The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

30 July 2024

Staffline
Group PLC

STAFFLINE GROUP PLC
('Staffline', the 'Company' or the 'Group')

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Strong H1 2024 performance across the Group and underlying trading in line with FY 2024 expectations

Staffline growing its market leading position underpinned by solid new business pipeline

Staffline Group PLC, the recruitment and training group, announces its unaudited interim results for the six months ended 30 June 2024 ("H1 2024").

Financial highlights

Continuing activities	**Six months to 30 June 2024 Unaudited**	Six months to 30 June 2023 Unaudited	Change
Revenue	**£480.2m**	£430.0m	+11.7%
Gross sales value[1]	**£532.4m**	£492.3m	+8.1%
Gross profit	**£38.2m**	£38.1m	+0.3%
Gross margin %	*8.0%*	*8.9%*	*-0.9 ppts*
Underlying operating profit	**£2.9m**	£3.0m	-3.3%
Gross profit to underlying operating profit conversion %	*7.6%*	*7.9%*	*-0.3 ppts*
Loss before tax	**£(12.1)m**	£(1.4)m	-£10.7m
Pre-IFRS16 Net debt[2]	**£(9.2)m**	£(3.5)m	-£5.7m

Alternative performance measures

1. *Gross sales value represents the fair value of consideration received or receivable for the supply of services, including agency sales, (excluding fees), net of VAT*
2. *On a Post-IFRS16 basis, net debt was £(14.5)m at 30 June 2024 (2023: net debt £(8.0)m)*

Key highlights:

- Revenue increased 11.7% to £480.2m (H1 2023: £430.0m)
- Strong trading driven by a 9.2% year-on-year uplift in temporary hours worked in Recruitment GB

- Permanent recruitment fees in Ireland were up 30%
- The Group's recruitment businesses are performing well
    - Recruitment GB operating profit up 56%
    - Ireland operating profit up 50%
- Underlying operating profit at £2.9m (H1 2023: £3.0m) impacted by £1.3m reduction in PeoplePlus underlying operating profit
- PeoplePlus to be preferred sole supplier to Mitie Care & Custody on HMP Millsike contract, and a two year extension to Restart agreed. However, other pipeline delays caused by political uncertainty, have led to a non-cash impairment charge of £12.9m against goodwill carrying value of PeoplePlus
- Net debt increased as a result of working capital investment and share buybacks

Current trading and outlook

- FY 2024 outlook is supported by momentum in Staffline's market leading blue-collar recruitment division and revenues on new contract wins in the Republic and Northern Ireland
- The Board expects FY 2024 underlying operating profit to be in line with expectations despite macro-economic and political uncertainty following the change of government
- Customers' staff attrition has reduced, and the ONS reports that overall vacancies are in decline, however, a tight labour market continues in many sectors and geographic areas.
- Delays in PeoplePlus' 2025 pipeline have arisen as a result of the UK general election, albeit 2024 remains in line with expectations
- Interest rates have remained high for longer than expected, and although the Group's strong performance on working capital management continues, there is an impact on net finance charges
- With a strong balance sheet and continued expected positive underlying trading cashflows, £2.2 million is still set aside for continued share buybacks
- The Group continues to make good progress across its key strategic priorities, further capitalising on Staffline's market leading position in the blue-collar recruitment market

Albert Ellis, Chief Executive Officer of Staffline, commented:

"With the widely reported downturn in the recruitment sector, I am delighted to report a highly creditable performance across the first half of 2024.

In what has proven to be a persistently challenging macro-economic environment, Staffline's strategy to grow its market share organically, and focus on customer service and delivery has served it well in the first six months of the year. In exiting the Skills market twelve months ago, PeoplePlus has reduced its overheads at a time when political changes in the UK have resulted in the pipeline being pushed back.

"My thanks to everybody in the Group who has contributed to this excellent result, and looking forward, I am pleased that we expect underlying trading to be in line with expectations for the full year."

Retail investor webcast

Management will be hosting a presentation for investors in relation to the Company's interim results at 8.00am (BST) on Tuesday, 30 July 2024.

The presentation will be hosted on the Investor Meet Company ("IMC") digital platform and is open to all existing and potential shareholders. Investors can sign up to IMC for free and add themselves to meet Staffline via: https://www.investormeetcompany.com/staffline-group-plc/register-investor

Investors who have already registered and have been added to meet the Company will be automatically invited.

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About Staffline - *Recruitment, Training and Support*
Enabling the Future of Work™
Staffline is the UK's market leading Recruitment and Training group. It has three divisions:

Recruitment GB
The Recruitment GB business is a leading provider of flexible blue-collar workers, supplying c.30,000 staff per day on average from around 400 sites, across a wide range of industries including supermarkets, drinks, driving, food processing, logistics and manufacturing.

Recruitment Ireland
The Recruitment Ireland business is a leading end to end solutions provider operating across multiple industries, ten branch locations and ten onsite customer locations, supplying c.4,500 staff per day on average, and offering RPO, MSP, temporary and permanent solutions across public and private sectors throughout the island of Ireland.

PeoplePlus Division
The PeoplePlus business is a leading provider of employability, adult training, prison education and skills-based programmes across the country to those who are disadvantaged in society. In addition, it delivers Community Service support as well as social value services and expertise to employers.

Chief Executive Officer's review

Introduction

I am delighted to report a solid overall six months of trading, with recruitment growing strongly, underpinned by ongoing market share gains across our recruitment divisions and PeoplePlus in line with revised expectations.

Revenue grew 11.7% to £480.2m (H1 2023: £430.0m), with gross margin of 8.0% (H1 2023: 8.9%). Gross profit was marginally above last year at £38.2m (2023: £38.1m), with the recruitment businesses growing gross profit by £1.6m, due to increasing blue-collar temporary hours and a stronger than expected performance in permanent fees in Ireland, being offset by an equal decline in PeoplePlus' gross profit. Group underlying operating profit of £2.9m (H1 2024: £3.0m) was held back by a reduction of £1.3m in PeoplePlus driven by lower levels of trading in PeoplePlus, albeit trading is on budget and in line with expectations.

The Group's two recruitment businesses increased combined underlying operating profit by 53.8%, driven by organic growth in the largest of our existing blue-collar Recruitment GB customers as a result of an increase of 9.2% in hours worked, as well as the increase in Recruitment Ireland's permanent hiring fees.

The ongoing strength of our recruitment footprint continues to drive our growth as we secured both new mandates in permanent recruitment, including with G4S, alongside broadening activity with existing temporary recruitment customers, such as Tesco and Morrisons. This highly creditable performance, underpinned by the increase in reported hours within the temporary staffing sector, is in contrast to the widely reported trend in a subdued recruitment market where demand remains below historic levels as a weak macro-economic environment persists.

Furthermore, PeoplePlus extended two of its largest contracts; Restart (employability) to 2028; and the Prison Education Framework, which will now run until Q4 2025. PeoplePlus is also expected to be the preferred supplier of prison education services to Mitie Plc following the announcement of the HMP Millsike bid results.

The Group remains disciplined in its allocation of capital with strong levels of cashflow supporting a share buyback programme of up to £2.5 million announced on 10 June 2024.

Market

The broader macro-economic uncertainty continued across H1 2024 in both the UK and Irish labour markets. Staffline, in partnership with its customers, continues to adjust to cost pressures. The unemployment rate has risen slightly to 4.4% but, whilst inflation has now fallen, the labour market remains tight with the estimated number of vacancies at 889,000 for the quarter ended June 2024, still at historically high levels. This was a decrease of 15,000 on the previous quarter.

White-collar recruitment continues to remain relatively subdued, impacted by continued demand and the ongoing skills shortage, with the exception of specialist engineering roles.

With the UK general election now concluded, we expect the pipeline delays and backlog of public sector demand to begin to improve, particularly within Northern Ireland, but also in the medium-term within PeoplePlus.

Strategy

The Group has delivered excellent progress in its strategy of increasing its share of the blue-collar recruitment market, growing its business in the Republic of Ireland, and remains focused on delivering across its strategic, operational, and financial objectives which include:

- Capitalising on market leadership in blue-collar to expand organically and drive market share gains
- Cross selling and expanding the recruitment portfolio; managed services and permanent recruitment
- Investing in the Republic of Ireland
- Continuing to transform PeoplePlus into a stable annuity business with diverse revenues

The Group continues to operate from a position of financial stability and strength, providing a solid foundation for continued investment and providing cash returns to shareholders.

Operational review

Recruitment

The Group's market leading blue-collar recruitment activities traded well, increasing both revenues and profits despite broader macro challenges which have impacted many of our white-collar peers. Our sizeable scale, geographic reach and market leadership across the UK has attracted new business opportunities.

Recruitment GB

	H1 2024	H1 2023	% Var
	£m	£m	
Revenue	393.0	341.2	+15.2%
Gross Profit	24.7	23.5	+5.1%
Underlying operating profit	2.8	1.8	+55.6%

The performance of Recruitment GB has improved significantly in H1 2024 vs 2023, with temporary worker hours worked up 9.2% year-on-year. Importantly, this strong performance has been driven by an increase in market share across our top 20 largest blue-collar customers, mainly in food distribution and logistics. Our continued focus on efficiency savings across the business is reflected in overall overheads remaining broadly flat year-on-year despite ongoing inflationary pressures.

The division continues to grow organically, with market share increasing c.17% across our top 20 customers. We have maintained our strong market presence across the UK food retail sector; securing further spend by Tesco and Sainsburys (delivered via 3rd party logistics partner relationships with DHL and GXO); and we now exclusively provide all agency workers at Morrisons.

Outlook for our permanent recruitment activity remains in line with expectations, despite a challenging marketplace, mainly due to the division's focus on its technical engineering speciality, a sector which remains buoyant. The volume permanent hiring service, such as the managed service with G4S, continues to perform well and expand in line with expectations.

In anticipation of a return to growth in white-collar recruitment, headcount investment has been made in our Gloucestershire Omega Head Office as well as our Leeds operation, and in H1 2024 we have also successfully opened our third operation in Birmingham. Datum remains affected by a slow-down in the construction sector but is expected see an improvement in its performance during H2 2024.

Recruitment Ireland

	H1 2024	H1 2023	% Var
	£m	£m	
Revenue	53.8	54.5	-1.3%
Gross Profit	6.5	6.1	+6.6%
Underlying operating profit	1.2	0.8	+50.0%

In Recruitment Ireland, gross profit increased by 6.6% mainly as a result of the strong 30% year-on-year increase in permanent recruitment with underlying operating profit increasing by 50%. Revenues were marginally lower than prior year but a change in the mix and a successful strategy to focus on higher margin services is paying off. In addition, investment made in the fee-earning capacity, office and technology infrastructure of the business in recent years have increased the capacity of the business to generate additional revenues without much additional overhead.

This highly creditable performance was set against the backdrop of the wider economic headwinds, weak results reported from peers in the sector, as well as the ongoing power sharing impasse at Stormont. With power sharing now resolved, we believe this will improve demand in Northern Ireland in the core public services sector. The mobilisation of the new contract wins continue to gather pace with revenues expected to be generated in Q4 2024, positively impacting FY 2024 performance.

PeoplePlus

	H1 2024	H1 2023	% Var
	£m	£m	
Revenue	33.4	34.3	-2.6%
Gross Profit	7.0	8.5	-17.6%
Underlying operating profit	0.5	1.8	-72.2%

The financial performance of PeoplePlus is in line with expectations, which were reset at the beginning of 2024.

The UK general election understandably created significant uncertainty in PeoplePlus's public sector markets, with the bid pipeline adversely affected. Delays, both in new commissioning but also decisions in relation to outstanding bids, have been reported. However, an extension to PeoplePlus' Restart (employability) contract was secured to 2028.

PeoplePlus secured a c.£49 million agreement (subject to contract) to provide education and industry services at the newly built HMP Millsike over a 10 year period, in support of our partner, Mitie Care & Custody. Following our successful entry in 2023 into the Young Offenders' sector at Werrington Young Offenders Institute, the preferred supplier status to Mitie at HMP Millsike signifies our first entry into the Private Sector prisons estate which represents a c.£500m market opportunity over the next 10 years. This, combined with the new government's focus on the prisons services sector, highlights this prospective significant growth area for the business.

Board changes

Tom Spain was appointed as permanent Chair of the Board in March 2024, after having been Interim Chairman since May 2022, and his contribution has been invaluable, providing advice and support to the Board.

Outlook

Staffline's recruitment businesses delivered an excellent performance across H1 2024 and is expected to trade strongly in the second half of 2024. Therefore, underlying operating profit for FY 2024 is anticipated to be in line with expectations.

As a result of recent political uncertainty, delays in PeoplePlus' pipeline will likely result in the proportion of operating profit in FY 2025 being more favourable to recruitment as a result of market share gains delivered by Staffline's recruitment activities.

Albert Ellis
Chief Executive Officer
29 July 2024

Financial Review

Introduction

The Group has delivered resilient results driven by significantly increasing temporary worker hours in the period, notwithstanding ongoing challenges in the domestic consumer market. Permanent recruitment has remained surprisingly robust in contrast to market peers. The Group's balance sheet remains strong with pre-IFRS16 net debt of £(9.2)m (2023: £(3.5)m) after spend on share buybacks and funding for the Employee Benefit Trust, totaling £9.1m since 30 June 2023. Significant headroom of £50.2m (2023: £58.7m) exists in the Group's refinanced banking facilities alongside material headroom in financial covenants.

The Group continues to benefit from its decision to purchase a three-year interest rate cap product in October 2021, which has limited the Group's exposure to increases in interest rates. This has been hugely beneficial during the period, with receipts of £0.9m, partly offsetting increased borrowing costs.

Trading performance

Total revenue for H1 2024 increased by 11.7% to £480.2m (2023: £430.0m) resulting from increased worker hours, predominately in the food retail and distribution sectors. Gross profit has increased to £38.2m (2023: £38.1m) alongside a decrease in gross margin to 8.0% from 8.9% in 2023. The reduction in gross margin % is as a result of a combination of pay inflation from National Minimum Wage increases, the increase in temporary worker hours in sectors where the margin is comparatively low and the reduction in higher margin employability training activity.

Underlying divisional performance

The Group comprises three divisions: Recruitment GB, flexible blue-collar recruitment; Recruitment Ireland, generalist recruitment; and PeoplePlus, adult skills, training and employability provision.

	Six months ended 30 June 2024					Six months ended 30 June 2023				
	Recruitment GB Unaudited	**Recruitment Ireland Unaudited**	**PeoplePlus Unaudited**	**Group costs Unaudited**	**Total Group Unaudited**	Recruitment GB Unaudited	Recruitment Ireland Unaudited	PeoplePlus Restated Unaudited	Group costs Unaudited	Total Group Restated Unaudited
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	£'m	£'m	£'m	£'m	£'m
Revenue	**393.0**	**53.8**	**33.4**	-	**480.2**	341.2	54.5	34.3	-	430.0
Period-on-period % change	***15.2%***	***(1.3)%***	***(2.6)%***	-	***11.7%***	*(1.2)%*	*(2.3)%*	*9.2%*	-	*(0.6)%*
Gross sales value[1]	**445.2**	**53.8**	**33.4**	**-**	**532.4**	403.5	54.5	34.3	-	492.3
Period-on-period % change	***10.3%***	***(1.3)%***	***(2.6)%***	**-**	***8.1%***	*5.6%*	*(2.3)%*	*9.2%*	-	*3.9%*
Gross profit	**24.7**	**6.5**	**7.0**	-	**38.2**	23.5	6.1	8.5	-	38.1
Period-on-period % change	***5.1%***	***6.6%***	***(17.6)%***	**-**	***0.3%***	*(4.5)%*	*(3.2)%*	*(1.5)%*	-	*(3.6)%*
Gross margin %	***6.3%***	***12.1%***	***21.0%***	-	***8.0%***	*6.9%*	*11.2%*	*24.8%*	-	*8.9%*
Underlying operating profit /(loss)	**2.8**	**1.2**	**0.5**	**(1.6)**	**2.9**	1.8	0.8	1.8	(1.4)	3.0
Underlying operating profit as a % of revenue	***0.7%***	***2.2%***	***1.5%***	**-**	***0.6%***	*0.5%*	*1.5%*	*5.2%*	-	*0.7%*
Underlying operating profit as a % of gross profit	***11.3%***	***18.5%***	***7.1%***	**-**	***7.6%***	*7.7%*	*13.1%*	*21.2%*	-	*7.9%*
Post-IFRS16 net (debt)/cash	-	-	-	-	**(14.5)**	-	-	-	-	(8.0)
Pre-IFRS16 net (debt)/cash	-	-	-	-	**(9.2)**	-	-	-	-	(3.5)

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

Key performance indicators

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Recruitment GB Unaudited	**Recruitment Ireland Unaudited**	**PeoplePlus Unaudited**	**Total Group Unaudited**	Recruitment GB Unaudited	Recruitment Ireland Unaudited	PeoplePlus Unaudited	Total Group Unaudited
Hours worked by temporary workers	**20.6m**	**2.9m**	-	**23.5m**	18.8m	3.2m	-	22.0m
Gross profit per fee earner	**£38.5k**	**£49.2k**	-	**£40.4k**	£36.3k	£47.0k	-	£38.0k
Revenue per employee	**-**	**-**	**£25.4k**	**-**	-	-	£26.4k	-

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. The value is adjusted for revenue reporting in accordance with IFRS15. The adjustment relative to reported revenue for the Group is as follows:

	H1 2024 Unaudited £'m	H1 2023 Restated Unaudited £'m
Gross sales value	**532.4**	492.3
Agency sales	**(52.2)**	(62.3)
Revenue as reported	**480.2**	430.0

Revenues in the Recruitment GB division increased by £51.8m, (15.2%), to £393.0m (2023: £341.2m). The increase is predominately as a result of organic growth with existing customers in the latter part of 2023 and in H1 2024, particularly in the food retail and distribution sectors. This new business has been won based on quality service and performance by the business and in spite of the ongoing cost-of-living challenges.

The gross profit for Recruitment GB increased 5.1% year-on-year, from £23.5m in 2023 to £24.7m, with the gross margin % decreasing from 6.9% in H1 2023 to 6.3% this year. This was significantly impacted by a 9.8% increase in the National Living Wage from April 2024, from £10.42 to £11.44, which follows on from a 9.7% increase the year before. This contributed to an average increase in our temporary worker pay rates of c.7.1%. This does not impact absolute gross profit as the increase is passed through to customers, but does adversely impact the gross margin % achieved. Gross profit margin % was supported by the higher margin activity of permanent recruitment, which generated £2.0m of gross profit, an 11.1% increase from £1.8m in H1 2023.

Revenues in the Recruitment Ireland division were broadly flat at £53.8m (2023: £54.5m), reflecting a reduction in onsite temporary recruitment activity. The gross profit for Recruitment Ireland increased by 6.6% from £6.1m in H1 2023 to £6.5m in H1 2024, whilst the gross profit margin % increased from 11.2% to 12.1% . This gross margin % improvement was driven by permanent recruitment increasing by 30.0% with £1.3m of gross profit in H1 2024 compared to £1.0m in H1 2023, reflecting cautious optimism following the return of local Government. Revenues and gross profits were increased in the branch networks in both Northern Ireland and the Republic of Ireland.

After adjustment to exclude the discontinued in-person Skills business, PeoplePlus revenues decreased by £0.9m, to £33.4m (2023: £34.3m). The gross profit for the division decreased from £8.5m (24.8%) in H1 2023 to £7.0m in H1 2024 (21.0%). In a decisive response to these increasingly challenging market conditions, the business was restructured in H2 2023 to align business operations to market opportunities, exiting the in-person skills market and the process of reducing overhead costs is ongoing.

Given the ongoing uncertainty in the UK adult training, education and employability market along with the unknown departmental funding plans following the general election, there are delays to the pipeline. Therefore, the Group has incurred a non-underlying, non-cash goodwill impairment charge of £12.9m, which is a material non-cash item that, based on its size and nature, is considered to be non-underlying. The remaining PeoplePlus goodwill balance at 30 June 2024 is £10.7m.

The prison education services business continues to perform well and will benefit in 2025 from the recently announced win of the provision of education services into HMP Millsike. This c.£49m contract over 10 years opens up new markets for the division in the private prisons sector.

Group underlying operating profit was £2.9m (2023: £3.0m), with gross profit to underlying operating profit conversion reducing to 7.6% compared to 7.9% in H1 2023. Together, the recruitment businesses delivered underlying operating profit of £4.0m (H1 2023: £2.6m), representing growth of 53.8%. This was offset by the decrease in PeoplePlus' underlying operating profit from £1.8m to £0.5m. Similar to 2023, the Group expects underlying operating profit to be H2 weighted due to the main peak trading period in the lead up to Christmas and the New Year.

Discontinued activity

The results of the in-person Skills training business within PeoplePlus, which was discontinued during H2 2023, were included in the reported result for H1 2023. The comparative results in this Interim statement have been restated to exclude the results of the Skills business. Further details are provided in note 3.

Finance costs and interest rate hedge

Net finance costs were £2.1m (2023: £1.8m), which includes £0.2m (2023: £0.2m) of non-cash charges for amortisation of debt re-financing costs and the hedging instrument. The higher cost arises from the increased usage of working capital and customer financing facilities due to the growth in temporary worker hours supplied to some of our retail and logistics customers, as well as the increase in the Bank of England base rate between H1 2023 and H1 2024.

The Group's reported loss before taxation, after the non-cash goodwill impairment charge of £(12.9)m, is £(12.1)m in H1 2024 compared to a loss of £(1.4)m in 2023.

Taxation

There is a £0.2m tax charge (2023: credit £0.6m) for the period due principally to the movement on deferred tax balances.

The reported loss after tax on continuing activities for H1 2024 is £(12.3)m (2023: loss £(0.8)m).

Statement of financial position, cash generation and financing

The Group ended H1 2024 with pre-IFRS16 net debt of £(9.2)m (2023: £(3.5)m). Post-IFRS16 net debt was £(14.5)m at H1 2024 (2023: £(8.0)m). The movement in net debt is shown in the table below. The change in working capital includes the Q1 VAT payment, representing VAT collections in the Group's peak seasonal Q4 2023 trading period. Good trading cash generation in the period driven by the organic growth in Recruitment GB temporary hours worked, has been offset by the required working capital usage. Additionally, the Group purchased a higher number of shares than prior year, taking advantage of the relatively low share price at the time.

Movement in net debt	H1 2024 Unaudited £'m	H1 2023 Unaudited £'m
Opening net cash (pre-IFRS16)	**3.8**	5.0
Cash generated before changes in working capital (note 13)	**5.2**	2.7
Movements in working capital	**(12.1)**	(7.7)
Net taxation and interest paid	**(1.9)**	(1.4)
Capital investment (net of disposals)	**(1.4)**	(1.0)
Own shares purchased	**(1.9)**	(0.5)
Principal repayment of lease liabilities	**(1.2)**	(0.9)
Employee equity settled share options	**0.3**	0.3
Closing net (debt) (pre-IFRS16)	**(9.2)**	(3.5)
IFRS16 lease liabilities	**(5.3)**	(4.5)
Closing net (debt) (post-IFRS16)	**(14.5)**	(8.0)

The table below reconciles underlying EBITDA (earnings before interest, taxation, depreciation and amortisation), to operating loss.

Reconciliation of operating loss to EBITDA	H1 2024 Unaudited £'m	H1 2023 Restated Unaudited £'m
Operating profit	**(10.0)**	0.4
Non-underlying charges	**12.9**	2.6
Underlying operating profit	**2.9**	3.0
Depreciation and amortisation	**2.3**	2.6
Underlying EBITDA	**5.2**	5.6
Lease rental payments	**(0.8)**	(0.9)
Underlying EBITDA (pre-IFRS16)	**4.4**	4.7

Note: Underlying operating profit is stated before goodwill impairment, provisions arising from the closure of the Skills training business and amortisation of intangible assets arising on business combinations.

The Group's banking facility headroom under its available committed banking facilities is set out below:

	H1 2024 Unaudited £'m	H1 2023 Unaudited £'m
Cash at bank	**4.6**	12.2
Available receivables finance agreement unutilised	**45.6**	46.5
Banking facility headroom	**50.2**	58.7

Banking facilities

The Group manages its working capital requirements using a receivables finance agreement ("RFA"), 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. On 14 December 2023, the Group and its lenders agreed to an amendment to the RFA with improved terms, reflecting progress in the business and ongoing balance sheet strength. 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 estimated balance funded under the customer finance arrangements at 30 June 2024 was £58.2m (2023: £44.8m).

Purchases of own shares

The Company has delivered three years of annual underlying operating profits of at least £10.0m and annual operating cash generation remains strong. During the last 12 months the Board has taken the opportunity to make share purchases under share buyback programmes and for the Employee Benefit Trust. The Group continues to have substantial headroom of £50.2m (2023: £58.7m) under its available banking facilities.

On 10 June 2024 the Company announced the launch of a further share buyback programme to repurchase ordinary shares in the capital of the Company (the "Ordinary Shares") up to an aggregate value of £2.5 million. As at 30 June 2024 the Company had acquired 850,790 shares for a consideration of £0.3m. The Ordinary Shares purchased pursuant to the Share Buyback will be cancelled.

Dividend policy

No interim dividend for 2024 is proposed (2023: £nil).

Going concern

The Directors have formed a judgement, at the time of approving the unaudited condensed interim Group 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 eighteen months from when the unaudited condensed interim Group financial statements are authorised for issue. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

International Financial Reporting Standards

There have been no new accounting standards or interpretations in the first half of 2024 which materially impact the Group's reported performance or financial position.

Daniel Quint
Chief Financial Officer
29 July 2024

Consolidated statement of comprehensive income
For the six months ended 30 June 2024

	Note	**Six-month period ended 30 June 2024 Unaudited £'m**	Six-month period ended 30 June 2023 Restated Unaudited £'m	Year ended 31 December 2023 Audited £'m
Continuing operations				
Revenue	2	**480.2**	430.0	938.2
Cost of sales		**(442.0)**	(391.9)	(857.4)
Gross profit		**38.2**	38.1	80.8
Administrative expenses		**(48.2)**	(37.7)	(84.5)
Operating (loss)profit		**(10.0)**	0.4	(3.7)
Underlying operating profit before non-underlying administrative expenses		**2.9**	3.0	10.3
Administrative expenses (non-underlying)	3	**(12.9)**	(2.6)	(14.0)
Operating profit/(loss)	2	**(10.0)**	0.4	(3.7)
Finance income		**0.9**	0.7	1.9
Finance charges – underlying		**(3.0)**	(2.5)	(5.6)
Finance charges – non-underlying		**-**	-	(0.5)
Loss for the period before taxation		**(12.1)**	(1.4)	(7.9)
Tax (expense)/credit		**(0.2)**	0.6	(0.5)
Loss for continuing activities		**(12.3)**	(0.8)	**(8.4)**
Loss from discontinued activities		**-**	(2.4)	**(2.6)**
Loss for the period		**(12.3)**	(3.2)	**(11.0)**
Items that will not be reclassified to the statement of comprehensive income - actuarial gains and losses, net of deferred tax		**-**	0.1	**0.2**
Items that may be reclassified to the statement of comprehensive income:				
cumulative translation adjustment		**0.1**	-	**(0.4)**
movement on cash flow hedge, net of deferred tax		**(0.4)**	0.3	**(0.8)**
Total comprehensive loss for the period		**(12.6)**	(2.8)	(12.0)
Earnings per ordinary share	4			
Continuing operations: Basic and diluted		**(8.6)p**	(2.0)p	(7.0)p

The accompanying notes form an integral part of these unaudited condensed interim Group financial statements.

Consolidated statement of changes in equity
For the six months ended 30 June 2024

Unaudited	Share capital £'m	Own shares £'m	Capital redemption reserve £'m	Share-based payment reserve £'m	Cash flow hedge reserve £'m	Foreign exchange translation reserve £'m	Profit and loss account £'m	Total equity £'m
At 1 January 2024	**14.9**	**(4.7)**	**1.7**	**1.2**	**0.9**	**(0.6)**	**41.5**	**54.9**
Issue of shares to management	-	0.3	-	-	-	-	-	0.3
Share based payments	-	-	-	0.1	-	-	-	0.1
Shares purchased and cancelled	(0.1)	-	0.1	-	-	-	(0.3)	(0.3)
Own shares purchased	-	(1.6)	-	-	-	-	-	(1.6)
Transactions with owners	**(0.1)**	**(1.3)**	**0.1**	**0.1**	**-**	**-**	**(0.3)**	**(1.5)**
Loss for the period	-	-	-	-	-	-	(12.3)	(12.3)
Cash flow hedge reserve, net of taxation	-	-	-	-	(0.4)	-	(0.2)	(0.6)
Actuarial gain, net of taxation	-	-	-	-	-	-	-	-
Cumulative translation adjustments	-	-	-	-	-	0.1	-	0.1
Total comprehensive income for the period, net of tax	-	-	-	-	**(0.4)**	**0.1**	**(12.5)**	**(12.8)**
At 30 June 2024	**14.8**	**(6.0)**	**1.8**	**1.3**	**0.5**	**(0.5)**	**28.7**	**40.6**

Consolidated statement of changes in equity
For the six months ended 30 June 2023

Unaudited	Share capital £'m	Own shares £'m	Share premium £'m	Share-based payment reserve £'m	Cash flow hedge reserve £'m	Profit and loss account £'m	Total equity £'m
At 1 January 2023	**16.6**	**(4.5)**	**111.8**	**0.6**	**1.7**	**(54.5)**	**71.7**
Issue of shares to management	-	0.3	-	-	-	(0.3)	-
Long term incentive scheme	-	-	-	0.2	-	-	0.2
Save As You Earn (SAYE) share scheme	-	-	-	0.1	-	-	0.1
Own Shares Purchased	-	(0.5)	-	-	-	-	(0.5)
Transactions with owners	**-**	**(0.2)**	**-**	**0.3**	**-**	**(0.3)**	**(0.2)**
Loss for the period	-	-	-	-	-	(3.2)	(3.2)
Cash flow hedge reserve, net of taxation	-	-	-	-	0.3	-	0.3
Actuarial gain, net of taxation	-	-	-	-	-	0.1	0.1
Total comprehensive income for the period, net of tax	-	-	-	-	**0.3**	**(3.1)**	**(2.8)**
At 30 June 2023	**16.6**	**(4.7)**	**111.8**	**0.9**	**2.0**	**(57.9)**	**68.7**

The accompanying notes form an integral part of these unaudited condensed interim Group financial statements.

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

Audited	Share capital £'m	Own shares £'m	Share premium £'m	Capital redemption reserve £'m	Share-based payment reserve £'m	Cash flow hedge 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**
Save As You Earn ("SAYE") share scheme – cash-settled	-	-	-	-	0.6	-	-	-	**0.6**
Transfer of share premium	-	-	(111.8)	-				111.8	--
Issues of shares to management	-	0.3	-	-	-	-	-	(0.2)	0.1
Share 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)
Cash flow hedge reserve	-	-	-	-	-	(0.8)	-	-	(0.8)
Actuarial gain on pension scheme, net of taxation	-	-	-	-	-	-	-	0.2	0.2
Cumulative translation adjustments	-	-	-	-	-	-	(0.4)	-	(0.4)
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**

The accompanying notes form an integral part of these unaudited condensed interim Group financial statements.

Consolidated statement of financial position
As at 30 June 2024

	Note	**30 June 2024 Unaudited £'m**	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Assets				
Non-current assets				
Goodwill	5	37.8	59.6	50.7
Other intangible assets		9.1	6.6	6.7
Property, plant and equipment		4.5	6.7	5.5
Retirement benefit net asset		0.5	0.3	0.5
Deferred tax asset		4.2	5.4	4.4
		56.1	78.6	67.8
Current assets				
Trade and other receivables	6	142.0	122.7	129.4
Current tax asset		-	0.3	-
Derivative financial instruments	7	0.8	3.1	1.7
Cash and cash equivalents	8	4.6	12.2	13.3
		147.4	138.3	144.4
Total assets		**203.5**	216.9	212.2
Liabilities				
Current				
Trade and other payables	9	141.9	123.5	140.8
Borrowings	10	13.8	15.7	9.5
Current tax liability		0.2	-	0.2
Provisions	11	1.0	3.1	1.8
Lease liabilities	10	1.4	1.5	1.4
		158.3	143.8	153.7
Non-current				
Provisions	11	0.4	0.5	0.5
Lease liabilities	10	3.9	3.0	2.6
Deferred tax liabilities		0.3	0.9	0.5
		4.6	4.4	3.6
Total liabilities		**162.9**	148.2	157.3
Equity				
Share capital	12	14.8	16.6	14.9
Own shares		(6.0)	(4.7)	(4.7)
Share premium		-	111.8	-
Capital redemption reserve		1.8	-	1.7
Share-based payment reserve		1.3	0.9	1.2
Cash flow hedge reserve		0.5	2.0	0.9
Foreign exchange translation reserve		(0.5)	(0.4)	(0.6)
Profit and loss account		28.7	(57.5)	41.5
Total equity		**40.6**	68.7	54.9
Total equity and liabilities		**203.5**	216.9	212.2

The accompanying notes form an integral part of these unaudited condensed interim Group financial statements.

Consolidated statement of cash flows
For the six months ended 30 June 2024

	Note	**Six months ended 30 June 2024 Unaudited**	Six months ended 30 June 2023 Unaudited	Year ended 31 December 2023 Audited
		£'m	£'m	£'m
Cash flows from operating activities	13	**(6.6)**	(4.7)	12.4
Taxation received		-	0.1	0.1
Net cash (outflow)/inflow from operating activities		**(6.6)**	(4.6)	12.5
Cash flows from investing activities - trading				
Purchase of intangible assets – software		(0.8)	(0.8)	(2.3)
Purchases of property, plant and equipment		(0.6)	(0.2)	(0.4)
Total cash flows arising from investing activities		**(1.4)**	(1.0)	(2.7)
Total cash flows arising from operating and investing activities		**(8.0)**	(5.6)	9.8
Cash flows from financing activities				
Net movements on Receivables Finance Agreement		4.3	(10.3)	(16.5)
Finance lease principal repayments		(1.2)	(0.9)	(1.8)
Net interest paid		(1.9)	(1.5)	(3.7)
Own shares purchased		(1.9)	(0.5)	(5.5)
Net cash flows from financing activities		**(0.7)**	(13.2)	(27.5)
Net change in cash and cash equivalents		**(8.7)**	(18.8)	(17.7)
Cash and cash equivalents at beginning of period		**13.3**	31.0	31.0
Cash and cash equivalents at end of period	8	**4.6**	12.2	13.3

The accompanying notes form an integral part of these unaudited condensed interim Group financial statements.

Notes to the summary financial statements
For the six months ended 30 June 2024

1 Interim accounts and accounting policies

Staffline Group plc, a Public Limited Company, is incorporated and domiciled in the United Kingdom.

The unaudited condensed interim Group financial statements for the six-month period ended 30 June 2024 (including the comparatives for the six-month period ended 30 June 2023 and the year ended 31 December 2023) were approved and authorised for issue by the Board of Directors on 29 July 2024.

It should be noted that accounting estimates and assumptions are used in the preparation of the interim financial information. Although these estimates are based on management's best knowledge and judgement of current events, actual results may ultimately differ from those estimates. The unaudited condensed interim Group financial statements have been prepared using the accounting policies as described in the December 2023 audited year-end Annual Report and have been consistently applied.

The interim Group financial information contained within this report does not constitute statutory accounts as defined in the Companies Act 2006, section 434. The full accounts for the year ended 31 December 2023 received an unqualified report from the auditors and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies.

Basis of preparation

The unaudited interim Group financial statements, which should be read in conjunction with the audited Annual Report for the year ended 31 December 2023, have been prepared in accordance with AIM Rules for Companies – Part One, Section 18 “Half-yearly reports”.

The unaudited condensed interim Group financial statements consolidate those of the parent company and all its subsidiaries as at 30 June 2024. Subsidiaries are all entities to which the Group is exposed, or has rights, to variable returns and has the ability to affect those returns through power over the subsidiary.

The unaudited condensed interim Group financial statements have been prepared on a going concern basis using the significant accounting policies and measurement bases summarised in the December 2023 audited year-end Annual Report, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and with the Companies Act 2006, as applicable to companies reporting under IFRS. 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 consolidated financial statements are presented in sterling, which is also the functional currency of the parent company.

Going concern

The Directors have formed a judgement, at the time of approving the unaudited condensed interim Group 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 unaudited condensed interim Group financial statements are authorised for issue. For this reason, the Directors continue to adopt the going concern basis in preparing the unaudited condensed interim Group financial statements.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

2 Segmental reporting

Management currently identifies three reportable segments: Recruitment GB, the provision of workforce recruitment and management to industry; Recruitment Ireland, the provision of generalist recruitment services; and PeoplePlus, the provision of skills training and employability services. The Group's reportable 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 Group Chief Executive, with support from the Board.

Whilst there are individual legal entities within the three reportable segments, they are operated and reviewed as single units by the Board of Directors. Each legal entity within a reportable segment has the same management team, head office and have similar economic characteristics. Historically and going forward, practice has been to integrate new acquisitions into the main trading entities within each reportable segment.

Segment information for the reporting half-year is as follows:

	Six months ended 30 June 2024					Six months ended 30 June 2023				
Segment continuing operations	**Recruitment GB Unaudited £'m**	**Recruitment Ireland Unaudited £'m**	**PeoplePlus Unaudited £'m**	**Group costs Unaudited £'m**	**Total Group Unaudited £'m**	**Recruitment GB Unaudited £'m**	**Recruitment Ireland Unaudited £'m**	**PeoplePlus Restated Unaudited £'m**	**Group costs Unaudited £'m**	**Total Group Restated Unaudited £'m**
Revenue from external customers	393.0	53.8	33.4	-	**480.2**	341.2	54.5	34.3	-	430.0
Cost of sales	(368.3)	(47.3)	(26.4)	-	**(442.0)**	(317.7)	(48.4)	(25.8)	-	(391.9)
Segment gross profit	**24.7**	**6.5**	**7.0**	-	**38.2**	23.5	6.1	8.5	-	38.1
Administrative expenses (underlying)	(20.7)	(5.0)	(5.7)	(1.6)	**(33.0)**	(20.4)	(5.0)	(5.7)	(1.4)	(32.5)
Depreciation and software amortisation (underlying)	(1.2)	(0.3)	(0.8)	-	**(2.3)**	(1.3)	(0.3)	(1.0)	-	(2.6)
Segment underlying operating profit/(loss)*	**2.8**	**1.2**	**0.5**	**(1.6)**	**2.9**	1.8	0.8	1.8	(1.4)	3.0
Goodwill impairment	-	-	(12.9)	-	(12.9)	-	-	-	-	-
Amortisation of intangible assets arising on business combinations	-	-	-	-	-	(2.5)	-	(0.1)	-	(2.6)
Segment operating (loss)/profit	**2.8**	1.2	(12.4)	(1.6)	(10.0)	(0.7)	0.8	1.7	(1.4)	0.4
Finance (costs)/income	(2.8)	-	-	0.7	(2.1)	(2.4)	(0.1)	-	0.7	(1.8)
(Loss)/profit for the period before taxation	-	1.2	(12.4)	(0.9)	(12.1)	(3.1)	0.7	1.7	(0.7)	(1.4)
Tax (charge)/credit	-	(0.3)	(0.1)	0.2	**(0.2)**	0.8	(0.2)	(0.2)	0.2	0.6
Net (loss)/profit for the period	-	**0.9**	**(12.5)**	**(0.7)**	**(12.3)**	(2.3)	0.5	1.5	(0.5)	(0.8)

* Segment underlying operating profit before goodwill impairment, amortisation of intangible assets arising on business combinations.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

2 Segmental reporting (continued)

	Six months ended 30 June 2024					Six months ended 30 June 2023				
Segment continuing operations	**Recruitment GB Unaudited £'m**	**Recruitment Ireland Unaudited £'m**	**PeoplePlus Unaudited £'m**	**Group costs Unaudited £'m**	**Total Group Unaudited £'m**	**Recruitment GB Unaudited £'m**	**Recruitment Ireland Unaudited £'m**	**PeoplePlus Unaudited £'m**	**Group costs Unaudited £'m**	**Total Group Unaudited £'m**
Total non-current assets	28.1	10.8	13.0	-	**51.9**	27.8	12.9	37.5	0.4	78.6
Total current assets	115.2	17.6	10.9	3.7	**147.4**	107.2	18.2	9.2	3.7	138.3
Total assets (consolidated)	**143.3**	**28.4**	**23.9**	**3.7**	**199.3**	135.0	31.1	46.7	4.1	216.9
Total liabilities (consolidated)	**137.3**	**10.3**	**15.0**	-	**162.6**	117.9	10.5	19.3	0.5	148.2
Capital expenditure inc software	3.5	0.1	0.1	-	**3.7**	0.6	0.2	0.2	-	1.0

Segment information for the year ended 31 December 2023 is as follows:

Segment continuing operations	**Recruitment GB 2023 £'m**	**Recruitment Ireland 2023 £'m**	**PeoplePlus 2023 £'m**	**Group Costs 2023 £'m**	**Total Group 2023 £'m**
Sales revenue from external customers	763.0	108.3	66.9	-	**938.2**
Cost of sales	(711.1)	(96.0)	(50.3)	-	**(857.4)**
Segment gross profit	**51.9**	**12.3**	**16.6**	**-**	**80.8**
Administrative expenses	(40.8)	(9.9)	(11.7)	(3.2)	**(65.6)**
Depreciation, software & lease amortisation	(2.5)	(0.6)	(1.8)	-	**(4.9)**
Segment underlying operating profit/(loss)*	**8.6**	**1.8**	**3.1**	**(3.2)**	**10.3**
Reorganisation, rationalisation and restructuring costs	(1.8)	-	-	-	**(1.8)**
Goodwill impairment	-	-	(8.9)	-	**(8.9)**
Amortisation of intangibles arising on business combinations	(3.2)	(0.1)	-	-	**(3.3)**
Segment (loss)/profit from operations	**3.6**	**1.7**	**(5.8)**	**(3.2)**	**(3.7)**
Net finance costs	(5.5)	(0.1)	-	1.9	**(3.7)**
Refinancing cost	-	-	-	(0.5)	**(0.5)**
Segment (loss)/profit before taxation	**(1.9)**	**1.6**	**(5.8)**	**(1.8)**	**(7.9)**
Tax (expense)/ credit	0.9	(0.2)	(1.4)	0.2	**(0.5)**
Segment (loss)/profit from continuing operations	**(1.0)**	**1.4**	**(7.2)**	**(1.6)**	**(8.4)**
Total non-current assets	24.7	12.3	26.4	-	**63.4**
Total current assets	112.6	15.7	13.8	2.3	**144.4**
Total assets (consolidated)	**137.3**	**28.0**	**40.2**	**2.3**	**207.8**
Total liabilities (consolidated)	**131.8**	**9.6**	**15.3**	**0.1**	**156.8**
Capital expenditure inc software	**1.9**	**0.6**	**1.1**	**-**	**3.6**

* Segment underlying operating profit before goodwill impairment and amortisation of intangible assets arising on business combinations and other non-underlying costs.

The analysis above excludes deferred tax assets and liabilities, as required by IFRS 8, Operating segments.

No customer contributed more than 10% of the Group's revenue in either of the six months ended 2024 or 2023.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

3 Non-underlying expenses and discontinued activities

Administrative expenses	Six months ended 30 June 2024 Unaudited £'m	Six months ended 30 June 2023 Restated Unaudited £'m	Year ended 31 December 2023 Audited £'m
Reorganisation, rationalisation and restructuring costs	-	-	1.8
Goodwill impairment	12.9	-	8.9
Amortisation of intangible assets arising on business combinations (licences and customer contracts)	-	2.6	3.3
Tax credit on non-underlying costs	-	(0.6)	(1.2)
Post taxation effect on non-underlying costs	**12.9**	**2.0**	**12.8**

Closure of the Skills business within PeoplePlus

During the year ended 31 December 2023 a substantial contract operated by the in-person Skills business within the PeoplePlus division concluded and was not renewed. Further contracts also concluded during the second half of 2023. The Board decided that in view of the weak performance and the impending completion of a number of contracts, that the in-person Skills business be closed. The business had obligations to provide classroom learning up to August 2023 and consequently was classed as a continuing operation for the reporting period ended 30 June 2023 but was classed as discontinued for the full year ended 31 December 2023.

Closure costs from staff redundancies, property exits and other commitments, were anticipated after completion of contractual obligations in August 2023. Furthermore, the contracts remaining to be completed after 30 June 2023 were considered onerous. The decision to close the business had been formally noted by the Board in May 2023 and provisions for closure and the onerous contracts were recognised at 30 June 2023.

The results of the Skills business for the period ended 30 June 2023, which are set out below, have been treated as discontinued and the comparative values for that period have been restated accordingly.

Proforma Statement of Comprehensive Income – Skills business	Six months ended 30 June 2023 Unaudited £'m	Year ended 31 December 2023 Audited £'m
Revenue	4.1	4.5
Cost of sales	(4.2)	(5.3)
Gross loss	(0.1)	(0.8)
Administrative expenses*	(0.5)	(0.7)
Closure costs and onerous contracts	(2.3)	(1.6)
Operating loss	(2.9)	(3.1)
Tax credit	0.5	0.7
Loss for the period after taxation	(2.4)	(2.4)

*Administrative expenses comprise an allocation of central overheads, relating principally to administrative staff, of the PeoplePlus Division, which has been consistently applied to each period, to represent the element of costs utilised by the Skills business.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

4 Earnings per share and dividends

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 period, after deducting any shares held by the Employee Benefit Trust ("EBT") – "own shares" (7,583,206 shares at 30 June 2024, 2,014,511 shares at 31 December 2023 and 964,511 shares at 30 June 2023). The calculation of the diluted earnings per share is based on the basic earnings per share as adjusted to further take into account the expected issue of ordinary shares resulting from any share options granted to Executive Directors and certain senior employees, and share options granted to employees under the SAYE scheme.

Details of the earnings and weighted average number of shares used in the calculations are set out below:

	Basic six months ended 30 June 2024	Basic six months ended 30 June 2023 Restated	Basic Year ended 31 December 2023	**Diluted six months ended 30 June 2024**	Diluted six months ended 30 June 2023 Restated	Diluted Year ended 31 December 2023
	Unaudited	Unaudited	Audited	**Unaudited**	Unaudited	Audited
Loss from continuing operations (£'m)	**(12.3)**	(0.8)	(8.4)	**(12.3)**	(0.8)	(8.4)
Weighted daily average number of shares	**142,369,230**	162,451,337	157,247,639	**143,313,695**	163,961,869	157,788,528
Loss per share from continuing operations (p)	**(8.6)**	(0.4)	(5.3)	**(8.6)**	(0.4)	(5.3)
Underlying earnings from continuing operations (£'m)*	**0.6**	1.2	4.9	**0.6**	1.2	4.9
Underlying earnings per share (p)*	**0.4**	0.7	3.1	**0.4**	0.7	3.1
Loss from discontinued operations (£'m)	-	(2.4)	(2.6)	-	(2.4)	(2.6)
Weighted average number of shares	-	162,451,337	157,247,639	-	163,961,869	157,788,528
Loss per share from discontinued activities (p)	-	(1.4)	(1.7)	-	(1.4)	(1.7)
Loss for the period (£'m)	**(12.3)**	(3.2)	(11.0)	**(12.3)**	(3.2)	(11.0)
Weighted average number of shares	**142,369,230**	162,451,337	157,247,639	**143,313,695**	163,961,869	157,788,528
Total loss per share (p)	**(8.6)**	(2.0)	(7.0)	**(8.6)**	(2.0)	(7.0)

*Underlying earnings after adjusting for goodwill impairment and amortisation of intangible assets arising on business combinations.

Dividends

No interim dividend for 2024 is proposed (2023: £nil).

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

5 Goodwill

The breakdown of Goodwill carrying value by division is listed below:

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Recruitment GB	21.4	21.4	21.4
Recruitment Ireland	5.7	5.7	5.7
PeoplePlus	10.7	32.5	23.6
	37.8	**59.6**	**50.7**

Following indications of reduced medium-term profitability in the PeoplePlus division, an impairment review was conducted as at 30 June 2024. The recoverable amount of goodwill was determined based on a value-in-use calculation, using forecasts for 2024–26. The results of the impairment review showed an impairment adjustment of £12.9m is required for the PeoplePlus CGU. The same calculations indicated that an impairment adjustment of £13.2m is required to the Company's carrying value of its investment in PeoplePlus, leaving the carrying value in the Company at £12.0m. In making the assessment of the recoverability of assets of PeoplePlus, the same judgements and assumptions were used as those set out in the Group's Annual Report for the year ended 31 December 2023.

6 Trade and other receivables

	30 June 2024 Unaudited £'m	30 June 2023 Restated Unaudited £'m	31 December 2023 Audited £'m
Trade receivables	107.0	97.0	121.2
Prepayments and other receivables	29.5	22.9	5.0
Contract assets - accrued income	5.5	2.8	3.2
	142.0	**122.7**	**129.4**

7 Derivative financial instruments

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Fair value hedge – interest rate cap	**0.8**	**3.1**	**1.7**

In October 2021 the Group entered into an amortising interest rate cap instrument, which reduces exposure to interest rate increases above 1% of SONIA on an aggregated two-thirds of the Receivables Finance Agreement and the customer finance arrangements. The instrument, which expires on 13 October 2024, is based on quarterly notional amounts varying between £39.5m and £62.5m, with an average of £51.9m.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

8 Cash and cash equivalents

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Cash and cash equivalents	**4.6**	**12.2**	**13.3**

Cash and cash equivalents consist of cash on hand and balances with banks only. All cash on hand and balances with banks are held by subsidiary undertakings but these balances are available for use by the Group.

Long term credit ratings for the banks used by the Group are currently as follows:

	Fitch	Standard & Poor's	Moody's
National Westminster Bank plc	A+	A+	A1
Royal Bank of Scotland plc	A+	A+	A1

The Group's banking facility headroom is as follows:

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Cash and cash equivalents	4.6	12.2	13.3
Available receivables finance agreement balance	45.6	46.5	49.1
Banking facility headroom	**50.2**	**58.7**	**62.4**

9 Trade and other payables

	30 June 2024 Unaudited £'m	30 June 2023 Restated Unaudited £'m	31 December 2023 Audited £'m
Trade and other payables	26.2	25.3	27.4
Accruals and deferred income	59.7	47.9	50.2
Contract liabilities – deferred income	5.5	5.9	6.2
Other taxation and social security	50.5	44.4	57.0
	141.9	**123.5**	**140.8**

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

10 Borrowings

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Current liabilities:			
Receivables finance agreement	13.8	15.7	9.5
Lease liabilities	1.4	1.5	1.4
	15.2	**17.2**	**10.9**
Non-current liabilities:			
Lease liabilities	3.9	3.0	2.6
Total borrowings	**19.1**	**20.2**	**13.5**
Less: Cash and cash equivalents (note 8)	(4.6)	(12.2)	(13.3)
Net debt as disclosed in consolidated statement of cash flows (note 13)	**14.5**	**8.0**	**0.2**

Credit facilities

The Group uses a Receivables Financing Agreement ("RFA") to fund its day-to-day working capital requirements.

The RFA leverages the Group's trade receivables with sufficient headroom and flexibility to manage the variability and size of weekly cash outflows. On 14 December 2023, the Group and its lenders agreed to an amendment to the RFA with improved terms, reflecting progress in the business and ongoing balance sheet strength. 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 Group also has available a number of separate, non-recourse, Customer Financing arrangements whereby specific customer invoices are settled in advance of their normal settlement date. At 30 June 2024, the estimated value of invoices funded under these arrangements was £58.2m (2023: £44.8m).

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

11 Provisions

Group	**Staff costs £'m**	**Property costs £'m**	**Discontinued activity £'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	-	0.1	-	0.1	3.9
Amounts utilised	(0.6)	(0.3)	(0.1)	(1.0)	(2.4)
Unused amounts reversed to the income statement	-	-	-	-	(0.7)
At 30 June 2024	**-**	**1.1**	**0.3**	**1.4**	2.3
Due within one year (current)	-	0.7	0.3	1.0	1.8
Due after more than one year (non-current)	-	0.4	-	0.4	0.5
At 30 June 2024	**-**	**1.1**	**0.3**	**1.4**	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.

As described in note 3, provision was made for the exit from the Skills training business within the PeoplePlus division. Closure costs arose from, staff redundancies, property exits and other commitments, which were incurred after completion of contractual obligations in August 2023. An onerous contracts provision was recognised for the cost of completing contracts after 30 June 2023.

The Company has no provisions (2023: £nil).

12 Share capital

	30 June 2024 Unaudited £'m	30 June 2023 Unaudited £'m	31 December 2023 Audited £'m
Allotted and issued			
165,767,728 ordinary 10p shares	**14.8**	16.6	14.9

	30 June 2024 '000	30 June 2023 '000	31 December 2023 '000
Shares issued and fully paid			
At beginning and end of the period	**148,340**	165,768	149,191

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 7,583,206 shares held at 30 June 2024 (2023: 3,316,391 shares) by the Employee Benefit Trust where the right to dividends has been waived.

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

13 Cash flows from operating activities

Reconciliation of loss before taxation to net cash inflow from operating activities	Six months ended 30 June 2024 Unaudited £'m	Six months ended 30 June 2023 Restated Unaudited £'m	Year ended 31 December 2023 Audited £'m
Loss before taxation from:			
Continuing operations	(12.1)	(1.4)	(7.9)
Discontinued operations	-	(2.9)	(3.1)
	(12.1)	(4.3)	(11.0)
Adjustments for:			
Finance income	(0.9)	(0.7)	(1.9)
Finance costs	3.0	2.5	6.1
Depreciation and amortisation - underlying	2.3	2.6	5.0
Depreciation and amortisation - non-underlying	-	2.6	3.2
Goodwill impairment	12.9	-	8.9
Loss on disposal of property, plant and equipment	-	-	0.2
Cash generated before changes in working capital and share options	**5.2**	**2.7**	**10.5**
Change in trade and other receivables	(12.6)	(3.2)	(9.5)
Change in trade, other payables and provisions	0.5	(4.5)	10.8
Cash (utilised in)/generated from operations	**(6.9)**	**(5.0)**	**11.8**
Employee equity settled share options	0.3	0.3	0.6
Net cash (outflow)/inflow from operating activities	**(6.6)**	**(4.7)**	**12.4**

Movement in net debt	Six months ended 30 June 2024 Unaudited £'m	Six months ended 30 June 2023 Unaudited £'m	Year ended 31 December 2023 Audited £'m
Net (debt)/cash at beginning of the period	(0.2)	0.1	0.1
Lease payments, additions, disposals and interest	(1.3)	0.4	0.9
Net (drawn from)/repayments to Receivables Finance Agreement	(4.3)	10.3	16.5
Change in cash and cash equivalents	(8.7)	(18.8)	(17.7)
Net debt at end of period	**(14.5)**	**(8.0)**	**(0.2)**
Represented by:			
Cash and cash equivalents (note 8)	4.6	12.2	13.3
Current borrowings (note 10)	(13.8)	(15.7)	(9.5)
Lease liabilities (note 10)	(5.3)	(4.5)	(4.0)
Net debt at end of period	**(14.5)**	**(8.0)**	**(0.2)**

Notes to the summary financial statements (continued)
For the six months ended 30 June 2024

14 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.

On 21 June 2024, Albert Ellis, Chief Executive Officer, and Daniel Quint, Chief Financial Officer, were awarded ordinary shares of 10p each in the Company ("Ordinary Shares") in relation to the proportion of their respective annual bonuses for the financial year ended 31 December 2023 payable in Ordinary Shares. Accordingly, the Employee Benefit Trust ("EBT") transferred to Albert Ellis and Daniel Quint 213,386 and 167,660 Ordinary Shares respectively.

The directors holding office at 30 June 2024 have the following beneficial interests in the Company's share capital:

	Number
Amanda Aldridge	80,000
Albert Ellis	997,296
Catherine Lynch	10,000
Daniel Quint	761,490
Tom Spain	1,675,000
	3,523,786

Albert Ellis and Daniel Quint have interests in 4,272,705 and 3,438,083 respectively for options for Ordinary Shares, awarded under the Company's 2021 long term incentive plan in May 2022, February 2023 and January 2024, and SAYE scheme 2022. The other directors have no current interests in share options or the SAYE scheme.