Registered number: 01729887

Prime People Limited

Annual Report and Financial Statements
For the year ended 31 March 2023

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Chairman's Statement

Performance

2023 was a successful year for the Group and we closed with headline Revenue of £26.4m (2022: £22.3m) and Net Fee Income (“NFI”) of £19.1m (2022 £15.9m), a 20.5% year-on-year increase.

NFI comprises the total fees for permanent candidates and the margin earned in the placement of contract staff.

The Group’s Operating Profit was £3.41m (2022: £2.44m). The Operating Profit is arrived at after taking account of a goodwill impairment of £0.76m relating to the integration of Command into the wider Group. The increase is a result of higher NFI generation.

Dividend

The Board will be recommending a final dividend of 4 pence per share for the year.

Capital Return

Following shareholder approval at the General Meeting held on 8 March 2023 the Company returned excess capital to shareholders that the Directors considered no longer required following its de-listing by reducing (i) its capital redemption reserve (approximately £237,013 at the year ended 31 March 2022) and (ii) its share premium account (approximately £3,376,114 at the year ended 31 March 2022). Statutory reserves such as the capital redemption reserve and share premium account are treated as part of the Company’s paid-up share capital and were therefore suitable to be reduced as the Company’s balance sheet was simplified post-delisting.

The effect of the Capital Reduction was to cancel the amounts of £3,376,114 of the share premium account and £237,013 of the capital redemption reserve, so that a total of £3,613,127 was paid to shareholders by way of a return of capital, equivalent to approximately £0.35 per issued share.

Minority interest

During the year, the Group purchased the minority interest in Command, as described in detail in note 11.

Current trading and outlook

Trading in Q1 has been in line with the budget we have set for the year. However, as a result of volatile macro-economic forces and geopolitical uncertainty across the regions in which we trade, we are cautious about the resilience of demand through the remainder of 2023.

The Group maintains a healthy cash position and we intend to continue to invest organically in areas offering growth opportunities whilst continuing to make returns to shareholders.

Robert Macdonald
Executive Chairman

Strategic Report

Overview

The Group provides Permanent and Contract recruitment services to selected, niche industry sectors.

Real Estate continues to be the Group's largest market, served through its main subsidiary, Macdonald & Company.

Our business model is built around our people, all of whom are specialists in their industry verticals.

The Group has two locations in the UK (the London head office and Manchester) with international offices in Hong Kong (established in 2007), Singapore (established in 2012), Frankfurt (established in 2019), Düsseldorf (established in 2021), Houston (established in 2021) and a franchise in South Africa (established in 2008).

Regional Performance

United Kingdom

	2023 £m	2022 £m
Revenue	**14.72**	13.27
Net Fee Income (NFI)	**7.45**	6.84
Operating Profit /(Loss)	**0.92**	1.00
Operating Profit /(Loss) as % of NFI	**13.7%**	14.8%
Average number of employees	**48**	50

Revenue increased by 10.9% to £14.72m (2022: £13.27m) with NFI increasing by 8.9% to £7.45m (2022: £6.84m).

Asia Pacific

	2023 £m	2022 £m
Revenue	**6.48**	6.25
Net Fee Income (NFI)	**6.48**	6.25
Operating Profit	**1.68**	0.95
Operating Profit as % of NFI	**24.9%**	15.2%
Average number of employees	**31**	41

Rest of the World

	2023 £m	2022 £m
Revenue	**5.21**	2.79
Net Fee Income (NFI)	**5.21**	2.79
Operating Profit/(Loss)	**1.57**	0.50
Operating Profit/(Loss) as % of NFI	**28.5%**	17.9%
Average number of employees	**16**	12

The region now covers our offices in Frankfurt, Düsseldorf, Houston, and a franchise in South Africa.

Financial Review

Revenue
The Group's Revenue was £26.4m, which represents a 18.4% increase compared to 2022 (£22.3m).

Net Fee Income (NFI)
Overall Group NFI was £19.1m which is an increase of 20.5% compared to the prior year.

The split of net fee income was 96.3% from Permanent Sales (2022: 96.3%) and 3.7% from Contract Sales (2022: 3.7%).

The Group generated 61.09% of its Net Fee Income from outside the UK (2022: 56.9%).

Administration Costs
Administration costs for the year were £14.96m, an increase of 11.4% from 2022 due to the increased commission costs which are associated with higher NFI.

An impairment charge of £0.76m has been recognised against the carrying value Goodwill of Command Group in accordance with IAS 36, details of which are set out in note 10.

Profit before Taxation
Profit before taxation was £3.36m (2022: £2.42m).

Taxation
The taxation expense is a £0.78m on profit before taxation of £3.36m (2022: £0.48m on profit before taxation of £2.42m) which gives an effective tax rate of (18.4%) (2022: 18.6%). The reasons for the difference from the standard UK corporation tax rate of 19% are detailed in note 7.

Balance Sheet
Net Assets at 31 March 2023 were £7.3m compared to the prior-year net assets of £9.1m. Trade Receivables net of provisions for doubtful debts at the year-end were £2.3m (2022: £3.5m). The decrease reflects lower invoicing in March 2023. The average credit period taken by clients increased to 42 days (2022: 40 days).

Treasury Management and Currency Risk
Approximately 56% of the Group's revenue in 2023 (2022: 59%) was denominated in Sterling. Consequently, the Group has a currency exposure in accounting for overseas operations.

Currently the Group policy is not to hedge against this exposure, but it does seek to minimise the effect by converting into Sterling all cash balances in foreign currency that are not required for local short-term working capital needs.

Cash Flow and Cash Position
At the start of the year the Group had Cash of £2.68m. After net taxation payments of £0.63m (2022: £0.03m), cash generated from operations was £6.28m (2022: £2.1m). At the end of the year, after shares issued of £0.26m (2022: share purchase payments of £1.99m), the Group had Cash of £2.47m.

Strategic Report *(Continued)*

Financial Review

Principal Risks and Uncertainties

The Board reviews the principal risks and uncertainties facing the Group on a regular basis. The Board's approach is to ascertain the key risks and develop plans to reduce the potential effects of these risks on the business. The principal risks identified are as follows:

Dependence on Key People
The sustainable success of the Group is dependent on recruiting and retaining key staff. The loss of the services of key people could impact trading and profitability. The Group is fortunate to have the loyalty of the senior management team which allows the business to progress, even in uncertain markets.

Macro-economic factors
There is strong correlation between the business performance and that of the economies in which the Group operates. Persistently high inflation and increased central bank interest rates will impact our clients and may affect demand. However, the Group is geographically diversified which reduces reliance on the success of any one regional market. The board continues to see opportunities consequent on the general shortage of talent in the markets we serve.

Regulatory position
The increase in regulatory scrutiny and demands on compliance are influencing hiring. The Group is aware of continuing challenges as procurement practice evolves but remains committed to being fully compliant in each of the regions in which it operates.

Cyber Security and data protection
The risk of sensitive information being accessed without authorisation has grown in the wider business environment. We have invested resources in cyber security with close controls over personal information and training to ensure we meet appropriate standards of security. As technology becomes more advanced we continue to monitor cyber security trends and adopt new measures and policies that reflect the changing environment.

Treasury Policies, Liquidity and Financial Risk
Surplus funds are held to support short-term working capital requirements whilst providing the flexibility required to fund on-going operations and to invest cash safely and profitably.

Although the financial risks to which the Group is exposed are currently considered to be minor, future interest rate, liquidity and foreign currency risks could arise. The Board continues to focus on cash flow forecasting and to manage financial and foreign exchange risk.

Credit Risk Management
The principal credit risks arise from the Group's trade receivables. Client credit terms and cash collections are managed carefully, and cash balances and cash flow forecast are reviewed weekly. Monthly credit evaluation is performed on the financial condition of accounts receivable based on payment history and third-party credit references with appropriate provisions being made.

Dugald Macdonald
Group Commercial Director

27 July 2023

Report of the Directors for the Year Ended 31 March 2023

Directors

The Directors who served during the year were:
Robert Macdonald
Peter Moore
Dugald Macdonald
Chris Heayberd
Sir John Lewis OBE

As permitted by legislation, the Group has chosen to set out the information regarding likely financial risk management objectives and policies and future developments in the business of the company, which would otherwise be required to be contained in the Director's Report, within the Strategic Report.

Going concern

The Group has two revenue streams, Permanent and Contract recruiting, and provides these services across several established international markets.

Trading and cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements have been prepared for, and are reviewed and challenged monthly by, a sub-committee of the Board. The sub-committee reviews the monthly cash collection forecast, debtor collection assumptions for the upcoming three months, disbursement control and change in cash balances 12 months forward. The forecast models revenues and cash collections and cost outflows across the Group for the period July 2023 to July 2024.

After reviewing these forecasts, including careful consideration of downside risk trading scenarios, and having made appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for a period of at least 12 months. Consequently, the Board continues to adopt the going concern basis when preparing the financial statements.

The Group continues to have access to an Invoice Discounting facility of up to £2m in the UK, which provides working capital underpinned by the receivables ledger.

Environmental Policy

The Group recognises its responsibilities for the environment and gives due consideration to the possible effects of its activities on the environment. As such, our environmental impact comes from the running of our business generating carbon emissions through the consumption of gas and electricity, transport activities and commuting, as well as office-based waste such as paper and toners. We do not consider that the Group's activities have a major effect on the environment.

Dividend

During the year an interim dividend of 2.00p per share (2022: 0.00p) was paid on 26th May 2022 to shareholders on the register on 20th May 2022. A final dividend of 4.00p per share (2022: 0.00p) was paid on 04th October 2022 to shareholders on the register on 23rd September 2022. An interim dividend of 2.50p per share (2022: 2.00p) was paid on 28th November 2022 to shareholders on the register on 18th November 2022.

Annual General Meeting ("AGM")

The 2022 AGM was held on 7 September 2022 at 10:00am at 2 Harewood Place, Hanover Square, London, W1S 1BX. All resolutions put to Shareholders (as detailed in Note 17) were duly passed on a show of hands.

This year's AGM will be held at 50 Great Marlborough Street, London, W1F 7JS on 6 September 2023 at 10:30am. All shareholders are encouraged to attend. The resolutions to be put forward to the AGM are detailed in the Notice of AGM, which is being circulated separately to all shareholders.

Statement as to disclosure of information to auditors

The Directors, who were in office on the date of approval of these financial statements, have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have confirmed that they have taken appropriate steps to make them aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

Crowe U.K. LLP has expressed its willingness to continue in office and a resolution to re-appoint the firm as Auditor and authorising the Directors to set their remuneration will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Dugald Macdonald
Group Commercial Director

27 July 2023

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards 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 Company and the Group profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- 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 enough 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.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Members of Prime People Ltd

Opinion

We have audited the financial statements of Prime People Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31st March 2023 which comprise

- the Group statement of comprehensive income for the year ended 31 March 2023;
- the Group and parent company statements of changes in equity for the year then ended
- the Group and parent company statements of financial position as at 31 March 2023;
- the Group and parent company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

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 March 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 Prime People Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements through testing a sample of material and non-material journal entries;
- We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to processing of journal entries and other adjustments;
- We reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud;
- We performed a retrospective review of management judgements and assumptions related to significant accounting estimates; and
- We reviewed significant transactions outside the normal course of business, or those that appear unusual.

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.

Matthew Stallabrass (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 27 July 23

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Revenue	2, 3	**26,414**	22,308
Cost of sales		**(7,278)**	(6,429)
Net Fee Income	2, 3	**19,136**	15,879
Administrative expenses		**(14,965)**	(13,436)
Goodwill impairment	10	**(757)**	
Operating profit	4	**3,414**	2,443
Net interest payable		**(52)**	(26)
Profit before taxation		**3,362**	2,417
Income tax expense	7	**(781)**	(479)
Profit for the year		**2,581**	1,938
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange gain on translating foreign operations		**362**	125
Other Comprehensive gain for the year, net of tax		**362**	125
Total comprehensive profit for the year		**2,943**	2,063
Profit attributable to:			
Equity shareholders of the parent		**2,581**	1,879
Non-controlling interest		**-**	59
Total comprehensive profit attributable to:			
Equity shareholders of the parent		**2,943**	2,004
Non-controlling interest		**-**	59

The above results relate to continuing operations.

Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	Called up share capital £'000	Capital redemption reserve £'000	Treasury shares £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 31 March 2021	**1,231**	**9**	**(103)**	**3,376**	**173**	**239**	**224**	**3,150**	**8,299**	**532**	**8,831**
Profit for the year	-	-	-	-	-	-	-	1,879	1,879	59	1,938
Other comprehensive income	-	-	-	-	-	-	125	-	125	-	125
Total Comprehensive profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**125**	**1,879**	**2,004**	**59**	**2,063**
Shares bought back and cancelled	(228)	228	-	-	-	-	-	(1,986)	(1,986)	**-**	(1,986)
Adjustment in respect of share schemes	-	-	-	-	-	97	-	51	148	-	148
Shares issued from treasury	-	-	4	-	-	-	-	-	4	-	4
At 31 March 2022	**1,003**	**237**	**(99)**	**3,376**	**173**	**336**	**349**	**3,094**	**8,469**	**591**	**9,060**

Consolidated Statement of Changes in Equity
For the year ended 31 March 2023

	Called up share capital £'000	Capital redemption reserve £'000	Treasury shares £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 31 March 2022	**1,003**	**237**	**(99)**	**3,376**	**173**	**336**	**349**	**3,094**	**8,469**	**591**	**9,060**
Profit for the year	-	-	·	-		-	-	2,581	2,581	-	2,581
Other comprehensive income	-	-	·	-		-	362	-	362	-	362
Total Comprehensive profit for the year	**-**	**-**	·	**-**		**-**	**362**	**2,581**	**2,943**	**-**	**2,943**
Share issue	29	-	·	230		-	-	-	259	-	259
Adjustment in respect of share schemes	-	-	·	-		138	-	29	167	-	167
Shares issued from treasury	-	-	4	-	-		-	-	4	-	4
Capital repayment	-	(237)	-	(3,376)	-		-	-	(3,613)	-	(3,613)
Purchase of minority interest in subsidiary undertaking	-	-	-	-	-		-	(111)	(111)	(591)	(702)
Dividends	-	-	-	-	-	-	-	(861)	(861)	-	(861)
At 31 March 2023	**1,032**	**-**	**(95)**	**230**	**173**	**474**	**711**	**4,732**	**7,257**	**-**	**7,257**

Consolidated Statement of Financial Position
As at 31 March 2023

	Note	2023 £'000	2022 £'000
Assets			
Non – current assets			
Goodwill	10	**5,752**	6,509
Property, plant and equipment	9	**716**	751
		6,468	7,260
Current assets			
Trade and other receivables	12	**2,880**	4,281
Deferred tax asset	16	**40**	40
Cash at bank and in hand	21	**2,474**	2,683
		5,394	7,004
Total assets		**11,862**	14,264
Liabilities			
Current liabilities			
Trade and other payables	14	**3,202**	3,592
Lease liabilities		**78**	396
Current tax liability		**638**	490
Deferred tax liability	16	**22**	22
		3,940	4,500
Non-current liabilities			
Borrowings	15	**314**	611
Lease liabilities		**351**	93
Total liabilities		**4,605**	5,204
Net assets		**7,257**	9,060

Consolidated Statement of Financial Position
As at 31 March 2023

	Note	2023 £'000	2022 £'000
Capital and reserves attributable to the Company's equity holders			
Called up share capital	17	**1,032**	1,003
Capital redemption reserve	18	**-**	237
Treasury shares	18	**(95)**	(99)
Share premium account	18	**230**	3,376
Merger reserve	18	**173**	173
Share option reserve	18	**474**	336
Translation reserve	18	**711**	349
Retained earnings	18	**4,732**	3,094
		7,257	8,469
Non-controlling interest		**-**	591
Total equity		**7,257**	9,060

The financial statements on pages 11 to 49 were approved by the Board of Directors and authorised for issue on 27 July 2023 and are signed on its behalf by:

D J G Macdonald P H Moore

Company Statement of Financial Position
As at 31 March 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investment in subsidiaries	11	**7,424**	7,286
		7,424	7,286
Current assets			
Trade and other receivables	12	**7,111**	5,562
Cash and cash equivalents	22	**110**	54
		7,221	5,616
Total assets		**14,645**	12,902
Liabilities			
Current liabilities			
Trade and other payables	14	**9,922**	5,079
Current tax liability		**-**	-
		9,922	5,079
Non-current liabilities			
Borrowings	15	**314**	611
		314	611
Total liabilities		**10,236**	5,690
Net assets		**4,409**	7,212
Called up share capital	17	**1,032**	1,003
Capital redemption reserve fund	18	**-**	237
Treasury shares	18	**(95)**	(99)
Share premium account	18	**230**	3,376
Merger reserve	18	**173**	173
Share option reserve	18	**474**	336
Retained earnings	18	**2,595**	2,186
Total equity		**4,409**	7,212

Company Statement of Financial Position
As at 31 March 2023

The Company's retained earnings includes a profit for the year of £1,269,975 (2022: £1,610,740).

The financial statements of Prime People Limited, Company Number 01729887 were approved by the Board and authorised for issue on 27 July 2023 and are signed on its behalf by:

D J G Macdonald P H Moore

Company Statement of Changes in Equity
For the year ended 31 March 2023

Company	**Called-up share capital £'000**	**Capital Redemp-tion reserve £'000**	**Treasury shares £'000**	**Share premium account £'000**	**Merger reserve £'000**	**Share option reserve £'000**	**Retained earnings £'000**	**Total £'000**
At 31 March 2021	**1,231**	**9**	**(103)**	**3,376**	**173**	**239**	**2,561**	**7,486**
Total comprehensive profit for the year	-	-	-	-	-	-	1,611	1,611
Shares bought back and cancelled	(228)	228	-	-	-	-	(1,986)	(1,986)
Shares purchased for treasury	-	-	4	-	-	-	-	4
Adjustment in respect of share options	-	-	-	-	-	97	-	97
At 31 March 2022	**1,003**	**237**	**(99)**	**3,376**	**173**	**336**	**2,186**	**7,212**
Total comprehensive profit for the year	-	-	-	-	-	-	1,270	1,270
Share issue	29		-	230	-	-		259
Shares issued from treasury	-	-	4	-	-	-	-	4
Capital repayment	-	(237)	-	(3,376)	-	-	-	(3,613)
Adjustment in respect of share options	-	-	-	-	-	138	-	138
Dividend	-	-	-	-	-	-	(861)	(861)
At 31 March 2023	**1,032**	**-**	**(95)**	**230**	**173**	**474**	**2,595**	**4,409**

Group and Company Cash Flow Statement

For the year ended 31 March 2023

		Group		Company	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Cash generated from/ (used in) underlying operations	20	**6,282**	2,118	**53**	(61)
Corporation tax (paid)/received		**(633)**	(26)	**(13)**	11
Net cash from/ (used in) operating activities		**5,649**	2,092	**40**	(50)
Cash flows (used in)/ from investing activities					
Interest received		**-**	-	**10**	-
Purchase of property, plant and equipment, and software		**(238)**	(190)	**-**	-
Purchase of minority interest in subsidiary		**(702)**	-	**-**	-
Dividend received		**-**	-	**1,300**	1,600
Net cash (used in)/from investing activities		**(940)**	(190)	**1,310**	1,600
Cash flows from financing activities					
Interest paid		**(37)**	1	**(36)**	-
Shares issued		**259**	-	**259**	-
Purchase of ordinary share capital		**-**	(1,986)	**-**	(1,986)
Shares issued from treasury		**4**	4	**4**	4
Capital repayment		**(3,613)**	-	**(3,613)**	-
Dividends paid		**(861)**	-	**(861)**	-
Increase in intercompany debt		-	-	**3,268**	959
(Repayment of)/ Increase in invoice discounting loan		**(285)**	301	**-**	-
Coronavirus Business Interruption Loan		**-**	(2,000)	**-**	(2,000)
Bank loan increase/(repayment)		**(316)**	972	**(316)**	972
Lease payments		**(414)**	(591)	**-**	-
Net cash (used in) financing activities	**21**	**(5,263)**	(3,299)	**(1,295)**	(2,051)
Net (decrease)/ increase in cash and cash equivalents		**(554)**	(1,397)	**55**	(501)
Cash and cash equivalents at beginning of the year		**2,683**	3,980	**55**	556
Effect of foreign exchange rate changes		**345**	100	-	-
Cash and cash equivalents at the end of the year	**22**	**2,474**	2,683	**110**	55

Notes to the Financial Statements
For the year ended 31 March 2023

1 Nature of Operations

Prime People Limited ('the Company') and its subsidiaries (together 'the Group') is an international recruitment services organisation with offices in the United Kingdom, Europe, the United States and the Asia Pacific region from which it serves an international client base. The Group offers both Permanent and Contract specialist recruitment consultancy for large and medium sized organisations.

The Company is a private limited company incorporated and domiciled in the UK. The address of the registered office and the principal place of business is 50 Great Marlborough Street, London, United Kingdom, W1F 7JS. The registered number of the Company is 01729887.

2 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of Prime People Limited consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial statements. The financial statements have been prepared on a going concern basis.

The consolidated financial statements of the Group and Company have been prepared on going concern basis, and in accordance with UK adopted International Accounting Standards. They are consistent with the previous period, in conformity with the requirement of the Companies Act 2006 and comply with IFRIC interpretations and company law applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention modified as necessary to include certain items at fair value, as required by accounting standards.

The Parent Company's Financial Statements have also been prepared in accordance with IFRS and the Companies Act 2006. The consolidated financial statements for the year ended 31 March 2023 (including comparatives) are presented in GBP '000.

The accounting polices applied by the Group in these consolidated financial statements are the same as those applied in its consolidated Financial Statements as at and for the year ended 31 March 2022.

International Accounting Standards (IAS/IFRS) and Interpretations in issue but not yet UK approved
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. These have not been adopted early by the Group and the initial assessment indicates that either they will not be relevant or will not have a material impact on the Group. The effective dates below are for reporting periods beginning on or after that point:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023), effective date 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements, effective date 1 January 2024:
    - Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020)
    - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020)
    - Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022), effective date 1 January 2024
- Amendments to IAS 12 Income taxes: International Tax Reform — Pillar Two Model Rules (issued on 23 May 2023), effective date 1 January 2024

Summary of Significant Accounting Policies (continued)

- Amendments to IAS 7 Statement of Cashflow and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements (issued on 25 May 2023), effective date 1 January 2024

The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition related costs are recognised in profit or loss as incurred. Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions and balances on transactions between Group companies are eliminated in preparing the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going Concern

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of issue of the Annual Report and Accounts. The Directors also note that the Group is trading adequately and has sufficient working capital and other finance available to continue trading for a period of at least 12 months from the date of issue of the Annual Report and Accounts. As such, the Directors consider it appropriate to continue to prepare the financial statements on a Going Concern basis.

Revenue recognition

a) Revenue

Revenue, which excludes value added tax ("VAT"), constitutes the value of services undertaken by the Group from its principal activities, which are recruitment consultancy and other ancillary services. These consist of:

- Revenue from Contract placements, which represents amounts billed for the services of contract staff, including the salary of these staff. This is recognised over the duration of the placement contract as the service is provided; and

- Revenue from Permanent placements, which is based on a percentage of the candidate's remuneration package and is derived from retained assignments (income is recognised after an offer is accepted and candidate commences employment). Revenue is recognised once value has been received by the customer and when the above performance obligation has been satisfied. A provision is made for certain circumstances where a client may be entitled to a refund based on variable consideration if a candidate that has been placed leaves the role within 3 months; and

Summary of Significant Accounting Policies (continued)

- Revenue from franchise, is recognised on an accruals basis in line with the period to which it relates.

b) Cost of Sales

Cost of sales consists of the salary cost of contract staff and costs incurred on behalf of clients, principally advertising costs.

c) Net Fee Income

Net Fee Income represents Revenue less Cost of Sales and consists of the total placement fees of Permanent candidates and the margin earned on the placement of Contract candidates.

d) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

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

(iii) Group Companies

On consolidation the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each year end presented are translated at the closing rate of that year end;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

e) Government grants

Grants are accounted for under the accruals model. Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure and are shown within other operating income.

f) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible' assets.

Notes to the Financial Statements
For the year ended 31 March 2023

Summary of Significant Accounting Policies (continued)

Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

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

g) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation less provisions for impairment. Depreciation is provided on all property, plant and equipment using the straight-line method at rates calculated to write off the cost less estimated residual values over their estimated useful lives, as follows:

- Furniture, fittings and computer equipment 25% – 33%

The gain or loss arising on disposal or retirement of an asset is determined by comparing the sales proceeds with the carrying amount of the asset and is recognised within profit and loss.

h) Impairment of Assets

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

i) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position reporting date.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements
For the year ended 31 March 2023

Summary of Significant Accounting Policies (continued)

j) Leases

The Group recognises within the balance sheet a right-of-use asset and a corresponding lease liability for all applicable leases except for short term leases (lease term of 12 months or less) and leases of low value assets (less than £5,000). For those leases the Group has opted to recognise a leases expense on a straight line basis.

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

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).
- using hindsight in determining the lease term where the lease agreement contains options to extend or terminate the contract

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case applying a single discount rate to leases with reasonably similar characteristics. The Group does not have any leases with variable lease payments.

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

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

k) Pension Costs

The Group operates a defined contribution pension scheme in the United Kingdom. The Group adopts both the minimum legally required employer contribution rate of 3% of qualifying earnings, and the maximum earning threshold for automatic enrolment for 2022-23, as set by the Pension Regulator.

The assets of the scheme are held separately from those of the Group in independently administered workplace pension - NEST. The pension costs charged to the income statement represent the contributions payable by the Group to NEST during the year.

The Pension liabilities at the Balance Sheet date represent employer and employee pension contributions, that are payable to the pension provider by the 22nd day of each month.

l) Segmental Reporting

IFRS 8 requires operating segments to be identified based on internal reports that are regularly reviewed by the Board of Directors to allocate resources to the segment and to assess their performance.

Notes to the Financial Statements
For the year ended 31 March 2023

Summary of Significant Accounting Policies (continued)

m) Financial instruments

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

n) Financial assets

The Group's financial assets comprise cash and various other receivable balances that arise from its operations. This includes the Group's trade and other receivables. They are initially recorded at fair value and subsequently measured at amortised cost. For trade receivables amortised cost includes an allowance for expected credit losses. This is assessed applying a provision percentage of expected loss to each of these which is assessed by reference to past default experience. Trade receivables are only written off once the potential of collection is considered to be nil and any local requirements such as withholding sales taxes are met.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced using an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss account.

Cash and cash equivalents include cash in hand and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are classified with current liabilities in the statement of financial position.

o) Financial liabilities and equity

The Group's operating activities in the UK are part funded by Invoice Financing facilities. Movements in the Invoice Discounting balance are shown within financing activities in the Group's Cash flow Statement. Interest charges on invoice discounting are included in finance costs and service charges are included in administrative costs in the Group's Income Statement.

Financial liabilities and equity instruments are initially measured at fair value and are classified according to the substance of the contractual arrangements entered. Financial liabilities are subsequently measured at amortised cost. The Group's financial liabilities comprise trade payables, bank overdrafts and other payable balances that arise from its operations. They are classified as 'financial liabilities measured at amortised cost'.

p) Share-Based Compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). At the balance sheet date, the number of outstanding options is adjusted to reflect those options that have been granted during the year or have lapsed in the year.

q) Dividend Distribution

A final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividend distributions are recognised in the period in which they are approved and paid.

Notes to the Financial Statements
For the year ended 31 March 2023

Summary of Significant Accounting Policies (continued)

r) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Critical judgements in applying the Group's policies

Revenue Recognition

Revenue from permanent placements is recognised when a candidate commences employment as management considers that to be when the performance obligation is satisfied.

Key sources of estimation uncertainty

Goodwill Impairment

The Group tests goodwill for impairment at least annually. The recoverable amount is determined based on value-in-use calculations. This method requires the estimation of future cash flows and the assessment of a suitable discount rate in order to calculate their present value. Details of the impairment review are disclosed in note 10.

Trade Receivables

There is uncertainty regarding customers who may not be able to pay as their debts fall due. In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the ageing of the debt and the potential likelihood of default, considering current economic conditions. Details of the total amount of receivables past due and the movement in allowance for doubtful debts are disclosed in note 12.

Notes to the Financial Statements
For the year ended 31 March 2023

3 Revenue

a) Revenue and Net Fee Income, by Geographical Region

Information provided to the Board is focused on regions and as a result, reportable segments are on a regional basis.

	Revenue		Net fee income	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
UK	**14,723**	13,273	**7,445**	6,844
Asia	**6,479**	6,248	**6,479**	6,248
Rest of World	**5,212**	2,787	**5,212**	2,787
	26,414	22,308	**19,136**	15,879

All revenues disclosed by the Group are derived from external clients and are for the provision of recruitment services. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

b) Revenue and Net Fee Income, by Classification

	Revenue		Net fee income	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Permanent				
- UK	**6,738**	6,255	**6,738**	6,255
- Asia	**6,479**	6,248	**6,479**	6,248
- Rest of World	**5,212**	2,787	**5,212**	2,787
Contract				
- UK	**7,985**	7,018	**707**	589
- Asia	**-**	-		-
Total	**26,414**	22,308	**19,136**	15,879

Notes to the Financial Statements
For the year ended 31 March 2023

4 Profit on ordinary activities before taxation

	2023 £'000	2022 £'000
Operating profit for the year is arrived at after charging:		
Depreciation - owned assets and leased assets	**607**	706
Loss on disposal of fixed assets	**24**	-
Exchange rate loss/ (gain)	**40**	(70)

The analysis of auditor's remuneration is as follows:		
Audit of Company	**26**	26
Audit of subsidiaries	**75**	55
Total audit fees	**101**	81

5 Directors' emoluments

	2023 £'000	2022 £'000
Emoluments for qualifying services	**692**	734
	692	734
Highest paid Director:		
Emoluments for qualifying services	**242**	314

Notes to the Financial Statements
For the year ended 31 March 2023

6 Employees

Group	2023 Number	2022 Number
The average monthly number of employees of the Group during the year, including Directors, was as follows:		
Consultants	**68**	76
Management and administration	**28**	27
Temporary staff	**7**	8
	103	111

Company	2023 Number	2022 Number
The average monthly number of employees of the Company during the year, including Directors, was as follows:		
Management	**5**	5

Staff costs for all employees, including Directors, but excluding contract staff placed with clients are as follows and have been included in Administration expenses in the Consolidated statement of comprehensive income:

Group	2023 £'000	2022 £'000
Wages and salaries	**10,675**	8,850
Social security costs	**953**	768
Pension contributions	**78**	66
Share option charge	**167**	147
	11,873	9,831

Remuneration of key management	2023 £'000	2022 £'000
Short-term employee benefits	**1,810**	1,682
Social security costs	**180**	168
Share-based payments	**154**	132
Pension contributions	**9**	9
	2,153	1,991

Key management includes executive Directors and senior divisional managers.

Notes to the Financial Statements
For the year ended 31 March 2023

7 Taxation on Profits on Ordinary Activities

	2023 £'000	2022 £'000
a) Analysis of tax charge in the year		
Current tax		
UK Corporation tax	**227**	325
Over provision in prior year	**(178)**	(11)
Foreign tax	**752**	165
Foreign tax over-provision in prior years	**(20)**	-
Total current tax	**781**	479
Deferred tax		
Deferred tax on fair value share option charge	**-**	-
Total charge on profit for the year	**781**	479

UK corporation tax is calculated at 19% (2022: 19%) of the estimated assessable profits for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

b) The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2023 £'000	2022 £'000
Profit before taxation	**3,362**	2,443
Tax at UK corporation tax rate of 19% (2022: 19%) on profit on ordinary activities	**639**	464
Effects of:		
Expenses not deductible for tax purposes	**144**	24
Decelerated / (accelerated) capital allowances	**-**	-
Depreciation on non-qualifying assets	**48**	48
Increase in general debt provision	**-**	-
Difference on Right of use asset	**-**	-
Tax rate differences	**94**	(12)
Exchange rate differences	**-**	-
Tax losses carried forward	**-**	(84)
Temporary differences recognised	**8**	-
Permanent timing differences	**15**	-
Share option charge/exercised	**32**	28
	979	468
Over provision in prior year	**(198)**	11
Tax (charge)/credit for the year	**(781)**	479

Notes to the Financial Statements
For the year ended 31 March 2023

8 Dividends

	2023 £'000	2022 £'000
Interim dividend for 2022: 2.00p per share (2021: 0.00p per share)	**197**	-
Final dividend for 2022: 4.00p per share (2021: 0.00p per share)	**409**	-
Interim dividend for 2023: 2.50p per share (2022: 2.00p per share)	**255**	-
	861	-

The Board has recommended a final dividend of 4p per share (2022: 4p) to be paid in October 2023, subject to shareholder approval at the Annual General Meeting, making a total dividend paid to shareholders for the year of 6.5p per ordinary share (2022: 6p).

Notes to the Financial Statements
For the year ended 31 March 2023

9 Property, Plant and Equipment

Group	Fixtures, fittings, and equipment £'000	Right-of-use assets - Land and buildings £'000	Total £'000
Cost			
At 1 April 2021	2,122	3,116	5,238
Additions	190	-	190
Disposals	(748)	(80)	(828)
Exchange difference	26	40	66
At 1 April 2022	1,590	3,076	4,666
Additions	238	339	577
Disposals	(1,292)	(2,924)	(4,216)
Exchange difference	40	60	100
At 31 March 2023	**576**	551	1,127
Depreciation			
At 1 April 2021	1,729	2,225	3,954
Provision for the year	253	415	668
Disposals	(748)	-	(748)
Exchange difference	18	23	41
At 1 April 2022	1,252	2,663	3,915
Provision for the year	256	351	607
Disposals	(1,270)	(2,924)	(4,194)
Exchange difference	32	51	83
At 31 March 2023	**270**	141	411
Net book value			
At 31 March 2023	**306**	**410**	**716**
At 31 March 2022	**338**	**413**	**751**
At 31 March 2021	393	891	1,284

Notes to the Financial Statements
For the year ended 31 March 2023

10 Goodwill

	£'000
Cost	
At 1 April 2022	**6,509**
Goodwill impairment	**(757)**
At 31 March 2023	**5,752**

The total carrying value of goodwill is £5.75m, which relates to the acquisition of the Macdonald & Company Group in January 2006 and Command Recruitment Group (H.K.) Limited in October 2017. Goodwill is reviewed and tested for impairment on an annual basis or more frequently if there is an indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of the group of cash generating units (CGUs) the goodwill has been allocated to, with the recoverable amount of those CGUs. The recoverable amounts of the CGUs are their value in use.

The assessment for Macdonald & Company Group is based on UK projected operating profit. The recoverable amount is determined on a value-in-use basis utilising the value of cash flow projections over four years with a terminal value based on a growth rate in perpetuity. The first year of the projections is based on detailed budgets prepared and approved by management. Subsequent years are based on extrapolations.

The key assumption in calculating the value in use was the Group would meet its budgeted growth in the UK. For the year after the end of the period covered by the budget a growth rate of 2.00% is applied. This is deemed reasonable and represents the average rate of growth in the markets in which the Group operates. A discount rate of 13.64% has been applied, representing the weighted average cost of capital for the Group.

As a result of the impairment reviews carried out at 31 March 2023, no impairment charge (2022: £Nil) has been recognised for the UK business segment, since the 'recoverable amount' (being the greater of the net realisable value and the value in use) exceeds the carrying amount. A few potential sensitivity scenarios have been considered. If the discount rate were to increase to 19% and if only 70% of the budgeted revenue for year ending 31 March 2024 was achieved then it would result in a small impairment of £60k. Management are confident the assessment is reasonable as the NFI generated in the first three months post 31 March 2023 is in line with the assumptions applied.

Goodwill recognised on the business combination in 2018 with Command recruitment Group (HK) limited was £757k. The assessment of Command Recruitment Group (H.K) Limited is based on projected results in Hong Kong. The approach is the same as that used for Macdonald & Company Group. In assessing value in use, the estimated future cash flows are calculated by preparing cash flow forecasts derived from the most recent financial forecasts for four years. This analysis resulted in an impairment. This is due to the fact that the Command brand has been retired and several key fee earners have either relocated to other business units in the group outside Hong Kong, or have resigned from the business. Based on this, any future cashflows for Command will diminish to zero and the entity will be retired.

Notes to the Financial Statements
For the year ended 31 March 2023

11 Investments

Company shares in subsidiary undertakings	**2023**	**2022**
	£'000	**£'000**
Cost		
At 1 April 2022	**7,286**	7,189
Impairment of investment asset	**-**	-
Increase in shares from subsidiary from share option reserve	**138**	97
At 31 March 23	**7,424**	7,286

The investment value is linked to the Goodwill. The model and assumptions applied to assessing the Goodwill impairment have been applied to the carrying value of the investment and based on that no impairment has been recognised in the period.

Non-Controlling Interest

On 8 April 2022, the Company acquired the remaining 40% non-controlling interest ("NCI") in Command Recruitment Group (HK) Limited for £702,000. The following table summarises the information relating to Command before any intra-group eliminations.

	2023	2022
	£'000	£'000
NCI percentage	**0%**	40%
Non-current assets	-	80
Current assets	-	2,587
Current liabilities	-	(1,345)
Non-current liabilities	-	-
Net assets	-	1,322
Net assets attributable to NCI	-	528
Revenue	-	2,140
Operating profit/(loss)	-	147
Profit/(loss) after interest and tax	-	147
Other comprehensive income/(loss)	-	67
Total comprehensive income	-	214
Profit after interest and tax allocated to NCI	-	59
Other comprehensive income/(loss) allocated to NCI	-	27
Cash flows from operating activities	-	109
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	-	109

Notes to the Financial Statements
For the year ended 31 March 2023

11 Investments (Continued)

The following are subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements:

	Country of incorporation	**Principal activity**	**Registered address**
Macdonald & Company Group Limited	England and Wales	Holding Company	50 Great Marlborough Street, London, W1F 7JS
Macdonald & Company Property Limited	England and Wales	Recruitment	50 Great Marlborough Street, London, W1F 7JS
Macdonald and Company Freelance Limited	England and Wales	Recruitment	50 Great Marlborough Street, London, W1F 7JS
Macdonald & Company (Overseas) Limited	England and Wales	Dormant	50 Great Marlborough Street, London, W1F 7JS
Macdonald & Company Ltd	Hong Kong	Recruitment	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Ru Yi Consulting Limited	Hong Kong	Dormant	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Macdonald & Company (Shenzhen) Limited	P.R. China	Recruitment	1503M, 15/F, Tower 2, Kerry Plaza, No.1 Zhong Xin Si Road, Futian District, Shenzhen 518048, P.R. China
Macdonald and Company Pte Limited	Singapore	Recruitment	63 Market Street #05-02, Bank of Singapore Centre, Singapore 048942
Macdonald & Company Pty Ltd	Australia	Dormant	Storey Blackwood & Co, Level 4, 222 Clarence Street, Sydney NSW 2000 Australia
Macdonald & Company Recruitment Proprietary Ltd	South Africa	Dormant	1 Emfuleni, 79 Crassula Crescent, Woodmead, Johannesburg, 2052 South Africa
The Prime Organisation Ltd	England and Wales	Dormant	2 Harewood Place, Hanover Square, London, W1S 1BX
Command Recruitment Group (H.K.) Limited	Hong Kong	Recruitment	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Prime People Inc.	U.S.A.	Recruitment	1209 Orange Street, Wilmington, New Castle County, Delaware 19801
Macdonald Consulting GmbH	Germany	Recruitment	District Court, Frankfurt am Main, HRB 121950

For all undertakings listed above, the country of operation is the same as its country of incorporation.

The Group holds 100% of all classes of issued share capital. The percentage of the issued share capital held is equivalent to the percentage of voting rights for all companies.

Notes to the Financial Statements
For the year ended 31 March 2023

12 Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Current				
Trade receivables	**2,576**	3,890	**-**	-
Allowance for doubtful debts	**(271)**	(410)	**-**	-
Other receivables	**330**	301	**168**	176
Amounts owed by subsidiary company	**-**	-	**6,904**	5,350
Prepayments and accrued income	**245**	500	**39**	36
	2,880	4,281	**7,111**	5,562

At 31 March 2023 the average credit period taken on sales of recruitment services was 42 days (2022: 40 days) from the date of invoicing. An allowance of £271,000 (2022: £409,541) has been made for estimated irrecoverable amounts. Due to the short-term nature of trade and other receivables, the Directors consider that the carrying value approximates to their fair value.

A provision for impairment of trade receivables has been made. In reviewing the appropriateness of the provision, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current economic conditions.

The ageing of group trade receivables at the reporting date was:

	Gross trade receivables	Provisions	Expected Loss rate	Gross trade receivables	Provisions	Expected Loss rate
	2023 £'000	2023 £'000	2023 %	2022 £'000	2022 £'000	2022 %
Not past due 0 -30 days	**1,778**	**54**	**3.0%**	2,468	76	3.1%
Past due 31-90 days	**683**	**160**	**5.4%**	1,023	56	5.4%
Past due more than 90 days	**115**	**57**	**69.5%**	399	278	69.5%
	2,576	**271**		3,890	410	

The expected loss rates for trade receivables are based on the payment profile and the shared credit risk characteristics arising in the different industries in which the Group operates. The Company has incorporated forward-looking information based on the clients' industries and financial position.

Notes to the Financial Statements
For the year ended 31 March 2023

12 Trade and other Receivables (continued)

Movement in allowance for doubtful debts:

	2023 £'000	2022 £'000
1 April 2022	**410**	380
Impairment losses recognised	**261**	230
Amounts written off as uncollectable	**(71)**	(13)
Amounts paid by the client	**-**	(49)
Impairment losses reversed	**(329)**	(138)
31 March 2023	**271**	410

13 Financial Instruments

		Group		Company	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets at amortised cost					
Trade and other receivables	12	**2,635**	3,781	**168**	176
Amounts owed by subsidiary company	12	**-**	-	**6,904**	5,350
Cash and cash equivalents		**2,474**	2,683	**110**	54
		5,109	6,464	**7,182**	5,580

Cash is held either on current account or on short-term deposits at floating rates of interest determined by the relevant bank's prevailing base rate.

		Group		Company	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial liabilities at amortised cost					
Trade and other payables	14	**562**	798	**9,523**	4,685
Accruals	14	**1,581**	1,776	**55**	32
Bank loan		**656**	972	**656**	972
		2,799	3,546	**10,234**	5,689

There is no material difference between the book values of the Group's financial assets and liabilities and their fair values.

Neither the Group nor the Company hold any derivative financial instruments.

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

14 Trade and other Payables

	Group		Company	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Current				
Trade payables	**139**	304	**43**	28
Other payables	**423**	494	**-**	-
Amount owed to subsidiary undertakings	**-**	-	**9,480**	4,657
Taxation and social security	**717**	657	**2**	1
Bank loan	**342**	361	**342**	361
Accruals	**1,581**	1,776	**55**	32
	3,202	3,592	**9,922**	5,079

Due to the short-term nature of the trade and other payables, the Directors consider that the carrying value approximates to their fair value. Trade payables are generally on 30-60-day terms. No payables are past their due date.

15 Borrowings due after more than one year

	Group		Company	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Borrowings due after more than one year				
Bank loan	**314**	611	**314**	611
	314	611	**314**	611

The loan is repaid in 36 equal instalments from March 2022 to February 2025.

Notes to the Financial Statements
For the year ended 31 March 2023

16 Deferred Tax

Group (Liability)	**Other temporary differences £'000**	**Total £'000**
At 1 April 2021	22	22
Credit to income	-	-
At 31 March 2022	22	22
Debit to income	-	-
At 31 March 2023	**22**	**22**

Group (Asset)	**Share Options £'000**	**Total £'000**
At 1 April 2021	40	40
Debit to income	-	-
At 31 March 2022	40	40
Debit to income	-	-
At 31 March 2023	**40**	**40**

17 Share Capital

	2023		**2022**	
	Number	**£'000**	**Number**	**£'000**
ALLOTTED CALLED UP				
Ordinary shares of 10p each				
As at 1 April	**10,024,645**	**1,003**	12,307,273	1,231
Shares bought back and cancelled	**-**	**-**	(2,282,628)	(228)
Share issue	**298,365**	**29**	-	-
At 31 March	**10,323,010**	**1,032**	10,024,645	1,003

Share capital includes unpaid shares of nil (2022: nil).

Notes to the Financial Statements
For the year ended 31 March 2023

17 Share Capital (continued)

	2023		2022	
Issued, allotted and fully paid	**Number**	**£'000**	**Number**	**£'000**
Ordinary shares 10p each	4,621,289	462	10,024,645	1,003
A Shares	2,794,000	279	-	-
B Shares	2,907,721	291	-	-
Total	**10,323,010**	**1,032**	**10,024,645**	**1,003**

The Company has three classes of shares: Ordinary Shares, A Shares and B Shares. These represent 100% of the total issued nominal value of all share capital.

All classes may receive dividends. No class carries rights to fixed income. Each share, acting by majority within each class, carries the right to one vote at general meetings of the Company. Holders of A Shares and B Shares each carry the right to appoint and remove up to two directors of the Company.

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders through the optimisation of debt and equity balances. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital reserves and earnings.

The Group manages the capital structure and adjusts it in the light of changes to economic conditions and risks. In order to manage capital, the Group has continued to consider and adjust the level of dividends paid to shareholders and made purchases of its own shares which are held as Treasury Shares.

Employee Share Schemes

The Company operates two share options schemes with one of them, the Save as You Earn scheme, being dormant.

Notes to the Financial Statements
For the year ended 31 March 2023

17 Share Capital (continued)

Enterprise Management Incentive Share Option Scheme

At 31 March 2023 the following options had been granted and remained outstanding in respect of the Company's ordinary shares:

Year of grant	Exercise Price Pence	Exercise Period	Number of options 31 March 2022	Granted	Exercised	Cancelled	**Number of Options 31 March 2023**
2013/14	10.00	*2015-2023	9,000	-	-	-	**9,000**
	10.00	*2018-2023	6,000	-	-	-	**6,000**
2014/15	10.00	*2016-2024	10,000	-	-	-	**10,000**
	10.00	*2019-2024	25,000	-	-	-	**25,000**
2015/16	58.00	*2017-2025	15,000	-	-	-	**15,000**
	58.00	*2020-2025	40,000	-	-	-	**40,000**
2016/17	50.00	*2022-2027	10,000	-	-	-	**10,000**
	90.00	*2019-2027	15,000	-	-	-	**15,000**
	90.00	*2022-2027	20,000	-	-	-	**20,000**
2018/19	10.00	*2020-2028	40,000	-	(40,000)	-	**-**
2019/20	50.00	*2021-2029	15,000	-	-	-	**15,000**
	50.00	2024-2029	50,000	-	-	-	**50,000**
2020/21	50.00	*2022-2030	20,000	-	-	-	**20,000**
	10.00	2023-2033	725,000	-	-	-	**725,000**
2021/22	50.00	2023-2031	30,000	-	-	-	**30,000**
2022/23	10.00	2023-2033	-	325,000	-	-	**325,000**
	50.00	2025-2033	-	20,000	-	-	**20,000**
	10.00	2023-2033	-	325,000	-	-	**325,000**
Total 2023			**1,030,000**	**670,000**	**(40,000)**	**-**	**1,660,000**
Weighted average exercise price 2023			**20.14p**	**11.19p**	**10.00p**	**-**	**16.77p**
Total 2022			1,073,000	30,000	(40,000)	(33,000)	1,030,000
Weighted average exercise price 2022			19.68p	50.00p	10.00p	44.82p	20.14p

*These options have fully vested

Notes to the Financial Statements
For the year ended 31 March 2023

17 Share Capital (continued)

There were 1,660,000 options outstanding at 31 March 2023 (2022: 1,030,000) which had a weighted average price per share of 16.77p (2022: 20.14p) and a weighted average contractual life of 2.4 years. The options vest over a period of 0.58 to five years conditional upon the option holders' continued employment with the Company.

The conditions applying to those options which are fully vested have been achieved. The number of outstanding options that will vest is dependent on the achievement of several key performance measures of the group, measured at a regional and consolidated level for the financial years 2022 and 2023. The fair value of the employee services received in exchange for the grant of the share options is charged to the profit and loss account over the vesting period of the share option, based on the number of options which are expected to become exercisable.

	2023	2022
Option pricing model used	**Black-Scholes**	Black-Scholes
Weighted average share price at grant date (in pence)	**40**	68.5
Exercise price (in pence)	**10 & 50**	50
Fair value of options granted during the year	**4.70 & 30.29**	19.79
Expected volatility (%)	**40 & 30**	15
Risk-free interest rate (%)	**5 & 4.5**	1
Vesting period of options (years)	**0.5 - 2**	2

Expected volatility was determined by reference to historical volatility of the Company's share price.

The share-based payment expense recognised within the income statement during the period was £166,843 (2022: £147,425).

18 Reserves

Capital Redemption Reserve Fund

The capital redemption reserve relates to the cancellation of the Company's own shares. Following shareholder approval at the General Meeting held on 8 March 2023 the Company returned excess capital to shareholders that the Directors considered no longer required following its de-listing by reducing its capital redemption reserve (approximately £237,013 at the year ended 31 March 2022). Statutory reserves such as the capital redemption reserve are treated as part of the Company's paid-up share capital and were therefore suitable to be reduced as the Company's balance sheet was simplified post-delisting.

Notes to the Financial Statements
For the year ended 31 March 2023

18 Reserves (continued)

Treasury Shares

At 31 March 2023, the total number of ordinary shares of 10p held in Treasury and their values were as follows:

	2023		2022	
	Number	**£'000**	**Number**	**£'000**
As at 1 April	150,000	99	190,000	103
Shares purchased for treasury	-	-	-	-
Shares issued from treasury	(40,000)	(4)	(40,000)	(4)
Loss on treasury shares disposal	-	-	-	-
As at 31 March	**110,000**	**95**	150,000	99

The maximum number of shares held in treasury during the year was 150,000 shares representing 1.5% of the called-up ordinary share capital of the Company (2022: 190,000 representing 1.6% of the called-up ordinary share capital of the Company).

Merger Reserve

The merger reserve represents the fair value of the consideration given in excess of the nominal value of ordinary shares issued to acquire subsidiaries.

Share Option Reserve

The reserve represents the cumulative amounts charged to profit in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.

Share Premium Account

The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares. Following shareholder approval at the General Meeting held on 8 March 2023 the Company returned excess capital to shareholders that the Directors considered no longer required following its de-listing by reducing its share premium account (approximately £3,376,114 at the year ended 31 March 2022). Statutory reserves such as share premium account are treated as part of the Company's paid-up share capital and were therefore suitable to be reduced as the Company's balance sheet was simplified post-delisting.

Translation Reserve

The foreign currency translation reserve comprises all presentation foreign exchange differences arising from translation of the financial statements of foreign operations into the presentation currency of the Group accounts.

Retained Earnings

The balance held on this reserve is the accumulated retained profits of the Group/Company.

Notes to the Financial Statements
For the year ended 31 March 2023

19 Leases

The Group measure its lease liabilities under IFRS 16 Leases. The Group's leases are property leases. These include leases for the offices from which the businesses across the Group operate and these have terms of typically 2 to 5 years. The movements in the carrying value of right-of-use assets is provided below.

Right-of-use asset - Property	2023 £'000	2022 £'000
Cost		
At 1 April 2022	**3,076**	3,116
Exchange differences	**60**	40
Additions	**339**	-
Disposals	**(2,924)**	(80)
At 31 March 2023	**551**	3,076
Accumulated depreciation		
At 1 April 2022	**2,663**	2,225
Exchange differences	**51**	23
Depreciation	**351**	415
Disposals	**(2,924)**	-
At 31 March 2023	**141**	2,663
Net Book Value as at 31 March 2023	**410**	413

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

	2023 £'000	2022 £'000
Depreciation of right-of-use assets	**351**	415
Interest on lease obligations net of exchange rate adjustments	**15**	27
Cash outflow for leases net of exchange rate adjustments	**414**	530
Additions to right-of-use-assets	**339**	-
Disposals of right-of-use assets	**-**	(80)

Notes to the Financial Statements
For the year ended 31 March 2023

20 Reconciliation of Profit before Tax to Net Cash Inflow from Operating Activities

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Profit/(loss) before taxation	**3,362**	2,417	**1,283**	1,600
Adjust for:				
Depreciation of property, plant and equipment and software amortisation	**256**	253	**-**	-
Depreciation of right-of-use assets	**351**	415	**-**	-
Impairment of goodwill	**757**	-	**-**	-
Share-based payment expense	**167**	148	**-**	-
Loss on sale of property, plant and equipment	**22**	-	**-**	-
Loss on sale of right-of-use assets	**-**	80	**-**	-
Interest receivable	**-**	-	**(10)**	-
Interest payable	**52**	26	**36**	-
Dividend receivable	**-**	-	**(1,300)**	(1,600)
Operating cash flow before changes in working capital	**4,967**	3,339	**9**	-
Decrease/(increase) in receivables	**1,401**	(1,278)	**4**	(26)
(Decrease)/increase in payables	**(86)**	57	**40**	(35)
Cash generated from / (used by) underlying operations	**6,282**	2,118	**53**	**(61)**

21 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 April 2022	Cash movements	Interest	New lease	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000
Bank loan	972	(316)	**-**	**-**	**656**
Invoice finance	285	(285)	**-**	**-**	**-**
Lease liabilities	489	(414)	**15**	**339**	**429**
Total financing liabilities	1,746	(1,015)	**15**	**339**	**1,085**

Notes to the Financial Statements
For the year ended 31 March 2023

21 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Company	At 1 April 2022	Net Repayments	At 31 March 2023
	£'000	£'000	£'000
Bank loan	972	(316)	**656**
Total financing liabilities	972	(316)	**656**

22 Analysis of Cash less overdrafts

Group	At 1 April 2022	Cash flow	Exchange	At 31 March 2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	**2,683**	(554)	345	**2,474**
Total cash	**2,683**	(554)	345	**2,474**

Company	At 1 April 2022	Cash flow	At 31 March 2023
	£'000	£'000	£'000
Cash at bank and in hand	55	55	**110**
Total cash	55	55	**110**

23 Financial Risk Management

The Board of Directors has overall responsibility for the risk management policies that are applied by the business to identify and control the risks faced by the Group. The Group has exposure from its use of financial instruments to foreign currency risk, credit risk and liquidity risk.

Foreign Currency

The Group publishes its consolidated financial statements in sterling. The functional currencies of the Group's main operating subsidiaries are sterling, the euro, the United States dollar, the Singapore dollar, the Hong Kong dollar, the Saudi Arabian Riyal and the UAE dirham.

The Group's international operations account for approximately 44.26% (2022: 40.50%) of revenue and approximately 33.15% (2022: 66.85%) of the Group's assets and consequently the Group has a degree of translation exposure in accounting for overseas operations.

Notes to the Financial Statements
For the year ended 31 March 2023

23 Financial Risk Management (continued)

Foreign Currency (continued)

The Group exposure to foreign currency risk is as follows:

As at 31 March 2023	Euro £'000	AUD £'000	USD £'000	HK$ £'000	S$ £'000	AED £'000	CNY £'000	SAR £'000
Cash at bank	294	12	637	86	442	22	148	14
Trade and other receivables	68	-	464	192	214	-	7	38
Trade and other payables	(152)	-	(243)	(428)	(95)	-	-	(25)
Net exposure	210	12	858	(150)	561	22	155	27

As at 31 March 2022	Euro £'000	AUD £'000	USD £'000	HK$ £'000	S$ £'000	AED £'000	CNY £'000	SAR £'000
Cash at bank	189	77	1,230	154	295	79	366	190
Trade and other receivables	348	-	691	3,462	1,568	353	31	263
Trade and other payables	(557)	-	(830)	(4,023)	(1,625)	(5)	(85)	(500)
Net exposure	**(20)**	**77**	**1,091**	**(407)**	**238**	**427**	**312**	**(47)**

Sensitivity analysis – currency risk

A 10% weakening or strengthening of Sterling against the above currencies at 31 March 2023 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, interest rates, remain constant. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table below, which therefore should not be considered a projection of likely future events and losses.

Foreign Currency

	Weakening		Strengthening	
	2023 equity	**2023 PBT**	**2023 equity**	**2023 PBT**
	£'000	**£'000**	**£'000**	**£'000**
Euro	**(19)**	**(19)**	**21**	**21**
US dollar	**(78)**	**(78)**	**86**	**86**
Hong Kong dollar	**14**	**14**	**(15)**	**(15)**
Singapore dollar	**(51)**	**(51)**	**56**	**56**
UAE dirham	**(2)**	**(2)**	**2**	**2**
Australian dollar	**(1)**	**(1)**	**1**	**1**
Chinese yuan renminbi	**(14)**	**(14)**	**16**	**16**
Saudi riyal	**(2)**	**(2)**	**3**	**3**

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23 Financial Risk Management (continued)

Foreign Currency (continued)

Currently the Group's policy is not to hedge against this exposure, but it does seek to minimise this exposure by converting into sterling all cash balances in foreign currency that are not required for capital monetary needs. The settlement of intercompany balances held with foreign operations is neither planned nor likely to occur in the foreseeable future. Therefore, exchange differences arising from the translation of the net investments are recognised in Other Comprehensive income.

Credit Risk

The Group's principal financial assets are bank balances, trade and other receivables. The Group's credit risk is primarily in respect of trade receivables. Credit risk refers to the risk that a client will default on its contractual obligations resulting in financial loss to the Group. The Group's largest credit risk exposure to a single client is in the UK and represents 24.06% of the Group trade receivables balance. The amount owed by another UK client represents a further 5.39% of the balance. Although there is no indication that either debt is uncollectable, the Directors are of the opinion that adequate provision is in place to cover any potential default by these clients. A company in the USA accounted for 3.29% of the Group trade receivables balance. Apart from this exposure, at the year-end no other customer represented more than 1.51% (2022: 2.39%) of the total balance.

In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the ageing of the debt and the potential likelihood of default, considering current economic conditions.

It is the Directors' opinion that no further provision for doubtful debts is required.

Liquidity Risk

The Group manages its liquidity risk by maintaining adequate cash and or credit facilities to meet forecast cash requirements of the Group. Management monitors its forecasted cash flow requirements at a Group level based on monthly returns made by the Group's operating units.

The Group has short-term trade and other payables and accruals as disclosed in note 14, all due within one year of the year end. In addition it has lease liabilities and a loan under the Coronavirus Business Interruption Loan Scheme as set out below.

The Group has net funds of £2.47m (2022: £2.68m), which the Board considers are more than adequate to meet future working capital requirements and to take advantage of business opportunities.

As at 31 March 2023, the Group's financial liabilities have contractual maturities as follows:

At 31 March 23	Less than 6 months £'000	6 – 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade payables and other payables	2,830	52	-	-	-
Lease liabilities	39	40	122	229	-
Bank loan	171	171	314	-	-
Total contractual cash flows	3,040	263	436	229	**-**

Notes to the Financial Statements
For the year ended 31 March 2023

23 Financial Risk Management (continued)

At 31 March 22	Less than 6 months £'000	6 – 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade payables and other payables	3,202	489	-	-	-
Lease liabilities	243	153	36	57	-
CBILS	194	167	333	278	-
Total contractual cash flows	**3,639**	**809**	**369**	**335**	**-**

24 Related Party Transactions

The Company provides corporate guarantees on the subsidiary bank accounts. At 31 March 2023 amounts overdrawn by subsidiary bank accounts were £nil (2022: £nil).

The Directors receive remuneration from the Group. As shareholders, the Directors also eligible to receive dividends from the Company.

25 Subsequent events

Since 1st April 2023 several key fee earners from Command Recruitment Group (HK) Limited have either relocated to other business units in the Macdonald & Company group, or have resigned from the business. The remaining employees have been repositioned to work for Macdonald & Company. The Command brand has been retired and residual client relationships are also being transferred to Macdonald & Company. The closure of the Command Recruitment Group (HK) Limited company is underway and it will cease trading this year.