controls that management has in place to prevent and detect fraud;
 - using data analytics software to perform journal entry testing, with a focus on journals that met our unusual criteria, including those with unusual account combinations impacting both revenue and cost accounts;
 - challenging assumptions and judgements made by management in its significant accounting estimates, including provisions made by management;
 - understanding performance obligations within key contracts and testing the related accounting, including outcome-based revenue;

- testing the completeness of the Group's related party transactions through information obtained at the Company and component entities and testing that these transactions had a valid business purpose; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity, through appropriate training and participation; and
 - knowledge of the industry in which the client operates.
- Engagement team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of recruitment revenue. This area is also reported as a key audit matter in the Key Audit Matter section of our report where the specific procedures that were performed in response are described in more detail.

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

Use of our report

This report is made solely to the 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.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 April 2025

Financial Statements

Inside this section

- 102** Consolidated Statement of Comprehensive Income
- 103** Consolidated Statement of Changes in Equity
- 104** Company Statement of Changes in Equity
- 105** Consolidated and Company Statements of Financial Position
- 106** Consolidated Statement of Cash Flows
- 107** Notes to the Financial Statements
- 140** Staffline Group PLC Unaudited Five-Year Summary of Financial Data
- 141** Company Details

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m Restated*
Continuing operations			
Revenue	4	992.9	871.3
Cost of sales	5	(922.1)	(807.1)
Gross profit		70.8	64.2
Administrative expenses	5	(60.9)	(62.1)
Operating profit		9.9	2.1
Underlying operating profit before non-underlying administrative expenses		10.1	7.2
Administrative expenses – non-underlying	5	(0.2)	(5.1)
Operating profit		9.9	2.1
Finance income	6	1.5	1.9
Finance charges – underlying	6	(6.4)	(5.6)
Finance charges – non-underlying	6	—	(0.5)
Net finance charges		(4.9)	(4.2)
Profit/(loss) for the year before taxation		5.0	(2.1)
Tax (expense)/credit	8	(0.9)	0.9
Profit/(loss) from continuing activities		4.1	(1.2)
Loss from discontinued operations	10	(12.4)	(9.8)
Loss for the year		(8.3)	(11.0)
Items that will not be reclassified to profit and loss – actuarial (loss)/gain net of deferred tax	16	(0.3)	0.2
Items that will be reclassified to profit and loss:			
– effective portion of loss on hedging instrument measured at fair value net of deferred tax	18	(0.7)	(0.8)
– foreign exchange translation loss		(0.2)	(0.4)
Other comprehensive income for the year net of deferred tax		(1.2)	(1.0)
Total comprehensive income		(9.5)	(12.0)
Earnings per Ordinary Share	9		
Continuing operations: Basic		3.0p	(0.8)p
Continuing operations: Diluted		2.9p	(0.8)p
Discontinued operations: Basic and diluted		(8.9)p	(6.2)p
Total loss per share: Basic		(5.9)p	(7.0)p
Total loss per share: Diluted		(5.9)p	(7.0)p

* Comparative values have been restated to exclude discontinued operations, refer to Note 10.

All profits and losses are attributable to the owners of the Company.

The accompanying Notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £m	Own shares £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Cost of hedging reserve £m	Foreign exchange translation reserve £m	Profit and loss account £m	Total equity £m
At 1 January 2023	16.6	(4.5)	111.8	—	0.6	1.7	(0.2)	(54.3)	71.7
Share-based payments – equity-settled	—	—	—	—	0.6	—	—	—	0.6
Transfer of share premium	—	—	(111.8)	—	—	—	—	111.8	—
Issue of shares to management	—	0.3	—	—	—	—	—	(0.2)	0.1
Shares purchased and cancelled	(1.7)	—	—	1.7	—	—	—	(5.0)	(5.0)
Own shares purchased	—	(0.5)	—	—	—	—	—	—	(0.5)
Transactions with owners	(1.7)	(0.2)	(111.8)	1.7	0.6	—	—	106.6	(4.8)
Loss for the year	—	—	—	—	—	—	—	(11.0)	(11.0)
Other comprehensive income	—	—	—	—	—	(0.8)	(0.4)	0.2	(1.0)
Total comprehensive income for the year, net of tax	—	—	—	—	—	(0.8)	(0.4)	(10.8)	(12.0)
At 31 December 2023	14.9	(4.7)	—	1.7	1.2	0.9	(0.6)	41.5	54.9
Share-based payments – equity-settled	—	—	—	—	0.7	—	—	—	0.7
Issue of shares to management	—	0.2	—	—	(0.4)	—	—	(0.1)	(0.3)
Shares purchased and cancelled	(0.7)	—	—	0.7	—	—	—	(2.5)	(2.5)
Own shares purchased	—	(1.9)	—	—	—	—	—	—	(1.9)
Transactions with owners	(0.7)	(1.7)	—	0.7	0.3	—	—	(2.6)	(4.0)
Loss for the year	—	—	—	—	—	—	—	(8.3)	(8.3)
Other comprehensive income	—	—	—	—	—	(0.7)	(0.2)	(0.3)	(1.2)
Total comprehensive income for the year, net of tax	—	—	—	—	—	(0.7)	(0.2)	(8.6)	(9.5)
At 31 December 2024	14.2	(6.4)	—	2.4	1.5	0.2	(0.8)	30.3	41.4

The accompanying Notes form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £m	Own shares £m	Share premium £m	Capital redemption reserve £m	Profit and loss account £m	Total equity £m
At 1 January 2023	16.6	(4.5)	111.8	—	(27.0)	96.9
Transfer of share premium	—	—	(111.8)	—	111.8	—
Issue of shares to management	—	0.3	—	—	—	0.3
Shares purchased and cancelled	(1.7)	—	—	1.7	(5.0)	(5.0)
Own shares purchased	—	(0.5)	—	—	—	(0.5)
Transactions with owners	(1.7)	(0.2)	(111.8)	1.7	106.8	(5.2)
Loss for the year	—	—	—	—	(13.7)	(13.7)
Total comprehensive income for the year, net of tax	—	—	—	—	(13.7)	(13.7)
At 31 December 2023	14.9	(4.7)	—	1.7	66.1	78.0
Issue of shares to management	—	0.2	—	—	—	0.2
Shares purchased and cancelled	(0.7)	—	—	0.7	(2.5)	(2.5)
Own shares purchased	—	(1.9)	—	—	—	(1.9)
Transactions with owners	(0.7)	(1.7)	—	0.7	(2.5)	(4.2)
Loss for the year	—	—	—	—	(15.7)	(15.7)
Total comprehensive income for the year, net of tax	—	—	—	—	(15.7)	(15.7)
At 31 December 2024	14.2	(6.4)	—	2.4	47.9	58.1

The accompanying Notes form an integral part of these financial statements.

Consolidated and Company Statements of Financial Position

As at 31 December 2024

	Note	Consolidated		Company	
		2024 £m	2023 £m	2024 £m	2023 £m
Assets					
Non-current					
Goodwill	11	27.1	50.7	—	—
Other intangible assets	12	10.0	6.7	—	—
Investments	13	—	—	26.2	51.4
Property, plant and equipment	14	3.2	5.5	—	—
Deferred tax asset	23	2.5	4.4	0.1	—
Retirement benefit net asset	16	—	0.5	—	—
Derivative financial instruments	18	1.0	1.7	1.0	1.7
Amount due from subsidiary undertaking	17	—	—	19.1	21.7
		43.8	69.5	46.4	74.8
Current					
Trade and other receivables	17	141.5	129.4	0.1	0.8
Amount due from subsidiary undertaking		—	—	4.6	2.8
Cash and cash equivalents	19	14.6	13.3	—	—
Assets included in disposal group classified as held for sale	10	19.7	—	7.8	—
		175.8	142.7	12.5	3.6
Total assets		219.6	212.2	58.9	78.4
Liabilities					
Current					
Trade and other payables	20	153.2	140.8	—	—
Borrowings	21	5.0	9.5	—	—
Current tax liability	8	0.2	0.2	0.1	—
Provisions	22	0.2	1.8	—	—
Lease liabilities	15	1.0	1.4	—	—
Liabilities included in disposal group classified as held for sale	10	13.9	—	—	—
		173.5	153.7	0.1	—
Non-current					
Provisions	22	0.3	0.5	—	—
Lease liabilities	15	3.7	2.6	—	—
Derivative financial instruments	18	0.6	—	0.6	—
Deferred tax liabilities	23	0.1	0.5	0.1	0.4
		4.7	3.6	0.7	0.4
Total liabilities		178.2	157.3	0.8	0.4
Equity					
Share capital	24	14.2	14.9	14.2	14.9
Own shares		(6.4)	(4.7)	(6.4)	(4.7)
Capital redemption reserve		2.4	1.7	2.4	1.7
Share-based payment reserve		1.5	1.2	—	—
Cost of hedging reserve		0.2	0.9	—	—
Foreign exchange translation reserve		(0.8)	(0.6)	—	—
Profit and loss account		30.3	41.5	47.9	66.1
Total equity		41.4	54.9	58.1	78.0
Total equity and liabilities		219.6	212.2	58.9	78.4

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss for the year was £(15.7)m (2023: loss of £(13.7)m). The accompanying Notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 7 April 2025 and signed on their behalf by:

Albert Ellis
Director
7 April 2025

Daniel Quint
Director
7 April 2025

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities	29	21.5	12.4
Taxation (paid)/received	8	(0.2)	0.1
Net cash inflow from operating activities		21.3	12.5
Cash flows from investing activities – trading			
Purchases of property, plant and equipment	14	(0.7)	(0.4)
Purchase of intangible assets – software	12	(3.7)	(2.3)
Total cash flows arising from investing activities		(4.4)	(2.7)
Total cash flows arising from operating and investing activities		16.9	9.8
Cash flows from financing activities			
Net movements on Receivables Finance Agreement	21	(4.5)	(16.5)
Principal repayment of lease liabilities	15	(2.0)	(1.8)
Net interest paid		(4.7)	(3.7)
Own shares purchased		(4.4)	(5.5)
Net cash flows from financing activities		(15.6)	(27.5)
Net change in cash and cash equivalents		1.3	(17.7)
Cash and cash equivalents at beginning of year		13.3	31.0
Cash and cash equivalents at end of year	19	14.6	13.3

The accompanying Notes form an integral part of these financial statements.

Notes to the Financial Statements

The year ended 31 December 2024

1 Nature of operations

The principal activities of Staffline Group PLC and its subsidiaries (the “Group”) include the provision of recruitment and outsourced human resource services to industry.

2 General information and statement of compliance

Staffline Group PLC, a public limited company limited by shares listed on AIM (the “Company”), is incorporated and domiciled in England, United Kingdom. The Company acts as the holding company of the Group. The registered office and principal place of business of the Group and its subsidiary companies is disclosed on the Company details page to these financial statements, page 141 and within Note 13. The Company’s registration number is 05268636.

The financial statements for the year ended 31 December 2024 (including the comparatives for the year ended 31 December 2023) were approved and authorised for issue by the Board of Directors on 7 April 2025.

There have been no new accounting standards that have required adoption in the current year.

The Company does not have an ultimate controlling party. As noted on page 88, the largest shareholder held 24.8% of the Company’s issued share capital as at 31 December 2024.

3 Accounting policies

Basis of preparation

The Consolidated financial statements are prepared for the year ended 31 December 2024. The Consolidated financial statements of the Group have been prepared on a going concern basis using the significant accounting policies and measurement bases summarised below, and in accordance with UK-adopted International Accounting Standards. The financial statements are prepared under the historical cost convention except for equity-settled share options, derivative financial instruments and the retirement benefit net asset, which are measured at fair value.

The Company financial statements of Staffline Group PLC have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (“FRS 101”) and the Companies Act 2006. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, Share-based Payment (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, Financial Instruments: Disclosures.
- Paragraphs 91 to 99 of IFRS 13, Fair Value Measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

- Paragraph 38 of IAS 1, Presentation of Financial Statements comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16;
 - paragraph 118(e) of IAS 38;
 - requirements of paragraphs 62 and B64 of IFRS 3, Business Combinations; and
 - paragraph 33(c) of IFRS 5.
- The following paragraphs of IAS 1, Presentation of Financial Statements:
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 40A–D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- IAS 7, Statement of Cash Flows.
- Paragraphs 30 and 31 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, Related Party Disclosures (key management compensation).
- The requirements in IAS 24, Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 31 December 2024 that have a material impact on the Group financial statements. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Consolidated and Company financial statements are presented in sterling, which is the functional currency of the Parent Company and Group. The principal accounting policies of the Group and Company are set out below and have been consistently applied, unless stated otherwise.

Notes to the Financial Statements continued

The year ended 31 December 2024

3 Accounting policies continued

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive Officer's Review on pages 6 and 7. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 20 to 25. The principal risks and uncertainties to which the Group is exposed are described on pages 50 to 58.

As described in the Chief Executive Officer's Review, despite the challenging trading conditions experienced across all divisions in the Group during the year, the Group reported an underlying operating profit for the year on continuing activities, which exceeded market expectations. The recruitment divisions reported resilient results and are targeting further growth in market share during 2025.

The Directors maintained tight cost control throughout the year, and despite inflationary pressures have achieved an overall decrease in overheads compared to the previous year.

The Directors have prepared updated forecasts and cash flow projections to 31 December 2026, which is considered to be a reasonable period over which a reasonable view can be formed. These forecasts have been used to assess going concern and have been stress-tested by applying basic sensitivity analysis, involving a reduction to revenues over the forecast period.

In forming their opinion, the Directors have performed a robust assessment of the principal risks and uncertainties facing the Group as set out on pages 50 to 58. In addition, Note 28 to the accounts includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully.

At 31 December 2024, the Group had net cash of £9.6m (2023: net cash of £3.8m), on a pre-IFRS 16 basis, and has committed debt facilities until 1 December 2027. For the period to 31 December 2026, the Group's cash flow forecasts indicate ongoing headroom in the Receivables Finance Agreement and also full compliance with the financial covenants contained therein. The Group has sufficient day-to-day liquidity to ensure that short-term liabilities can be satisfied as and when they fall due. Further details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 20 to 25.

As a result, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the assessment period. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least 18 months from when the financial statements are authorised for issue. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Consolidation of subsidiaries

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as at 31 December 2024 in accordance with IFRS 10. Subsidiaries are all entities to which the Group is exposed or has rights to variable returns and the ability to affect those returns through control over the subsidiary. The results of subsidiaries whose accounts are prepared in a currency other than sterling are translated at the average rates of exchange during the period and their year-end balances at the year-end rate of exchange. Translation adjustments are taken to the profit and loss reserves.

Material intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing these financial statements.

Non-GAAP measures of performance

In the reporting of its financial performance, the Group uses certain measures that are not defined under IFRS, the Generally Accepted Accounting Principles ("GAAP") under which the Group reports. The Directors believe that these non-GAAP measures assist with the understanding of the performance of the business. These non-GAAP measures are not a substitute for, or superior to, any IFRS measures of performance but they have been included as the Directors consider them to be an important means of comparing performance year on year and they include key measures used within the business for assessing performance.

Gross sales value

Gross sales value represents the fair value of the consideration received or receivable for the supply of services, including agency sales (excluding fees) which are subject to an IFRS 15 agency adjustment, net of value added tax, rebates and discounts and after eliminating sales within the Group.

Non-underlying items of income and expenditure

Non-underlying charges are regarded as either recurring or non-recurring items of income or expenditure of a particular size and/or nature relating to the operations of the business that in the Directors' opinion require separate identification. These items are included in "total" reported results but are excluded from "underlying" results. These items can vary significantly from year to year and therefore create volatility in reported earnings.



NEXT



BACK

Underlying EBITDA

Underlying operating profit before the deduction of underlying depreciation and amortisation charges. This is considered a useful measure because it approximates the underlying cash flow by eliminating depreciation and amortisation charges.

Net debt

Net debt is the amount of bank debt less available cash balances. This is a key measure as it is one on which the terms of the banking facilities are based and shows the level of external debt utilised by the Group to fund operations. Net debt is also presented on a pre-IFRS 16 basis which excludes lease liabilities.

The Directors acknowledge that the adjustments made to arrive at underlying profit may not be comparable to those made by other companies. It should be noted that whilst the amortisation of acquisition-related intangible assets has been added back, the revenue from those acquisitions has not been eliminated.

All of these alternative performance measures are utilised by the Board to monitor performance and financial position. They show a comparable level of performance excluding one-off items, with which underlying performance and ability to service debt can be judged.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred and the equity interests of the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the statement of comprehensive income immediately.

Segment reporting

During the year, the Group had three material operating segments: the provision of recruitment and outsourced human resource services to industry, in Great Britain (Recruitment GB) and also in the island of Ireland (Recruitment Ireland), plus the provision of skills and employment training and support, together “PeoplePlus”. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. For management purposes, the Group uses the same measurement policies as those used in its financial statements.

On 24 February 2025, the Group sold its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the PeoplePlus division. Negotiations for the sale had commenced before the end of the year and accordingly the division is reported as held for sale and as a discontinued operation in the statement of comprehensive income.

Revenue recognition

Recruitment divisions

Income from the provision of temporary contractors is recognised as services are rendered, based on hours worked multiplied by the contracted hourly rate, net of rebates. In the case of temporary contractors, there is deemed to be one performance obligation, being the satisfactory completion of the daily hours. Income from permanent placements is recognised when the candidates start work, since there is deemed to be one performance obligation, being the commencement of employment of the worker. In each case, revenue is only recognised when the labour or service has been provided and the Group is contractually entitled to the revenue.

Revenue from temporary recruitment services is measured at the value of the consideration received or receivable for the supply of services, net of value added tax, rebates and discounts and after eliminating sales within the Group. Provisions for rebates are accounted for in the period to which the sale relates and are calculated in accordance with the contractual arrangements in place. In each case, the estimated value of the rebate, which is based on forecast volumes at the applicable rebate rate, is deducted from revenue and recorded as a liability within accruals. Management applies a constraint when measuring revenue to minimise the risk of a significant reversal. This involves making suitably cautious estimates of inputs and assumptions used in rebate calculations. While estimates may not fully reflect final outcomes, they are reviewed regularly to ensure the risk of a material downward revenue adjustment is low.

The Group assesses whether it is acting as agent or principal depending on whether the customer has a direct relationship with the Group, whether the Group has the primary responsibility for providing the services and whether the Group has control over the placement of the worker. Where the Group acts as a principal in the supply, revenue is recognised as the gross amount due, net of value added tax, rebates and discounts. The Recruitment GB division has a limited number of second tier arrangements whereby another recruitment company will provide contractors to the Group to enable the Group to fulfil a customer’s requirement. Where this arrangement constitutes an agency relationship rather than principal, the amount of revenue recognised is limited to the management fee or margin receivable for that service after making provision for any losses foreseen, volume rebates and any other amounts payable, rather than the full amount invoiced. Trade receivables and payables related to these sales are recorded at full invoice value.

Gross sales value represents the value of the consideration received or receivable for the supply of services, including agency sales which are subject to an IFRS 15 agency adjustment, net of value added tax, rebates and discounts and after eliminating sales within the Group.

The Recruitment division recognises contract assets to reflect revenue recorded in relation to work that is part way through completion of a performance obligation and is yet to be invoiced.

Deferred income is short-term in nature (less than one year) and is recognised in the profit and loss account once the performance obligation has been satisfied.

Notes to the Financial Statements continued

The year ended 31 December 2024

3 Accounting policies continued

PeoplePlus division

Income is generated from Employability, Adult Education and Community support services as well as Commercial Services sold to employers and partners engaged with the employment of customers. The segment recognises revenue upon fulfilment of the performance obligation, being the provision of a specified individual level of training, support or advice for a person enrolled in the programme. There is one contract that has more than one performance obligation, however, the revenue was not material in either the current or prior years.

For contracts where the contractual obligation relates to providing individuals with training, support or advice for a specific period of time, ranging between 3 and 24 months, the revenue is recognised over time as this reflects when the individual receives the benefit, and the end client is simultaneously receiving and consuming the benefits provided by PeoplePlus' performance. Progress towards satisfaction of the performance obligation is determined based upon, for example, activities carried out. Where income is received in advance this is initially held in the statement of financial position as deferred income and released to the statement of comprehensive income as services are provided. Accrued income is recognised where services have been provided in advance of invoiced income and, based on all available evidence, the division expects to receive payment in accordance with the contract.

Revenue is accounted for over the period the services are provided in accordance with IFRS 15, including where the outcomes are variable in nature. For most contracts, the contract mechanism is based on a transaction price which is derived from the input method aligned to costs incurred over the life of the contract. The forecast revenue can adjust over the life of the contract within a given reporting period that is realigned to the cost within the lifetime of the contract. Given the complex nature of the majority of the contract obligations and the methods by which they can be fulfilled, the measure of progress that best depicts the transfer of control of the services to the customer is a contract expenditure basis. This best reflects the fulfilment obligation under the contracts.

There are a few contracts that have a variable element of revenue associated with them, for example one contract has an element of payment by results and potential penalties if insufficient activities are carried out. Detailed management information is used to support the basis of the variable element of the revenue recognition calculation to provide the most likely amount. In some circumstances management is also required to form judgements when determining the amount of revenue where there is uncertainty about the future performance of the contract. This will take into account historical experience, as well as future expectations in terms of success rates and the anticipated length of period over which the services are ultimately provided and ensure that a prudent approach is adopted.

In the early stages of a contract it may be difficult to reasonably measure the outcome of a performance obligation. During this period, revenue is recognised only to the extent of the costs incurred until such time that the outcome of the performance obligations can be reasonably measured. Where income is received in advance, this is initially held in the statement of financial position as deferred income and released to the statement of comprehensive income as services are provided. Accrued income is recognised where services have been provided in advance of invoiced income.

Operating expenses

Operating expenses are recognised in the statement of comprehensive income when incurred and are classified according to their nature.

Goodwill

Goodwill represents the excess of the fair value of the cost of a business acquisition over the Group's share of the fair value of assets and liabilities acquired as at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Intangible assets

Assets acquired as part of a business combination

In accordance with IFRS 3, Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. An independent valuation is undertaken in order to assess the fair value of intangible assets acquired in a business combination.

The fair value is then amortised over the expected useful economic life of the asset as detailed below. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the group are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Customer contracts, customer lists, brands and licences

The fair value of acquired customer contracts, customer lists, brands and licences is capitalised and, subject to impairment reviews, amortised over their estimated lives (estimated to be five years). The amortisation is calculated so as to write off their fair value less their estimated residual values over their estimated lives. An impairment review is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

Computer software

Computer software is carried at historical cost less subsequent amortisation and impairment losses. Amortisation is charged on the cost less the estimated residual value, which is assessed annually, of these assets on a straight-line basis over the estimated useful economic life of each asset.

The useful lives of computer software are three to five years and are amortised on a straight-line basis.

Property, plant and equipment

Freehold property, computer equipment, fixtures and fittings and motor vehicles are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on the cost less the estimated residual value, which is assessed annually, of these assets over the estimated useful economic life of each asset.

The estimated useful economic lives of property, plant and equipment and the depreciation basis can be summarised as follows:

Buildings	50 years straight-line
Computer equipment	3-5 years straight-line
Fixtures and fittings	3-5 years straight-line
Motor vehicles	25% reducing balance

Right-of-use assets are depreciated over their lease term. Assets in the course of construction are not depreciated until they are available for use.

Impairment assessment

Goodwill, other intangible assets and property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGUs)). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Individual intangible assets or cash-generating units that include goodwill with an indefinite useful life are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Investments

Investments in the subsidiary undertakings are held at cost less accumulated impairment losses.

Leases

The Group is not party to any material leases where it acts as a lessor, but the Group does have a large number of material property and equipment leases, under which it is a lessee.

Following the adoption of IFRS 16, for any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Notes to the Financial Statements continued

The year ended 31 December 2024

3 Accounting policies continued

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets are included in property, plant and equipment and lease liabilities are disclosed separately.

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit or loss for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the Consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised on the initial recognition of goodwill. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided for in full. Deferred tax assets are recognised if it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in the value of assets or liabilities that are charged directly in other comprehensive income or equity are charged or credited directly to other comprehensive income or equity.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash at bank and in hand.

Pensions

The Group contributes to a number of pension arrangements. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. During the year the Group had both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited within other comprehensive income in the period in which they arise.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if an underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

Financial assets

The Group's financial assets include cash, trade receivables and other receivables. The Company's financial assets relate to amounts owed by subsidiary companies which are initially recorded at fair value and subsequently at amortised cost.

Trade receivables are initially recognised at transaction cost. Other financial assets are initially recognised at fair value, plus refinancing costs. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group uses a number of customer financing arrangements whereby specific customer invoices are settled in advance of their normal settlement date. Under these arrangements the associated trade receivables are non-recourse to the Group and as such substantially all the risks and rewards of ownership of these trade receivables are transferred at the point the trade receivables are transferred to third parties. Consequently, those trade receivables are derecognised at the point of transfer.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and they have been grouped based on the days past due. Refer to Note 28 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The Company assesses at each balance sheet date whether amounts owed by subsidiary companies are impaired by assessing the likelihood that the Company will be able to collect all amounts due in full.

Financial liabilities

The Group's financial liabilities may include bank loans, receivables finance facilities, trade and other payables and other liabilities, which include deferred and contingent consideration payable in respect of business acquisitions.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the statement of comprehensive income.

Bank funding is raised to support the working capital requirements of the Group's operations. It is recognised at the proceeds received and any direct issue costs are carried forward and amortised over the term of the relevant borrowings. Any exit fee liabilities are recognised on the balance sheet at the time of refinancing. All other finance charges are charged to the income statement on an accruals basis. Working capital funding is currently provided via an RFA and a number of separate Customer Financing arrangements. Details are provided in Note 21. Cash flows in relation to the Customer Financing arrangements are recognised as operating cash flows. Cash flows arising from the RFA are included as a movement in financing cash flows.

Under the RFA the Group receives advances against eligible receivables, but retains responsibility for collection. The amounts due are funded on a recourse basis and consequently the receivable remains on the balance sheet until settled by the customer.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in "other short-term financial liabilities" when the dividends are approved by the shareholders' meeting prior to the financial year end but remain unpaid at the year end.

Derivative financial instruments and hedge accounting

The Group accounts for derivative financial instruments at fair value through profit and loss ("FVTPL") except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Group has designated an interest rate cap contract as a hedged instrument in a cash flow hedge relationship. This arrangement has been entered into to mitigate interest rate risk arising from future increases in the SONIA interest rate. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss. At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in accruals, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Notes to the Financial Statements continued

The year ended 31 December 2024

3 Accounting policies continued

Provisions and contingent liabilities

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent liabilities reflect those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably. No liabilities are recognised in the consolidated statement of financial position; instead, they are disclosed in Note 26.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Share capital is determined using the nominal value of shares that have been issued.

Own shares represents the cost of shares acquired by the Employee Benefit Trust. The Trust is deemed to be controlled by the Group and therefore consolidated, resulting in the "Own shares" deducted from equity.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The share-based payment reserve represents the value of shares granted under share-based payment arrangements.

The profit and loss account includes all current and prior period results as disclosed in the statement of comprehensive income.

Dividends

Final dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid. Distributions to owners of the Company are not recognised in the statement of comprehensive income under IFRS but are disclosed as a component of the statement of changes in equity.

Share-based employee remuneration

All share-based payment arrangements are recognised in the Consolidated financial statements. The Group operates equity-settled share-based remuneration plans for remuneration of certain of its Directors and employees.

Equity-settled share-based remuneration

All employee services received in exchange for the grant of any share-based remuneration are measured at their fair values at the date of grant. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). All share-based remuneration is ultimately recognised as an expense in profit or loss in the statement of comprehensive income with a corresponding credit to the share-based payment reserve, net of deferred tax where applicable.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Critical judgements and estimate uncertainty in applying the Group's accounting policies

Significant management judgements

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Revenue recognition

The Group assesses whether it is acting as agent or principal depending on whether the customer has a direct relationship with the Group, whether the Group has the primary responsibility for providing the services and whether the Group has control over the placement of the worker and setting the price to be charged. When the Group acts as a principal, revenue is recognised as the full amount invoiced, net of value added tax, rebates and discounts.

When the Group provides a secondary service in which it acts as agent for the customer, typically in partnership with another employment agency, the amount of revenue recognised is limited to the margin receivable for that service after making provision for any losses foreseen, volume rebates and any other amounts payable, rather than the full amount invoiced.

In most cases the Group acts as principal due to its direct relationship with its customers and its primary relationship with the worker, with control over when and where they are placed, and pricing. Revenue is recognised on an agency basis when the Group does not have a direct relationship with the worker for control or remuneration and does not have primary responsibility for their placement.

Non-underlying items

The Group supplements the performance disclosures that are required under IFRS with additional measures and information that are intended to assist the understanding of exceptional income or charges, and to demonstrate the underlying results of the business.

Non-underlying income or expenditure items are typically non-recurring items of a particular size and/or nature relating to the operations of the business that are judged to merit separate disclosure in the income statement. Additional explanation is given regarding the circumstances that gave rise to each item and its likely outcome.

Deferred tax asset

The Group recognises a deferred tax asset on unused tax losses carried forward and on the timing difference between depreciation charges and tax allowances. The Group is profitable and management has determined that there is sufficient evidence to show that the tax losses will be utilised in the foreseeable future.

Details of all deferred tax balances are provided in Note 23.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and cash flows, and the determination of a suitable discount rate.

The revenue, profitability and cash flow forecasts are based on current levels of trading for each reporting department within the CGUs, with income and cost increases generally in line with inflation at 2% (2023: 2%) or at contracted rates. The forecasts incorporate management's key assumptions including stable profit margins, based on past experience, take account of action plans, and assume a reasonable level of new contract wins, which are inherently uncertain. The Directors have considered the forecasts in detail, and their associated sensitivities, and have concluded that they are suitable for use in the impairment review.

The discount rates used are based on appropriate, current long-term market rate indicators to give a long-term forward view, whilst also acknowledging historical information.

The Group has recognised an impairment of goodwill relating to the PeoplePlus operating segment of £14.5m in the year. The carrying value of goodwill at 31 December 2024 is £27.1m (2023: £50.7m), see Note 11.

The Company has previously recognised impairment losses on its investments in certain subsidiary undertakings and has recognised a further impairment of £17.4m to its investment in PeoplePlus during the year. The carrying value of investments at 31 December 2024 is £26.2m (2023: £51.4m), see Note 13.

4 Segment reporting

During the year, management identified three operating segments: Recruitment GB, Recruitment Ireland and PeoplePlus. On 24 February 2025, the Group sold its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the PeoplePlus division. Negotiations for the sale had commenced before the end of the year and, accordingly, the division is reported as held for sale and as a discontinued operation in the statement of comprehensive income.

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer, with support from the Board.

Whilst there are individual legal entities within the operating segments, they are operated and reviewed as single units by the Board of Directors. Each legal entity within an operating segment has the same management team, head office and similar economic characteristics. Historically and going forward, management will integrate new acquisitions into the main trading entities within each operating segment.

Notes to the Financial Statements continued

The year ended 31 December 2024

4 Segment reporting continued

Segment information for the reporting year is as follows:

	Recruitment GB 2024 £m	Recruitment Ireland 2024 £m	Group costs 2024 £m	Continuing activities 2024 £m	Discontinued operations 2024 £m	Recruitment GB 2023 £m	Recruitment Ireland 2023 £m	Group costs 2023 £m	Continuing activities 2023 £m	Discontinued operations 2023 £m
Sales revenue from external customers	884.4	108.5	—	992.9	65.6	763.0	108.3	—	871.3	66.9
Cost of sales	(827.7)	(94.4)	—	(922.1)	(48.3)	(711.1)	(96.0)	—	(807.1)	(50.3)
Segment gross profit	56.7	14.1	—	70.8	17.3	51.9	12.3	—	64.2	16.6
Administrative expenses	(43.2)	(10.6)	(3.8)	(57.6)	(14.4)	(40.8)	(9.9)	(3.2)	(53.9)	(11.7)
Depreciation, software & lease amortisation	(2.4)	(0.7)	—	(3.1)	(1.6)	(2.5)	(0.6)	—	(3.1)	(1.8)
Segment underlying operating profit*	11.1	2.8	(3.8)	10.1	1.3	8.6	1.8	(3.2)	7.2	3.1
Strategic consultancy costs	(0.1)	—	(0.1)	(0.2)	—	—	—	—	—	—
Reorganisation costs	—	—	—	—	—	(1.8)	—	—	(1.8)	—
Release of prior year provision	—	—	—	—	1.0	—	—	—	—	—
Goodwill impairment	—	—	—	—	(14.5)	—	—	—	—	(8.9)
Amortisation of intangibles arising on business combinations	—	—	—	—	—	(3.2)	(0.1)	—	(3.3)	—
Segment profit/(loss) from operations	11.0	2.8	(3.9)	9.9	(12.2)	3.6	1.7	(3.2)	2.1	(5.8)
Finance income	—	—	1.5	1.5	—	—	—	1.9	1.9	—
Finance costs	(6.0)	(0.1)	(0.3)	(6.4)	—	(5.5)	(0.1)	—	(5.6)	—
Refinancing costs	—	—	—	—	—	—	—	(0.5)	(0.5)	—
Total finance charges	(6.0)	(0.1)	1.2	(4.9)	—	(5.5)	(0.1)	1.4	(4.2)	—
Segment profit/(loss) before taxation	5.0	2.7	(2.7)	5.0	(12.2)	(1.9)	1.6	(1.8)	(2.1)	(5.8)
Tax (expense)/credit	(1.4)	(0.1)	0.6	(0.9)	(0.2)	0.9	(0.2)	0.2	0.9	(1.4)
Segment profit/(loss)	3.6	2.6	(2.1)	4.1	(12.4)	(1.0)	1.4	(1.6)	(1.2)	(7.2)

* Segment underlying profit before goodwill impairment, amortisation of intangible assets arising on business combinations, reorganisation costs and other non-underlying costs.

	Recruitment GB 2024 £m	Recruitment Ireland 2024 £m	Staffline Group 2024 £m	Continuing activities 2024 £m	Discontinued operations 2024 £m	Recruitment GB 2023 £m	Recruitment Ireland 2023 £m	Staffline Group 2023 £m	Continuing activities 2023 £m	Discontinued operations 2023 £m
Total non-current assets	26.0	14.3	1.0	41.3	—	24.7	12.3	—	37.0	26.4
Total current assets	133.7	17.4	5.0	156.1	18.8	112.6	15.7	2.3	130.6	13.8
Total assets (consolidated)	159.7	31.7	6.0	197.4	18.8	137.3	28.0	2.3	167.6	40.2
Total liabilities (consolidated)	154.1	9.6	0.6	164.3	13.9	131.8	9.6	0.1	141.5	15.3
Cash capital expenditure inc. software	3.2	0.8	—	4.0	0.4	1.9	0.6	—	2.5	1.1

The analysis above excludes deferred tax assets and liabilities, as required by IFRS 8, Operating Segments.

Revenues for continuing activities can be analysed by country as follows (97.0% of revenues arising within the UK in 2024, 97.0% in 2023):

	Recruitment GB 2024 £m	Recruitment Ireland 2024 £m	Total Group 2024 £m	Recruitment GB 2023 £m	Recruitment Ireland 2023 £m	Total Group 2023 £m
UK	884.4	82.7	967.1	763.0	79.7	842.7
Republic of Ireland	—	25.8	25.8	—	28.6	28.6
	884.4	108.5	992.9	763.0	108.3	871.3

No customer contributed more than 10% of the Group's revenue during either 2024 or 2023.

Non-current assets can be analysed by country as follows:

	United Kingdom 2024 £m	Republic of Ireland 2024 £m	Total Group 2024 £m	United Kingdom 2023 £m	Republic of Ireland 2023 £m	Total Group 2023 £m
	39.8	1.5	41.3	35.8	1.2	37.0

5 Expenses by nature

Expenses by nature are as follows:

Underlying expenses – continuing activities

	2024 £m	2023 £m Restated
Employee benefits expenses – cost of sales	911.6	802.7
Other cost of sales	10.5	4.4
Employee benefits expenses – administrative expenses	46.7	43.3
Depreciation and software amortisation	3.1	3.1
Operating lease expenses	0.3	0.3
Other administrative expenses	10.6	10.3
	982.8	864.1
Disclosed as:		
Cost of sales	922.1	807.1
Administrative expenses – excluding non-underlying expenses	60.7	57.0
	982.8	864.1

Auditor's remuneration

	2024 £000	2023 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	17	17
Fees payable to the Company's auditor and its associates for other services:		
– Audit of the accounts of subsidiaries	732	748
– Audit of the pension scheme	18	17
– Audit-related assurance services	20	18
– Audit fee expenses	13	13
Total	800	813

Non-underlying expenses – continuing activities

	2024 £m	2023 £m
Strategic consultancy costs	0.2	—
Reorganisation, rationalisation and restructuring costs	—	1.8
Amortisation of intangible assets arising on business combinations (licences, customer contracts)	—	3.3
Tax credit on above non-underlying expenses	—	(1.2)
Post taxation effect on above non-underlying expenses	0.2	3.9

During the year, the Group incurred costs relating to strategic consultancy.

During 2023, the Recruitment GB division undertook a reorganisation, rationalisation and restructuring programme in response to the impact of economic and inflationary cost pressures on customer permanent and temporary worker requirements. The scope of the activities included a reduction in administration headcount, a streamlining of the property portfolio and the consolidation of selected third-party spends.

The charge for amortisation of intangible assets arising on business combinations related principally to the acquisitions of the Endeavour Group, Passionate About People, Grafton Recruitment and Brightwork.

Notes to the Financial Statements continued

The year ended 31 December 2024

6 Finance income and charges

Finance income

	2024 £m	2023 £m
Receipts from derivative	1.3	1.9
Derivative ineffectiveness	0.2	—
	1.5	1.9

Finance charges

	2024 £m	2023 £m
Underlying finance charges		
Interest payable on bank and other funding	5.9	5.0
Interest on lease liabilities	0.1	0.1
Derivative ineffectiveness	0.2	0.1
Amortisation of refinancing costs	0.1	0.3
Amortisation of derivative cost	0.1	0.1
	6.4	5.6
Non-underlying finance charges		
Arrangement fees and refinancing costs	—	0.5
Net finance charges	4.9	4.2

7 Directors' and employees' remuneration

Employee benefits expense – consolidated

Expense recognised for employee benefits (excluding temporary workers) is analysed below:

	2024 £m	2023 £m
Wages and salaries	84.3	79.0
Social security costs	8.1	7.5
Other pension costs – defined contribution plans	2.5	2.4
Other pension costs – defined benefit plan service cost	0.1	0.1
	95.0	89.0
Share-based payment expense	0.7	0.6
	95.7	89.6
Included in administrative expenses (Note 5)	50.4	46.4
Included in cost of sales	44.6	42.6
Share-based payment expense	0.7	0.6
	95.7	89.6

	2024 Number	2023 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
– Sales and administrative	2,317	2,315

Included in cost of sales are temporary workers' remuneration paid through the temporary payroll of subsidiary companies as follows:

	2024 £m	2023 £m
Wages and salaries payable to employees	846.6	747.1
Social security costs	66.8	56.4
Other pension costs – defined contribution plans	8.3	8.6
Gross cost	921.7	812.1

	2024 Number	2023 Number
The average monthly number of temporary workers contracted by the Group during the year was:	35,211	31,973

The average number of persons (including Directors) employed by the Company during the year was five (2023: six). All Directors of the Group are remunerated through a subsidiary of the Company for their services to the Group as a whole and no direct recharge was made to the Company during the year (2023: £nil).

Directors' remuneration is detailed in the Remuneration Committee Report on pages 80 to 86 and disclosed further in Note 25.

Share-based employee remuneration

SAYE share option plan 2021

In October 2021, Staffline Group PLC granted options to employees as part of its SAYE Share Scheme for 2021. Eligible employees across the Group were invited to subscribe for options over Staffline's Ordinary Shares of 10 pence each ("Ordinary Shares") with an exercise price of 50.56p, a 20% discount to the closing middle market price of 63.20p on the trading day before the invitation to participate was made on 8 October 2021. The options had a contract start date of 1 December 2021 and are exercisable between 1 December 2024 and 31 May 2025. A total of 272 employees elected to participate and, pursuant to these elections, a total of 2,430,723 options over Ordinary Shares were granted on 29 October 2021, equating to 1.466% of the then current issued share capital of 165,767,728 shares. The number of options outstanding and the number that lapsed during the year is shown in the table below.

SAYE share option plan 2022

In October 2022, Staffline Group PLC granted options to employees as part of its SAYE Share Scheme for 2022. Eligible employees across the Group were invited to subscribe for options over Staffline's Ordinary Shares of 10 pence each ("Ordinary Shares") with an exercise price of 29.96p, a 20% discount to the closing middle market price of 37.45p on the trading day before the invitation to participate was made on 12 October 2022. The options had a contract start date of 1 December 2022 and are exercisable between 1 December 2025 and 31 May 2026. A total of 196 employees elected to participate and, pursuant to these elections, a total of 3,277,333 options over Ordinary Shares were granted on 8 November 2022, equating to 1.977% of the then current issued share capital of 165,767,728 shares. The number of options outstanding and the number that lapsed during the year is shown in the table below.

Options over Ordinary Shares	2022 Plan	2021 Plan	Total
Options outstanding at 1 January 2024	2,195,307	691,784	2,887,091
Lapsed in the year	(537,111)	(239,591)	(776,702)
Options outstanding at 31 December 2024	1,658,196	452,193	2,110,389
Fair value of each option	14p	25p	

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The weighted exercise price of the Options is 34p.

Options granted to Directors under the 2022 scheme are set out in the table below:

	Options granted
Albert Ellis – Chief Executive Officer	60,080
Daniel Quint – Chief Financial Officer	60,080

Long-Term Incentive Plan

2021 Award

On 6 July 2021, the Board approved the award of and granted nil cost options (the "Options") over 1,678,279 Ordinary Shares of 10 pence each in the Company ("Ordinary Shares") to certain employees, including persons discharging managerial responsibilities ("PDMRs").

The vesting of the Options was subject to the satisfaction of the Company achieving certain financial performance criteria for the financial year ending 31 December 2023. 50% of the Options awarded were subject to achieving earnings per share hurdles and 50% were subject to achieving EBITDA hurdles. The Options vested on 14 June 2024 and a total of 515,174 shares were awarded under the scheme.

2022 Award

On 17 May 2022, the Board approved the award of, and granted nil cost options (the "Options") over 2,899,725 Ordinary Shares of 10 pence each in the Company ("Ordinary Shares") to certain employees, including persons discharging managerial responsibilities ("PDMRs"), as set out below.

The vesting of the Options is subject to the satisfaction of the Company achieving certain financial performance criteria for the financial year ended 31 December 2024. 50% of the Options awarded are subject to achieving earnings per share hurdles and 50% are subject to achieving underlying operating profit hurdles. The Options will vest from 13 May 2025 (the "Vesting Period") and will be exercisable until 13 May 2032.

2023 Award

On 17 February 2023, the Board approved the award of, and granted nil cost options (the "Options") over 4,709,040 Ordinary Shares of 10 pence each in the Company ("Ordinary Shares") to certain employees, including persons discharging managerial responsibilities ("PDMRs"), as set out below.

The vesting of the Options is subject to the satisfaction of the Company achieving certain financial performance criteria for the financial year ending 31 December 2025. For the Executive Directors and relevant central Group senior employees the financial performance criteria are based on the Group as a whole, with 50% of the Options awarded subject to achieving earnings per share hurdles and 50% subject to achieving underlying operating profit hurdles. For senior employees operating within the divisions of the Group, their performance criteria are based 20% on the Group performance criteria, as above, and 80% on underlying operating profit hurdles relating to their own division. The Options will vest from 14 February 2025 (the "Vesting Period") and will be exercisable until 14 February 2033.

2024 Award

On 29 January 2024, the Board approved the award of, and granted nil cost options (the "Options") over 7,375,817 Ordinary Shares of 10 pence each in the Company ("Ordinary Shares") to certain employees, including persons discharging managerial responsibilities ("PDMRs"), as set out below.

The vesting of the Options is subject to the satisfaction of the Company achieving certain financial performance criteria for the financial year ending 31 December 2026. For the Executive Directors and relevant central Group senior employees the financial performance criteria are based on the Group as a whole, with 50% of the Options awarded subject to achieving earnings per share hurdles and 50% subject to achieving underlying operating profit hurdles. For senior employees operating within the divisions of the Group, their performance criteria are based 20% on the Group performance criteria, as above, and 80% on underlying operating profit hurdles relating to their own division. The Options will vest from 26 January 2026 (the "Vesting Period") and will be exercisable until 26 January 2034.

Notes to the Financial Statements continued

The year ended 31 December 2024

7 Directors' and employees' remuneration continued

The Options awarded each year to PDMRs which remain outstanding are set out in the table below:

	2024	2023	2022	Total
Albert Ellis – Chief Executive Officer	2,096,950	1,043,485	711,806	3,852,241
Daniel Quint – Chief Financial Officer	1,715,686	819,881	559,276	3,094,843
Other senior executives – PDMRs	1,879,085	924,956	630,952	3,434,993
Other senior staff	1,684,096	1,920,718	997,691	4,602,505
	7,375,817	4,709,040	2,899,725	14,984,582
Fair value of each option	26p	34p	29p	

The fair values of Options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period and achievability of performance criteria.

Share-based employee remuneration

A charge of £0.7m of employee remuneration expense has been included in the consolidated statement of comprehensive income for the year ended 31 December 2024 (2023: £0.6m) which increased the share-based payment reserve by £0.7m (2023: £0.6m) in respect of equity-settled schemes.

	2024 £m	2023 £m
Save As You Earn Scheme	0.1	0.2
Long-term incentive plan	0.8	0.4
Total	0.9	0.6

Key management personnel

The key management personnel are considered to be the Board of Directors of Staffline Group PLC, whose remuneration can be seen in the Remuneration Committee Report on page 86, and the divisional Directors. The aggregate remuneration, excluding share-based payment charges, for the divisional Directors for the year is £2.3m (2023: £1.7m). Further detail is provided in Note 25.

8 Tax expense

The tax credit on the loss for the year consists of:

	2024 £m	2023 £m Restated
Continuing activities		
Corporation tax		
UK corporation tax at 25.0% (2023: 23.5%)	0.2	—
Adjustments in respect of prior years	(0.1)	—
UK current tax expense	0.1	—
Deferred tax		
Timing differences arising in the year	1.0	(0.5)
Adjustments in respect of prior years	(0.2)	(0.4)
UK deferred tax expense/(credit)	0.8	(0.9)
Total UK tax expense/(credit) for the year	0.9	(0.9)

The tax expense/(credit) can be further analysed by division and by underlying/non-underlying trading as follows:

	2024 £m	2023 £m Restated
Recruitment GB	1.4	(0.9)
Recruitment Ireland	0.1	0.2
Staffline Group	(0.6)	(0.2)
Total UK tax expense/(credit) for the year	0.9	(0.9)
Underlying trading	0.9	0.3
Non-underlying trading	—	(1.2)
Total UK tax expense/(credit) for the year	0.9	(0.9)

The tax expense/(credit) for the year, as recognised in the statement of comprehensive income, is lower than the standard rate of corporation tax in the UK of 25% (2023: higher than the 23.5% standard rate). The differences are explained below:

	2024 £m Total	2023 £m Total Restated
Continuing activities		
Profit/(loss)profit for the year before taxation	5.0	(2.1)
Tax rate	25%	23.5%
Tax on profit/(loss) for the year at the standard rate	1.2	(0.5)
Effect of:		
Expenses not allowable	—	0.2
Income not taxable	(0.4)	(0.3)
Adjustments in respect of prior years	(0.3)	0.6
Group relief surrendered	0.4	(0.9)
Deferred tax not recognised	—	—
Actual tax expense/(credit)	0.9	(0.9)
On underlying profit	0.9	0.3
On non-underlying loss	—	(1.2)
Actual tax expense/(credit)	0.9	(0.9)

The total tax expense for the year of £0.9m (2023: credit £0.9m) arises principally from the movement of deferred tax balances. The Group has an estimated current corporation tax liability for the current year of £0.2m (2023: £0.2m). Corporation tax losses of £12.1m carried forward in all divisions and the Company have been recognised as a deferred tax asset. Previously, a deferred tax liability was recognised in respect of intangible assets arising on acquired businesses. This asset was fully amortised in 2023 and the associated deferred tax liability was extinguished.

The deferred tax assets and liabilities at 31 December 2024 and at 31 December 2023 have been calculated based on 25%, reflecting the expected timing of reversal of the related timing differences.

No material tax charges arise on overseas profits or losses and accordingly no disclosures relating to overseas tax are included within the financial statements.

The corporation tax liability at the end of 2024 of £0.2m (2023: liability of £0.2m) can be analysed as follows:

	2024 £m	2023 £m
Liability/(asset) at the beginning of the year	0.2	(0.3)
Charge for the current year	0.3	—
Adjustment in respect of prior years	(0.1)	0.2
R&D tax credit	—	0.2
(Paid)/received in the year	(0.2)	0.1
Liability at the end of the year	0.2	0.2
Balance for 2024 tax year (liability)	0.2	—
Balance for 2023 tax year (liability)	—	0.2
Liability at the end of the year	0.2	0.2

Based on a high-level analysis it is possible that the GloBE loss election in connection with Pillar 2 could apply such that there is no top-up tax due in connection with Staffline Recruitment (ROI) Limited. Notwithstanding any relief or exemptions that may be due, the estimated maximum exposure to Pillar 2, based on the Company's current profitability, is not expected to be material. Further work on the potential impact of Pillar 2 will be carried out before the UK registration date of 30 June 2025.

9 Earnings per share and dividends

Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, after deducting the "own shares" held in the Group's Employee Benefit Trust of 8,535,706 shares (2023: 3,316,391 shares).

The calculation of the diluted earnings per share is based on the basic earnings per share as adjusted to further take into account the potential issue of Ordinary Shares resulting from share options granted to certain Directors and senior staff under long-term incentive schemes and share options granted to employees under the SAYE scheme.

Notes to the Financial Statements continued

The year ended 31 December 2024

9 Earnings per share and dividends continued

Details of the earnings and weighted average number of shares used in the calculations are set out below:

	Basic 2024	Basic 2023 Restated	Diluted 2024	Diluted 2023 Restated
Profit/(loss) from continuing activities (£m)	4.1	(1.2)	4.1	(1.2)
Weighted average number of shares	138,868,494	157,247,639	140,160,630	157,788,528
Earnings per share from continuing activities (p)	3.0	(0.8)	2.9	(0.8)
Underlying earnings (post tax) from continuing activities (£m)	4.3	3.2	4.3	3.2
Underlying earnings per share (p)*	3.1	2.0	3.1	2.0
Loss from discontinued operations (£m)	(12.4)	(9.8)	(12.4)	(9.8)
Weighted average number of shares	138,868,494	157,247,639	140,160,630	157,788,528
Loss per share from discontinued operations (p)	(8.9)	(6.2)	(8.9)	(6.2)
Loss for the year (£m)	(8.3)	(11.0)	(8.3)	(11.0)
Weighted average number of shares	138,868,494	157,247,639	140,160,630	157,788,528
Total loss per share (p)	(5.9)	(7.0)	(5.9)	(7.0)

* Underlying earnings before goodwill impairment, amortisation of intangible assets arising on business combinations, reorganisation costs and other non-underlying costs.

During the year the Company purchased and immediately cancelled 6,860,792 shares (2023: 16,576,772 shares) under its share buyback programme.

After the year-end, and up to the date of this report the Company purchased and immediately cancelled 8,103,462 Ordinary shares of 10p each.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used is as follows:

	2024	2023
Weighted average number of shares used in basic earnings per share	138,868,494	157,247,639
Dilutive shares held in LTIP and SAYE schemes	1,292,136	540,889
	140,160,630	157,788,528

Dividends

The Board is not proposing a dividend payment for 2024 (2023: £nil).

10 Disposal group classified as held for sale and discontinued operations

PeoplePlus Group Ltd

On 24 February 2025, the Group sold its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the PeoplePlus division, for cash consideration of £12.0m, which includes £2.0m of deferred consideration. The consideration is on a cash free, debt free basis and subject to a deduction of £5.1m of advanced payments received in respect of future revenue. The net proceeds of the disposal (including the deferred consideration) were £6.9m. The £2.0m of deferred consideration is contingent on the commencement of potential new contracts expected to take place within the next 12 months.

Negotiations for the sale had commenced before the end of the year and accordingly the division is reported as held for sale and as a discontinued operation in the statement of comprehensive income in accordance with IFRS 5. The results of the division for the year were as follows:

	2024 £m	2023 £m
Revenue	65.6	66.9
Cost of sales	(48.3)	(50.3)
Gross profit	17.3	16.6
Administrative expenses	(16.0)	(13.5)
Underlying operating profit	1.3	3.1
Non-underlying credit – provision reversal	1.0	—
Non-underlying costs – goodwill impairment	(14.5)	(8.9)
Operating loss	(12.2)	(5.8)
Tax expense	(0.2)	(1.4)
Loss for the period	(12.4)	(7.2)

The cash flows of the business were as follows:

	2024 £m	2023 £m
Net cash inflow from operating activities	2.3	1.4
Net cash flows from financing activities		
Purchases of intangible assets – software	(0.2)	(0.4)
Purchases of property, plant and equipment	(0.2)	(0.1)
Principal repayment of lease liabilities	(0.8)	(0.8)
	1.1	0.1

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	2024 £m
Non-current assets	
Goodwill	9.1
Intangible assets	0.7
Property, plant and equipment	1.0
Deferred tax asset	0.9
Current assets	
Trade and other receivables	8.0
Assets classified as held for sale	19.7
Current liabilities	
Trade and other payables	13.4
Non-current liabilities	
Provisions	0.4
Other payables	0.1
Liabilities classified as held for sale	13.9

Skills training business

On 1 August 2023, the Group announced the restructuring of the PeoplePlus division's Skills training activities with the closure of in-person training to focus on digital delivery in other parts of the division. The Skills training business was subsequently wound down. The results of the Skills business, which was treated as discontinued in accordance with IFRS 5, were as follows:

	2023 £m
Revenue	4.5
Cost of sales	(5.3)
Gross loss	(0.8)
Administrative expenses	(0.7)
Underlying operating loss	(1.5)
Non-underlying costs – redundancies and property exit	(1.6)
Operating loss	(3.1)
Tax credit	0.7
Loss for the period	(2.4)

The cash flows of the business were as follows:

	2023 £m
Net cash outflow from operating activities	(3.1)

Portugal operations

During December 2023, the Group closed its operations in Portugal, the results of which were treated as discontinued in accordance with IFRS 5, were as follows:

	2023 £m
Revenue	0.1
Cost of sales	—
Gross profit	0.1
Administrative expenses	(0.2)
Underlying operating loss	(0.1)
Non-underlying costs – redundancies and property exit	(0.2)
Operating loss	(0.3)
Tax credit	0.1
Loss for the period	(0.2)

The cash flows of the business were as follows:

	2023 £m
Net cash outflow from operating activities	(0.3)

Notes to the Financial Statements continued

The year ended 31 December 2024

11 Goodwill

Gross carrying amount by operating segment:

	Recruitment GB £m	Recruitment Ireland £m	PeoplePlus £m	Total £m
Gross carrying amount				
At 1 January 2024	54.5	5.7	57.0	117.2
Transfer to disposal group held for sale	—	—	(57.0)	(57.0)
At 31 December 2024	54.5	5.7	—	60.2
Impairment adjustment				
At 1 January 2024	33.1	—	33.4	66.5
Transfer to disposal group held for sale	—	—	(33.4)	(33.4)
At 31 December 2024	33.1	—	—	33.1
Net book amount at 31 December 2024	21.4	5.7	—	27.1
Net book amount at 31 December 2023	21.4	5.7	23.6	50.7

Impairment – Goodwill

During the year, management considered there to be three groups of cash-generating units, being Recruitment GB, Recruitment Ireland and PeoplePlus, in line with the operating segments defined in Note 4. The Recruitment GB and Recruitment Ireland CGUs have been tested for impairment. The goodwill relating to PeoplePlus has been transferred to the disposal group asset held for sale.

An impairment review was conducted as at 31 December 2024. The recoverable amount of goodwill for Recruitment GB and Recruitment Ireland was determined based on a value-in-use calculation, using forecasts for 2025–27, followed by an extrapolation of expected cash flows over the next two years with a long-term growth rate of 2% (2023: 2%) for each cash-generating unit. The forecasts are prepared by the individual operating segments of the Group, which are considered to be the same as the determined CGUs.

Pre-tax discount rates of 17.3% for Recruitment GB and 15.7% for Recruitment Ireland (2023: 17.0% for Recruitment GB, 13.8% for Recruitment Ireland and 14.1% for PeoplePlus) were used based on the weighted average costs of capital for each operating segment. The recoverable amounts of the CGUs, having considered the higher of value-in-use and fair value less costs to sell, were £66.1m for Recruitment GB and £6.1m for Recruitment Ireland (2023: £67.3m for Recruitment GB, £33.9m for Recruitment Ireland) all being value-in-use.

The discount rates used are based on appropriate, current long-term market rate indicators to give a long-term forward view, whilst also acknowledging historical information.

The results of the impairment review showed headroom in the Recruitment GB and Recruitment Ireland cash-generating units but that an impairment adjustment of £14.5m is required for the PeoplePlus CGU, which is monitored for impairment at the same level as investment. The same calculations indicated that an impairment adjustment of £17.4m (2023: £17.0m) is required to the Company's carrying value of its investment in PeoplePlus, but that no other impairment adjustments were indicated. In making the assessment of the recoverability of assets within each CGU a number of judgements and assumptions were required.

The principal judgement relates to the determination of the CGUs, which align with the operating segments, which each have their own management team and head office and generate distinct cash flows. The Group's strategy, historically and going forward, has been to integrate new acquisitions into the main trading entities within each operating segment.

The key estimates in determining the value of the Recruitment GB and Recruitment Ireland CGUs are:

- The discount rate.** The impairment calculations use a pre-tax discount rate of 17.3% for Recruitment GB, 15.7% for Recruitment Ireland and a terminal growth value of 2%. These rates are based on the latest weighted average costs of capital for each operating segment. These rates have increased this year primarily due to a movement in the risk-free rate and Corporate Bond yields. The calculations highlighted headroom of £37.9m (2023: £42.7m) for Recruitment GB and headroom of £6.1m (2023: £22.8m) for Recruitment Ireland. A 1% increase in the discount rates reduces the headroom to £33.6m (2023: £38.4m) for Recruitment GB and reduces headroom to £4.9m (2023: £20.0m) for Recruitment Ireland.
- The achievability of the forecasted future cash flows.** There is an inherent uncertainty regarding the achievability of forecasts, as there are macroeconomic factors outside of the Group's control. A sustained underperformance of 10% reduces the headroom to £31.3m (2023: £37.0m) for Recruitment GB and reduces headroom to £4.3m (2023: £18.5m) for Recruitment Ireland.

As at 31 December 2024, the Company had no goodwill (2023: £nil).



NEXT



BACK

12 Other intangible assets

The Group's other intangible assets include the customer contracts, brands and lists obtained through the acquisition of businesses plus acquired software. There are no intangible assets with restricted title.

Gross carrying amount	Software £m	Licences £m	Customer contracts and brands £m	Customer lists £m	Total £m
At 1 January 2023	15.8	2.0	85.1	5.5	108.4
Additions	2.3	—	—	—	2.3
At 31 December 2023	18.1	2.0	85.1	5.5	110.7
Additions	6.3	—	—	—	6.3
Disposal	(0.2)	—	—	—	(0.2)
Transfer to disposal group held for sale	(1.8)	—	—	—	(1.8)
At 31 December 2024	22.4	2.0	85.1	5.5	115.0
Amortisation					
At 1 January 2023	9.6	2.0	81.9	5.5	99.0
Charged in the year	1.8	—	3.2	—	5.0
At 31 December 2023	11.4	2.0	85.1	5.5	104.0
Charged in the year	2.0	—	—	—	2.0
Impairment	0.2	—	—	—	0.2
Disposal	(0.2)	—	—	—	(0.2)
Transfer to disposal group held for sale	(1.0)	—	—	—	(1.0)
At 31 December 2024	12.4	2.0	85.1	5.5	105.0
Net book amount at 31 December 2024	10.0	—	—	—	10.0
Net book amount at 31 December 2023	6.7	—	—	—	6.7

The Company has no other intangible assets (2023: £nil).

As at 31 December 2024, other intangible assets comprises:

	2024 £m	2023 £m
Software	Software	
Payroll and Credit Control software developed for Recruitment GB	8.2	4.8
Other software	1.8	1.9
Net book amount at 31 December 2024	10.0	6.7

Software is deemed to have a useful economic life ("UEL") of 5.0 years.

13 Fixed asset investments – Company

Investment in group undertakings	£m
Cost at 1 January 2023	134.0
Cumulative impairment adjustments	(82.6)
Net book amount at 31 December 2023	51.4
Impairment adjustment – PeoplePlus	(17.4)
Transfer to disposal group held for sale	(7.8)
Net book amount at 31 December 2024	26.2

An impairment review was carried out with respect to the Company's carrying value of its investments in subsidiaries. For the investments in Recruitment GB and Recruitment Ireland, the recoverable amount represented by the value-in-use is considered to be equal to the fair value less costs to sell, for each investment. For PeoplePlus the recoverable amount is determined by the disposal proceeds less costs to sell.

The impairment review indicated that an impairment adjustment was required to the carrying value of the Company's investment in the PeoplePlus division. The impairment arose due to the disposal of the business on 24 February 2025. The recoverable amount of the investment at 31 December 2024 is £7.8m, which has been transferred to current assets as a disposal group held for sale.

The recoverable amounts of the investments in the Recruitment GB and Recruitment Ireland divisions were based on the value-in-use of the subsidiaries. No impairment adjustment is required.

Notes to the Financial Statements continued

The year ended 31 December 2024

13 Fixed asset investments – Company continued

As at 31 December 2024, the Company holds interests in the following companies:

Subsidiaries	Proportion of Ordinary Share capital held	Country of incorporation	Nature of business
Registered office: 19–20 The Triangle, NG2 Business Park, Nottingham, England, NG2 1AE			
Staffline Recruitment Limited	100%	England and Wales	Recruitment
PeoplePlus Group Limited (sold on 24 February 2025)	100%	England and Wales	Employment support and training
Datum RPO Limited	100%	England and Wales	Recruitment
Driving Plus Limited*	100%	England and Wales	Transport
Endeavour Group Limited*	100%	England and Wales	Dormant
Staffline Recruitment (NI) Limited*	100%	Northern Ireland	Recruitment
Omega Resource Group Limited*	100%	England and Wales	Dormant
Passionate About People Limited*	100%	England and Wales	Dormant
IEG Limited	100%	England and Wales	Dormant
Vital Recruitment Limited*	100%	England and Wales	Dormant
Warwickshire and West Mercia Community Rehabilitation Company Limited*	100%	England and Wales	Dormant
Registered office: Cooldriona Court, Main Street, Swords, Co. Dublin, Ireland, K67 WN92			
Staffline Limited	100%	Republic of Ireland	Dormant
Staffline Recruitment (ROI) Limited*	100%	Republic of Ireland	Recruitment
Registered office: The Boat, 49 Queens Square, Belfast, BT1 3FG			
PeoplePlus (Works) NI Limited*	100%	Northern Ireland	Dormant
Registered office: 193/199 Bath Street, Glasgow, Scotland, G2 4HU			
Brightwork Limited*	100%	Scotland	Recruitment
Registered office: Rua S. Joao de Brito 605 E-4, Porto, Ramalde, 4100 455 Porto, Portugal			
Omega Recruitment, Unipessoal LDA*	100%	Portugal	Dormant

* These companies are owned indirectly through other Group companies.

14 Property, plant and equipment

Gross carrying amount	Land and buildings £m	Computer equipment £m	Fixtures and fittings £m	Motor vehicles £m	Total £m
At 1 January 2023	15.7	11.0	1.4	0.4	28.5
Additions	0.9	0.2	0.1	0.1	1.3
Disposals	(0.2)	(1.1)	—	(0.1)	(1.4)
At 31 December 2023	16.4	10.1	1.5	0.4	28.4
Additions	0.8	0.2	0.1	0.4	1.5
Disposals	(0.3)	(2.1)	(0.3)	(0.1)	(2.8)
Transfer to disposal group held for sale	(13.1)	(1.9)	(0.5)	(0.1)	(15.6)
At 31 December 2024	3.8	6.3	0.8	0.6	11.5
Depreciation					
At 1 January 2023	9.6	9.6	1.3	0.4	20.9
Charged in the year – operating	1.9	1.1	0.2	—	3.2
Disposals	(0.2)	(0.9)	—	(0.1)	(1.2)
At 31 December 2023	11.3	9.8	1.5	0.3	22.9
Charged in the year – operating	1.7	0.7	0.2	0.1	2.7
Disposals	(0.3)	(2.1)	(0.3)	—	(2.7)
Transfer to disposal group held for sale	(11.4)	(2.4)	(0.7)	(0.1)	(14.6)
At 31 December 2024	1.3	6.0	0.7	0.3	8.3
Net book value					
At 31 December 2024	2.5	0.3	0.1	0.3	3.2
At 31 December 2023	5.1	0.3	—	0.1	5.5

Land and buildings and intangible assets, software include the following right-of-use assets:

At 31 December 2024

	Carrying amount £m	Depreciation expense £m
Office buildings	2.5	(0.9)
Software	2.2	—
	4.7	(0.9)

At 31 December 2023

	Carrying amount £m	Depreciation expense £m
Office buildings	3.9	(1.7)

As at 31 December 2024, the Company had no property or plant and equipment assets (2023: £nil).

15 Leases

Lease liabilities are presented in the statement of financial position as follows:

	2024 £m	2023 £m
Current	1.0	1.4
Non-current	3.7	2.6
	4.7	4.0

The Group has leases for its operational and administrative offices. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its property right-of-use assets in a consistent manner to its property, plant and equipment (see Note 14).

Unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can typically only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance costs on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet:

	No. of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)	No. of leases with extension options
Right-of-use asset				
Office building	30	0.1-10.2	2.8	—
Software	1	7	7	1

Notes to the Financial Statements continued

The year ended 31 December 2024

15 Leases continued

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2024 were as follows:

	Minimum lease payments due (£m)					Total
	Within 1 year	1–2 years	2–3 years	3–4 years	After 5 years	
31 December 2024						
Lease payments	1.2	1.0	0.9	0.6	1.6	5.3
Finance charges	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
Net present value	1.0	0.9	0.8	0.5	1.5	4.7
31 December 2023						
Lease payments	1.5	0.9	0.6	0.5	0.7	4.2
Finance charges	(0.1)	(0.1)	—	—	—	(0.2)
Net present value	1.4	0.8	0.6	0.5	0.7	4.0

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2024 £m	2023 £m
Short-term leases	0.3	0.3
Leases of low-value assets	0.4	0.4
	0.7	0.7

The Group has not committed to any leases that have not yet commenced.

Total cash outflow for leases for the year ended 31 December 2024 was £1.9m (2023: £1.8m).

16 Retirement benefit net asset

One of the Group's subsidiaries, PeoplePlus Group Limited, operated a defined benefit pension scheme for some staff. The scheme is closed to new entrants. The last actuarial valuation of the scheme was at 31 July 2022. Given that the fair value of plan assets is only £7.3m (2023: £7.5m), only significant disclosures are reported below.

The net asset of the plan, which is not recognised in the balance sheet, is as follows:

	2024 £m	2023 £m
Fair value of plan assets	7.3	7.5
Asset ceiling	(0.7)	—
Present value of funded obligations	(6.6)	(7.0)
Net asset at 31 December	—	0.5
Actuarial gain during the year, before tax	(0.2)	0.3
Deferred tax on gain	—	(0.1)
Actuarial gain during the year, post deferred tax impact	(0.2)	0.2

The movement in the fair value of the plan assets over the year is as follows:

	2024 £m	2023 £m
Balance at 1 January	7.5	7.1
Interest on assets	0.3	0.4
Expenses	(0.2)	(0.2)
Contributions – employer and member	0.1	0.2
Benefits paid	(0.2)	(0.2)
Change in asset ceiling	(0.7)	—
Actuarial (loss)/gain on asset return	(0.2)	0.2
Fair value of plan assets at 31 December	6.6	7.5

At 31 December 2024, the scheme's assets, valued at market value, were distributed as follows:

	2024 £m	2023 £m
Bonds (26% of assets as at 31 December 2024)	1.9	3.0
Equities (21% of assets as at 31 December 2024)	1.5	2.6
Specialist (19% of assets as at 31 December 2024)	1.4	0.9
LDI (29% of assets as at 31 December 2024)	2.1	0.8
Cash (5% of assets as at 31 December 2024)	0.4	0.2
Fair value of plan assets at 31 December	7.3	7.5

All investments are managed by the investment advisers and Standard Life within the Standard Life “wrap investment” portfolio where the investments are held within Dimensional Funds at the year end. All funds are passively managed. The funds held by the scheme are all pooled investment vehicles and therefore the investment manager is responsible for appointing an independent custodian. The objective of each of these funds is to match the investment return in a particular investment market subject to an acceptable degree of tracking-error that is monitored by the Trustees.

The movement in the present value of defined benefit funding obligations over the year is as follows:

	2024 £m	2023 £m
Balance at 1 January 2023	7.0	6.9
Interest cost on liabilities	0.3	0.4
Benefits paid – net of member contributions	(0.2)	(0.2)
Actuarial gain on change in assumptions	(0.6)	(0.1)
Present value of funded obligations at 31 December	6.5	7.0
Membership numbers (active 2024: 6, 2023: 6)	257	257

The liabilities have been calculated using the following principal actuarial assumptions:

	2024	2023
Future increase in inflation rate (RPI)	3.15%	3.15%
Future increase in inflation rate (CPI)	2.7%	2.65%
Salary increase	3.15%	3.15%
Discount rate	5.45%	4.6%
Future pension increases for leavers (RPI)	2.8%	2.6%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. Mortality assumptions are based on the following mortality tables:

- Pre-retirement mortality: 100% of SAPS “S3” Normal tables.
- Post-retirement mortality: 100% of SAPS “S3” Normal tables.

Future improvements in longevity are based on the following:

- Pre-retirement mortality: CMI 2023 projections with a long-term trend of 0.0% per annum.
- Post-retirement mortality: CMI 2023 projections with a long-term trend of 1.00% per annum.

The mortality assumptions used were as follows:

	31 Dec 2024 Years	31 Dec 2023 Years
Average expected future life at age 65 for a:		
– male currently aged 65	21.3	21.7
– female currently aged 65	23.9	24.2
– male currently aged 45	22.2	22.9
– female currently aged 45	25.0	25.6

Members are assumed to retire at the earliest age when there would be no reduction. It is also assumed that members commute 75% of the maximum HMRC allowance based on current commutation factors. There are £nil (2023: £nil) contributions unpaid at the year end.

A charge of £0.2m (2023: £0.1m) is included within the statement of comprehensive income within administrative expenses for the service cost.

Following the judgement in the court case involving Virgin Media, the Trustees of the pension scheme have reviewed the Scheme’s governing documents, which have been found to contain relevant confirmations that were absent in the Virgin Media case. Consequently, the Trustees do not expect the case to have an impact on the Scheme.

At 31 December 2024, the Company had no pension balances (2023: £nil).

17 Trade and other receivables

	2024 Group £m	2024 Company £m	2023 Group £m Restated*	2023 Company £m
Non-current				
Derivative financial instrument	1.0	1.0	1.7	1.7
Amount due from Group undertaking	—	19.1	—	21.7
	1.0	20.1	1.7	23.4
Current				
Trade receivables	123.1	—	112.4	—
Prepayments and other receivables	3.5	0.1	5.0	0.8
Contract assets – accrued income	14.9	—	12.0	—
	141.5	0.1	129.4	0.8

* Restated to correct the disclosure of Contract assets – accrued income.

Notes to the Financial Statements continued

The year ended 31 December 2024

17 Trade and other receivables continued

	2024 £m	2023 £m
Movement on contract assets		
Balance at 1 January	12.0	10.6
Settled in cash during the year	(12.0)	(10.6)
Services provided in the year	14.9	12.0
Balance at 31 December	14.9	12.0

Trade and other receivables are usually due within 30 days, do not bear any effective interest rate and the carrying amounts are at amortised cost. All trade receivables are subject to credit risk exposure and the Group maintains a comprehensive credit insurance policy, which mitigates a significant proportion of any potential credit risk. The Group does not identify specific concentrations of credit risk with regard to trade and other receivables as the amounts recognised represent a large number of receivables from various customers.

PeoplePlus Group Ltd, which encompasses the PeoplePlus division, was sold on 24 February 2025 and consequently all of its assets are disclosed as held for sale. Further details are provided in Note 10.

The Company has a loan agreement with a subsidiary undertaking, Staffline Recruitment Ltd, for a capital amount of £19.0m as at 31 December 2024 (2023: £21.7m). Staffline Recruitment Ltd made voluntary repayments in the year. The loan is unsecured, is repayable after four years from 30 December 2021 and bears interest at a rate of 6.50% per annum. All other amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

The amounts held at 31 December 2024 by the Company pose no material liquidity or credit risk as they are owed by other Group undertakings and are expected to be settled by Group transactions.

Included in the trade and other receivables balance above is a provision for expected credit losses of £0.1m (2023: £0.1m). The provision is split as follows:

	2024 £m	2023 £m
Expected credit loss	0.1	0.1
Specific bad debt provision	—	—
Provision for expected credit losses	0.1	0.1

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 28 for details.

18 Derivative financial instruments

	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
Cash flow hedges – net value	0.4	0.4	1.7	1.7

Effective from 14 October 2024, the Group entered into an amortising interest rate collar instrument, comprising:

- a cap element to reduce exposure to interest rate increases above 4.75% above SONIA on an aggregated two-thirds of the RFA and the customer finance arrangements, and,
- a floor element, based on the same nominal values and over the same period as the cap, to pay the issuer the differential if the SONIA interest rate falls below 2.51%.

The instrument, which has a term of five years from 14 October 2024, is based on quarterly notional amounts varying between £58.9m and £77.3m, with an average of £68.6m. The instrument was acquired for no upfront premium.

During 2021, the Group entered into an amortising interest rate cap instrument, which reduced exposure to interest rate increases above 1% of SONIA on an aggregated two-thirds of the RFA and the customer finance arrangements. The instrument, which expired on 13 October 2024, was based on quarterly notional amounts varying between £39.5m and £62.5m, with an average of £51.9m. See Note 28 for details of the Group's risk management objectives and policies.

The Group designates its financial instruments as hedged instruments in a cash flow hedge relationship. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

The fair value of the derivative is based on market data to calculate the present value of all estimated flows associated with it at the balance sheet date. The instruments are classed as level 2 financial instruments in accordance with IFRS 13 classification hierarchy. Level 2 financial instruments are not traded in an active market, but the fair value is based on quoted market prices, broker/dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

The movements on the fair value of the derivative financial asset and on the cost of hedging reserve are as follows:

	Cost of hedging reserve £m	Derivative financial asset £m
At 31 December 2022	1.7	3.0
Movement through comprehensive income – hedge ineffectiveness	—	(0.1)
Movement through cost of hedging reserve	(1.2)	(1.2)
Deferred taxation	0.4	—
At 31 December 2023	0.9	1.7
Movement through comprehensive income – hedge ineffectiveness	—	—
Movement through cost of hedging reserve	(0.4)	(1.3)
Deferred taxation	(0.3)	—
At 31 December 2024	0.2	0.4

19 Cash

	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
Cash and cash equivalents	14.6	—	13.3	—

Cash and cash equivalents consist of cash on hand and balances with banks only. The majority of cash on hand and balances with banks are held by subsidiary undertakings; however, the balances are available for use by the Group.

Long-term credit ratings for the Group's main banks are currently as follows:

	Fitch	Standard & Poor's	Moody's
Royal Bank of Scotland plc	A	BBB+	A3
National Westminster Bank plc	A	BBB+	A3

The Group's headroom versus available committed bank facilities is as follows:

	2024 £m	2023 £m
Cash at bank (as above)	14.6	13.3
Undrawn Receivables Finance Agreement	61.3	49.1
Banking facility headroom	75.9	62.4

20 Trade and other payables

	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
Trade payables	29.4	—	27.4	—
Accruals	61.2	—	50.2	—
Contract liabilities – deferred income	—	—	6.2	—
Other taxation and social security	62.6	—	57.0	—
	153.2	—	140.8	—

	2024 £m	2023 £m
Movement on contract liabilities – deferred income		
Balance at 1 January	6.2	8.5
Services provided in the year	(6.2)	(8.5)
Amounts received in advance	—	6.2
Balance at 31 December	—	6.2

The fair value of trade and other payables has not been separately disclosed as, due to their short duration, the Directors consider the carrying amounts recognised in the statement of financial position to be a reasonable approximation of their fair value.

Under certain contracts, the Group's PeoplePlus division typically received income in advance of full satisfaction of its performance obligations. Such amounts are recorded as deferred income and released as the relevant obligations are fulfilled. PeoplePlus Group Ltd, which encompasses the PeoplePlus division was sold on 24 February 2025 and consequently all liabilities are disclosed as held for sale. Further details are provided in Note 10.

Included within accruals are allowances for rebates to customers amounting to £5.4m (2023: £3.5m).

Amounts due to Group undertakings are non-interest bearing, unsecured and repayable on demand.

Notes to the Financial Statements continued

The year ended 31 December 2024

21 Borrowings

Borrowings are repayable as follows:

	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
In one year or less or on demand	6.0	—	10.9	—
In more than one year but not more than two years	0.9	—	0.9	—
In more than two years but not more than five years	1.3	—	1.4	—
In more than five years	1.5	—	0.3	—
Total borrowings	9.7	—	13.5	—
	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
Split:				
Current liabilities:				
Receivables Finance Agreement	5.0	—	9.5	—
Lease liabilities	1.0	—	1.4	—
	6.0	—	10.9	—
Non-current liabilities:				
Lease liabilities	3.7	—	2.6	—
Total borrowings	9.7	—	13.5	—
Less: Cash (Note 19)	(14.6)	—	(13.3)	—
Net (cash)/debt	(4.9)	—	0.2	—

On 14 December 2023, the Group and its lenders agreed to a modification of the existing Receivables Finance Agreement.

The key terms of the facility, which, during the year, was provided jointly by RBS Invoice Finance Limited and ABN AMRO Asset Based Finance N.V., UK Branch, are set out below:

- maximum receivables financing facility of £60.0m (previously £90.0m) over a four-year term, with a one-year extension option;
- an Accordion option of up to an additional £20.0m (previously £15.0m), subject to lender approval;
- security on all of the assets and undertakings of the Company and certain subsidiary undertakings;
- interest accruing at a maximum of 2.25% (previously 2.75%) over SONIA, with a margin ratchet downward to 1.5% (previously 2.0%), dependent upon the Group's leverage reducing to less than 1.00x;
- a non-utilisation fee of 0.35% (previously 0.7% during 2023 and earlier);
- maximum net debt (averaged over a rolling three months) to EBITDA leverage covenant of 4.0x; and
- minimum interest cover covenant of 2.25x the last 12 months EBITDA to finance charges.

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation.

On 12 March 2025, ABN AMRO withdrew from the banking syndicate and were replaced by Leumi UK Group Limited.

The Group uses Customer Financing arrangements whereby specific customer invoices are settled on a weekly basis, in advance of their normal settlement date. The value of invoices funded under the Customer Financing arrangements was £74.1m at 31 December 2024 (2023: £63.1m). Costs incurred in relation to these arrangements are charged to comprehensive income as finance charges when incurred. The amounts settled under each customer's agreement are limited to the amounts invoiced to that customer each week. The total finance charges incurred during the year amounted to £4.7m (2023: £3.0m).

For the period to 31 December 2026, the Group's cash flow forecasts indicate ongoing headroom in the RFA and full compliance with the financial covenants described above. The likelihood of a breach of the financial covenants is considered to be remote.

22 Provisions

	Staff costs £m	Property costs £m	Discontinued operation £m	2024 Group Total £m	2023 Group Total £m
At 1 January 2024	0.6	1.3	0.4	2.3	1.5
Amounts charged to the income statement	0.2	0.2	—	0.4	3.9
Amounts utilised	(0.7)	(0.4)	(0.3)	(1.4)	(2.4)
Unused amounts reversed to the income statement	—	(0.3)	(0.1)	(0.4)	(0.7)
Transfer to disposal group held for sale	—	(0.4)	—	(0.4)	—
At 31 December 2024	0.1	0.4	—	0.5	2.3
Due within one year (current)	0.1	0.1	—	0.2	1.8
Due after more than one year (non-current)	—	0.3	—	0.3	0.5
At 31 December 2024	0.1	0.4	—	0.5	2.3

The Group makes provision for staff and property costs relating to reorganisation programmes. The staff costs relate to redundancies and the property costs relate to lease dilapidations.

Provision is made for “wear and tear” dilapidation costs at the Group’s leased properties. Where possible, dilapidations provisions are determined based on an independent valuation of the estimated total cost payable on expiry of the respective leases. The timing and value of the costs are uncertain due to potential changes to exit dates and the final liability which may be subject to negotiation with the landlord.

At 31 December 2023, provision was made for property exit costs and other closure costs following the discontinuance of PeoplePlus’ Skills training activity.

The Company has no provisions (2023: £nil).

23 Deferred taxation

	2024 Group £m	2024 Company £m	2023 Group £m	2023 Company £m
Deferred taxation assets	2.5	0.1	4.4	—
Deferred taxation liabilities	(0.1)	(0.1)	(0.5)	(0.4)
Net asset/(liability)	2.4	—	3.9	(0.4)

The table below shows the Group movement in net deferred taxation during the year:

	1 January 2024 £m	Recognised in comprehensive income – current year £m	Recognised in comprehensive income – prior year £m	Held for sale £m	31 December 2024 £m
2024 Deferred tax assets/(liabilities)					
Property, plant, equipment and software temporary timing differences	0.3	—	(0.5)	(0.8)	(1.0)
Provisions	1.0	0.1	(0.2)	(0.2)	0.7
Recoverable tax losses	1.9	(1.6)	1.6	—	1.9
Corporate interest restriction	1.2	0.3	(0.8)	—	0.7
Retirement benefit asset	(0.1)	0.1	—	—	—
Share-based payments	—	0.2	—	—	0.2
Hedge instrument	(0.4)	0.3	—	—	(0.1)
Net asset	3.9	(0.6)	0.1	(1.0)	2.4
Recognised as:					
Deferred tax asset	4.4	(1.0)	0.1	(1.0)	2.5
Deferred tax liability	(0.5)	0.4	—	—	(0.1)
Net asset	3.9	(0.6)	0.1	(1.0)	2.4

Notes to the Financial Statements continued

The year ended 31 December 2024

23 Deferred taxation continued

The table below shows the Group movement in net deferred taxation during the prior year:

2023 Deferred tax assets/(liabilities)	1 January 2023 £m	Recognised in comprehensive income – current year £m	Recognised in comprehensive income – prior year £m	31 December 2023 £m
Property, plant, equipment and software temporary timing differences	(0.1)	0.2	0.2	0.3
Acquired intangible assets	(0.9)	0.9	—	—
Provisions	1.1	0.2	(0.3)	1.0
Recoverable tax losses	2.9	(0.8)	(0.2)	1.9
Corporate interest restriction	1.1	0.7	(0.6)	1.2
Retirement benefit asset	—	(0.1)	—	(0.1)
Hedge instrument	(0.6)	0.2	—	(0.4)
Net asset	3.5	1.3	(0.9)	3.9
Recognised as:				
Deferred tax asset	5.0	0.3	(0.9)	4.4
Deferred tax liability	(1.5)	1.0	—	(0.5)
Net asset	3.5	1.3	(0.9)	3.9

The Group has utilised taxable losses against current year taxable profits amounting in aggregate to £1.6m (2023: £0.1m) during the year and has gross carried forward tax losses of £12.1m (2023: £14.5m). These losses are available for relief against future tax liabilities. The likelihood of recovery of these losses against forecast future taxable profits in the foreseeable future is considered to be probable and consequently a deferred tax asset has been recognised.

Deferred tax assets and liabilities in the UK have been recognised at the rate of 25%, whilst those in the Republic of Ireland have been recognised at 12.5%. An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantially enacted on 24 May 2021.

No deferred tax has been recognised on taxable temporary differences associated with investments as the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

24 Share capital and share premium account

	2024 £m	2023 £m
Allotted and issued		
142,330,164 (2023: 149,190,956) Ordinary 10p Shares	14.2	14.9
	2024 Number	2023 Number
Shares issued and fully paid at the beginning of the year	149,190,956	165,767,728
Shares cancelled during the year	(6,860,792)	(16,576,772)
Shares issued and fully paid at the end of the year	142,330,164	149,190,956

All Ordinary Shares have the same rights and there are no restrictions on the distribution of dividends or repayment of capital with the exception of the 8,535,706 shares held at 31 December 2024 (2023: 3,316,391 shares) by the Employee Benefit Trust where the right to dividends has been waived.

On 10 June 2024, the Group announced the launch of a share buyback programme to repurchase Ordinary Shares in the capital of the Company up to an aggregate value of £2.5m. The 6,860,792 Ordinary Shares purchased pursuant to the share buyback were immediately cancelled.

On 1 August 2023, the Group announced the launch of a share buyback programme to repurchase Ordinary Shares in the capital of the Company up to an aggregate value of £4.0m. The 12,672,174 Ordinary Shares purchased pursuant to the share buyback were immediately cancelled.

On 4 October 2023, the Group announced the launch of a further share buyback programme to repurchase up to 3,904,598 Ordinary Shares in the capital of the Company. The 3,904,598 Ordinary Shares purchased pursuant to the share buyback, at a cost of £1.0m, were immediately cancelled.

The share buybacks were operated in accordance with the terms of the Company's general authority to repurchase Ordinary Shares granted by shareholders at its Annual General Meetings, held on 12 June 2023 and 22 May 2024.

At the Company's Annual General Meeting held on 12 June 2023, the shareholders approved a special resolution to cancel the entire amount standing to the credit of the Company's share premium account, subject to the approval of the High Court of England and Wales. Approval was granted by the Court on 18 July 2023 and as a result the Company had distributable reserves of £85.8m with effect from 20 July 2023, being the date that the Court's decision was registered at Companies House.



NEXT



BACK

25 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

There were no material transactions with Directors of the Company during the period, except for those relating to remuneration and share purchases as noted below.

Transactions with key management personnel

The Group key management personnel's (defined as the Company's Directors and divisional directors) remuneration, which includes the Group Directors' remuneration disclosed above, is detailed below:

	2024 £000	2023 £000
Short-term employee benefits:		
Salaries and fees (inc. car allowance)	2,103	1,966
Bonus	1,608	786
Pension contributions	200	201
Benefits in kind	11	12
Share-based employee remuneration charge	474	189
	4,396	3,154

The emoluments of the highest paid Director were £1,000,000 (2023: £638,000).

Details of Directors' shareholdings and shares awarded under the Group's LTIP and SAYE share option schemes are provided in the Report of the Directors on pages 88 and 89. During the year Henry Spain Investment Services Limited, a person closely associated with Thomas Spain, Non-Executive Director and Chairman of the Company, bought and sold Ordinary Shares of the Company on behalf of its private client portfolios. The net total Ordinary Shares sold in the year was 476,738.

26 Contingencies

A cross-guarantee exists between the Company and certain subsidiary undertakings for all amounts owing to National Westminster Bank plc. The Group aggregate amount owing to National Westminster Bank plc at the year end was £5.0m (2023: £9.5m).

27 Capital commitments

The Company had no material capital commitments at 31 December 2024.

At 31 December 2023, the Group was committed to acquiring access to the software code for one of its critical systems at a cost of £0.35m per year for seven years with an optional £0.5m payment at the end of the term for a perpetual licence. Rights to the software code were acquired in 2024 and the right-of-use asset is included within Intangible assets.

28 Risk management objectives and policies

The Group is exposed to a variety of financial risks through its use of financial instruments which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close consultation with the Board of Directors.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Credit risk

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets (being current assets excluding corporation tax recoverable) recognised at the balance sheet date, as summarised below:

	2024 Loans and receivables and balance sheet totals £m	2023 Loans and receivables and balance sheet totals £m
Trade and other receivables (Note 17):		
• held to collect	123.1	112.4
Cash and cash equivalents (Note 19)	14.6	13.3
Contract assets – accrued income (Note 17)	14.9	12.0
	152.6	137.7

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Prepayments and other receivables of £3.5m (2023: £5.0m) relate principally to payments made in advance of receipt of the related service. Prepayments are non-financial assets, therefore there is no credit risk associated with this balance.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023, respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Financial Statements continued

The year ended 31 December 2024

28 Risk management objectives and policies continued

31 December 2024	Not more than 30 days past due £000	>31 days past due £000	>61 days past due £000	>91 days past due £000	Total £000
Expected loss rate	0.02%	0.35%	1.48%	1.87%	
Gross carrying amount – trade receivables & contract assets	129,444	6,799	713	1,033	137,989
Loss allowance	29	24	11	23	86

31 December 2023	Not more than 30 days past due £000	>31 days past due £000	>61 days past due £000	>91 days past due £000	Total £000
Expected loss rate	0.02%	0.25%	0.80%	1.24%	
Gross carrying amount – trade receivables	118,661	3,433	930	1,409	124,433
Loss allowance (including specific provisions)	24	9	7	17	57

The closing loss allowance for trade receivables as at 31 December 2024 reconciles to the opening loss allowances as follows:

	2024 £m	2023 £m
As at 31 December – as previously calculated under IAS 39	0.1	0.1
Change in loss allowance recognised in profit or loss during the year	—	—
As at 31 December	0.1	0.1

Credit risk is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. Details in respect of trade receivables at 31 December 2024 are provided in Note 17. Substantially all of the trade within the PeoplePlus division is with local and central government; therefore, the credit risk with these customers is considered low.

The Group has adopted a policy of carefully monitoring all customers, especially those who lack an appropriate credit history.

Liquidity risk

The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by the use of its receivables facility of up to £60.0m (2023: £60.0m). As at 31 December 2024, £5.0m (2023: £9.5m) of the receivables facility was utilised.

The Group has covenants attached to its banking facilities as described in Note 21. For the period to 31 December 2026, the Group's cash flow forecasts indicate ongoing headroom in the receivables facility and also full compliance with the financial covenants contained therein. The Group has sufficient day-to-day liquidity to ensure that short-term liabilities can be satisfied as and when they fall due.

Maturity of financial liabilities

The analysis of the maturity of financial liabilities due in less than one year is as follows:

	2024 Less than 1 month £m	2024 Between 1 and 3 months £m	2024 Between 3 and 12 months £m	2024 Total £m	2023 Less than 1 month £m	2023 Between 1 and 3 months £m	2023 Between 3 and 12 months £m	2023 Total £m
Receivables Finance Agreement	5.0	—	—	5.0	9.5	—	—	9.5
Lease liabilities	0.1	0.2	0.7	1.0	0.1	0.2	1.1	1.4
Trade payables	22.3	7.1	—	29.4	19.7	7.3	0.4	27.4
Accruals	50.5	7.0	3.7	61.2	23.1	9.0	18.1	50.2
Total	77.9	14.3	4.4	96.6	52.4	16.5	19.6	88.5

The analysis of the maturity of financial liabilities at 31 December 2024 is as follows:

	2024 Less than one year £m	2024 One to five years £m	2024 More than five years £m	2024 Total £m	2023 Less than one year £m	2023 One to five years £m	2023 More than five years £m	2023 Total £m
Receivables Finance Agreement	5.0	—	—	5.0	9.5	—	—	9.5
Lease liabilities	1.0	2.2	1.5	4.7	1.4	2.3	0.3	4.0
Trade payables	29.4	—	—	29.4	27.4	—	—	27.4
Accruals	61.2	—	—	61.2	50.2	—	—	50.2
Total	96.6	2.2	1.5	100.3	88.5	2.3	0.3	91.1

The accruals figure includes £14.3m (2023: £12.9m) of employee obligations, which are not within the scope of IFRS 7, but have been included for completeness.

The analysis of the maturity of contractual undiscounted financial liabilities (including estimated future interest) at 31 December 2024 is as follows:

	2024 Less than one year £m	2024 One to five years £m	2024 More than five years £m	2024 Total £m	2023 Less than one year £m	2023 One to five years £m	2023 More than five years £m	2023 Total £m
Receivables Finance Agreement	5.0	—	—	5.0	9.5	—	—	9.5
Lease liabilities	1.2	2.5	1.6	5.3	1.5	2.4	0.4	4.3
Trade payables	29.4	—	—	29.4	27.4	—	—	27.4
Accruals	61.2	—	—	61.2	50.2	—	—	50.2
Total	96.8	2.5	1.6	100.9	88.6	2.4	0.4	91.4

Interest rate risk

On 20 September 2024, the Group entered into an amortising interest rate collar instrument, which took effect from 14 October 2024, that reduces exposure to interest rate increases above 4.75% of SONIA on an aggregated two-thirds of the RFA and the customer finance arrangements. The instrument also includes a floor element whereby the Group will pay a fixed rate of 2.51%. The instrument expires on 14 October 2029 and has an initial notional amount of £58.9m. This amount varies quarterly based on forecast borrowings between £58.9m and £77.3m, with an average of £68.6m over the term.

In October 2021, the Group entered into an amortising interest rate cap instrument, which reduced exposure to interest rate increases above 1% of SONIA on an aggregated two-thirds of the RFA and the customer finance arrangements. The instrument, which expired on 13 October 2024, had an initial notional amount of £53.9m. This amount varied quarterly, based on forecast borrowings between £39.5m and £62.5m, with an average of £51.9m over the term.

Notes to the Financial Statements continued

The year ended 31 December 2024

28 Risk management objectives and policies continued

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible increase in interest rates of one percentage point with effect from the beginning of the year.

	2024	2023
	+1%	+1%
Decrease in net result and equity (£m)	(0.3)	(0.1)

Hedge accounting

In order to qualify for hedge accounting, the Group is required to document the economic relationship between the item being hedged and the hedging instrument in advance. The Group is also required to demonstrate that the hedge will be effective on an ongoing basis. Effectiveness testing of the instruments was undertaken at inception and at subsequent half-year ends and year ends. Further effectiveness testing will be undertaken periodically. During the year an ineffectiveness charge of £0.2m (2023: £0.1m charge) arose on the interest rate cap instrument resulting in a charge to comprehensive income within finance charges. In the period between inception and its commencement date of 14 October 2024, the collar instrument gained in value by £0.2m. This pre-dates the effective hedging date and has been reported as a gain within finance income. After commencement and up to 31 December 2024 there was no ineffectiveness in the collar instrument.

In addition to the level of actual borrowing versus the nominal amounts in the instrument, another potential source of ineffectiveness is the timing of weekly and monthly interest payments versus the quarterly periods of the instrument. Testing has shown that this does not give rise to material hedge ineffectiveness.

Foreign currency sensitivity

Most of the Group's transactions are carried out in sterling. Exposure to currency exchange rates arises from the Group's overseas sales and purchases which are denominated in euro in the Republic of Ireland. The Group has not entered into any foreign currency risk mitigation strategies to date. This will be kept under review.

Financial liabilities

The Group's liabilities (being total liabilities excluding deferred tax liabilities) are classified as follows:

	2024 Financial liabilities at fair value through profit or loss £m	2024 Other financial liabilities at amortised cost £m	2024 Liabilities not within the scope of IFRS 9 £m	2024 Balance sheet total £m
Receivables Finance Agreement	—	5.0	—	5.0
Lease liabilities	—	4.7	—	4.7
Trade payables	—	29.4	—	29.4
Accruals	—	61.2	—	61.2
Contract liabilities – deferred income	—	—	—	—
Taxation and social security	—	—	62.6	62.6
Provisions	—	—	0.5	0.5
Liabilities included in disposal group classified as held for sale	—	14.1	—	14.1
Total	—	114.4	63.1	177.5

It is considered that the fair value of the Group's financial assets and liabilities equal the book value.

	2023 Financial liabilities at fair value through profit or loss £m	2023 Other financial liabilities at amortised cost Restated £m	2023 Liabilities not within the scope of IFRS 9 £m	2023 Balance sheet total Restated £m
Receivables Finance Agreement	—	9.5	—	9.5
Lease liabilities	—	4.0	—	4.0
Trade payables	—	27.4	—	27.4
Accruals	—	50.2	—	50.2
Contract liabilities – deferred income	—	—	6.2	6.2
Taxation and social security	—	—	57.0	57.0
Provisions	—	—	2.5	2.5
Total	—	91.1	65.7	156.8

Fair value represents amounts at which an asset could be exchanged, or a liability settled on an arm's length basis.

Financial assets and financial liabilities measured at fair value are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in the fair value measurement, as follows:

- level 1 – quoted prices in active markets for identical assets and liabilities;
- level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has no financial assets or liabilities in any of the above classifications.

29 Cash flows from operating activities – consolidated

Reconciliation of profit/(loss) before taxation to net cash inflow from operating activities

	2024 £m	2023 £m Restated
Profit/(loss) before taxation from:		
Continuing activities	5.0	(2.1)
Discontinued operations	(12.2)	(8.9)
	(7.2)	(11.0)
Adjustments for:		
Finance income	(1.4)	(1.9)
Finance charges	6.3	6.1
Depreciation and amortisation – underlying	4.7	5.0
Amortisation – non-underlying	—	3.2
Goodwill impairment	14.5	8.9
Loss on disposal of property, plant and equipment	—	0.2
Cash generated before changes in working capital and share options	16.9	10.5
Change in trade and other receivables	(20.0)	(9.5)
Change in trade, other payables and provisions	23.9	10.8
Cash generated from operations	20.8	11.8
Share-based payments expense	0.7	0.6
Net cash inflow from operating activities	21.5	12.4

Movement in net debt

	2024 £m	2023 £m
Net (debt)/cash at 1 January	(0.2)	0.1
Net drawdowns from Receivables Finance Agreement	4.5	16.5
Lease payments, additions, disposals and interest	(0.7)	0.9
Change in liabilities arising from financing activities	3.6	17.5
Change in cash and cash equivalents	1.3	(17.7)
Net cash/(debt) at 31 December	4.9	(0.2)
Represented by:		
Current borrowings (Note 21)	(5.0)	(9.5)
Lease liabilities (Note 15)	(4.7)	(4.0)
	(9.7)	(13.5)
Cash and cash equivalents (Note 19)	14.6	13.3
Net cash/(debt) at 31 December	4.9	(0.2)

The movements in net debt can be further summarised as follows:

	Lease liabilities £m	Receivables Finance Agreement £m	Movements from financing activities £m	Cash £m	Total £m
Net debt as at 1 January 2023	(4.9)	(26.0)	(30.9)	31.0	0.1
Cash flows during the year	1.8	16.5	18.3	(17.7)	0.6
Non-cash movements in leases	(0.9)	—	(0.9)	—	(0.9)
Net cash/(debt) at 31 December 2023	(4.0)	(9.5)	(13.5)	13.3	(0.2)
Cash flows during the year	2.5	4.5	7.0	1.3	8.3
Non-cash movements in leases	(3.2)	—	(3.2)	—	(3.2)
Net cash/(debt) at 31 December 2024	(4.7)	(5.0)	(9.7)	14.6	4.9

30 Capital management policies and procedures

The Board's current priorities for the Group's free cash flow are to fund Group development and maintain the strength of the statement of financial position. The Group's overall strategy remains unchanged from last year in that it manages its capital to ensure that the Group will be able to continue as a going concern through the economic cycle.

The capital structure of the Group consists of net debt, which is represented by cash and cash equivalents (Note 19), bank borrowings (Note 21) and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

The only restrictions on the Group's capital relate to the certain undertakings and covenants attached to the debt facilities. The Group has covenants attached to its banking facilities, of which the main financial covenants are minimum net debt to EBITDA leverage and interest cover as described in Note 21.

31 Post balance sheet events

On 24 February 2025, the Group sold its wholly owned subsidiary PeoplePlus Group Ltd, which encompassed the PeoplePlus division, for cash consideration of £12.0m, which includes £2.0m of deferred consideration. Further details are provided in Note 10.

On 25 February 2025, the Group announced the commencement of a share buyback programme to purchase Ordinary Shares of 10p each in the Company for up to a maximum consideration of £7.5m. The shares purchased pursuant to the buyback will be cancelled.

There were no other events between the balance sheet date of 31 December 2024 and the approval of these accounts on 7 April 2025 that are required to be brought to the attention of shareholders.

Staffline Group PLC

Unaudited Five-Year Summary of Financial Data

	Financial reporting years ended 31 December £m				
	2024	2023 Restated*	2022	2021	2020
Comprehensive income					
Revenue	992.9	871.3	928.1	942.7	927.6
Underlying operating profit	10.1	7.2	12.0	10.3	4.8
% margin	1.0%	0.8%	1.3%	1.1%	0.5%
Operating profit	9.9	2.1	4.6	2.3	(44.3)
Net profit/(loss) after taxation from continuing activities	3.8	(1.2)	3.8	1.2	(52.7)
Underlying earnings per share (diluted)	3.1p	2.0p	5.7p	7.1p	5.0p
Financial position					
Goodwill	27.1	50.7	59.6	59.6	59.6
Intangible assets	10.0	6.7	9.4	16.5	24.3
Property, plant and equipment	3.2	5.5	7.6	8.0	9.6
Trade and other receivables	141.5	129.4	119.8	114.7	103.9
Cash and cash equivalents	14.6	13.3	31.0	29.8	24.5
Restricted cash	—	—	—	—	0.9
Trade and other payables	(153.2)	(140.8)	(130.3)	(134.3)	(155.6)
Borrowings (excluding deal fees)	(5.0)	(9.5)	(26.0)	(22.9)	(33.0)
Lease liabilities	(4.7)	(4.0)	(4.9)	(4.6)	(5.5)
Deferred tax net asset	2.4	3.9	3.5	2.2	1.2
Net assets included in disposal group classified as held for sale	5.8	—	—	—	—
Other net (liabilities)/assets	(0.3)	(0.3)	2.0	(3.1)	(12.3)
Net assets	41.4	54.9	71.7	65.9	17.6
Net cash/(debt), pre-IFRS 16	9.6	3.8	5.0	6.9	(8.8)
Goodwill, intangibles	37.1	57.4	69.0	76.1	83.9
Other net liabilities	(5.3)	(6.3)	(2.3)	(14.8)	(55.2)
Cash flows					
Underlying operating profit	10.1	7.2	12.0	10.3	4.8
Profit/(loss) on discontinued operations	1.3	(0.3)	—	(0.4)	(5.0)
Non-underlying cash costs	(0.2)	(1.8)	—	—	(4.5)
Depreciation, amortisation, loss on disposal	4.7	5.2	5.7	6.6	8.2
Working capital movements	3.9	1.3	(12.7)	(45.1)	62.2
Capital expenditure, including software	(4.4)	(2.7)	(3.1)	(4.4)	(2.4)
Taxation (paid)/received (net)	(0.2)	(0.4)	0.4	5.8	(0.5)
Adjusted free cash from operations	15.2	8.5	2.3	(27.2)	62.8
Interest paid	(4.7)	(3.7)	(2.5)	(1.9)	(8.5)
Business acquisitions including debt acquired	—	—	—	—	(0.3)
Issue of share capital (net)	—	—	—	46.4	—
Own shares purchased	(4.4)	(5.5)	(0.4)	—	—
Others	(0.3)	(0.5)	(1.3)	(11.8)	0.1
Reduction/(increase) in net debt, pre-IFRS 16	5.8	(1.2)	(1.9)	5.5	54.1

* Restated to exclude the results of PeoplePlus.



NEXT



BACK

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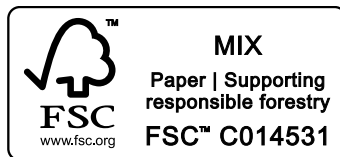
CONTENTS



NEXT



BACK



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[NEXT](#)



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