2023

MISSION

ANNUAL RESULTS

For the year ended December 2023

MISSION is a collective of Creative and MarTech Agencies led by entrepreneurs who encourage an independent spirit. Employing over 1,100 people across 25 locations and 3 continents, the Group successfully combines its diverse expertise to produce **Work That Counts™** for our Clients, whatever their ambitions. Creating real standout, sharing real innovation and delivering real growth for some of the world's biggest brands.

WORK THAT COUNTS™

Too much work disappears.

This isn't a big secret, but it does seem careless.

Our approach is different.

Everything we do is designed to get to work that makes the difference Clients are looking for, whatever their ambition.

We call it **Work That Counts™**.

So we collaborate because it does good, not because it looks good.

(That means we listen, before we talk).

We provide everything our Agencies need to give their Clients an advantage with services and innovations under one roof.

We delve deep for insights that are all the stronger for not leaping off the page.

We eschew safety first, because that kind of work is always the first to be ignored.

We create and share innovation not as a means to impress, but for the benefit of our Clients.

And we stay close to our Clients, regardless of distance and circumstance.

Our approach has helped us become the kind of long term creative partner that consistently delivers real, sustainable growth, and we're delighted to say that our Clients seem happy to have us around.

That counts, big time.

MISSION locations

Germany
Hong Kong
India
Malaysia
Singapore
UK
USA
Vietnam

MISSION Hubs locations

Argentina
Australia
Brazil
Chile
China
Colombia
Egypt
France
Germany
Guatemala
Israel
Italy
Japan
Mexico
New Zealand
Peru
Saudi Arabia
Singapore
South Africa
Spain
UAE
UK
USA

A collective of Agencies that cover all touchpoints and disciplines supported by centrally developed capabilities and incremental services to widen and deepen Client relationships.

Over **1,100** people

19 Agencies

25 locations

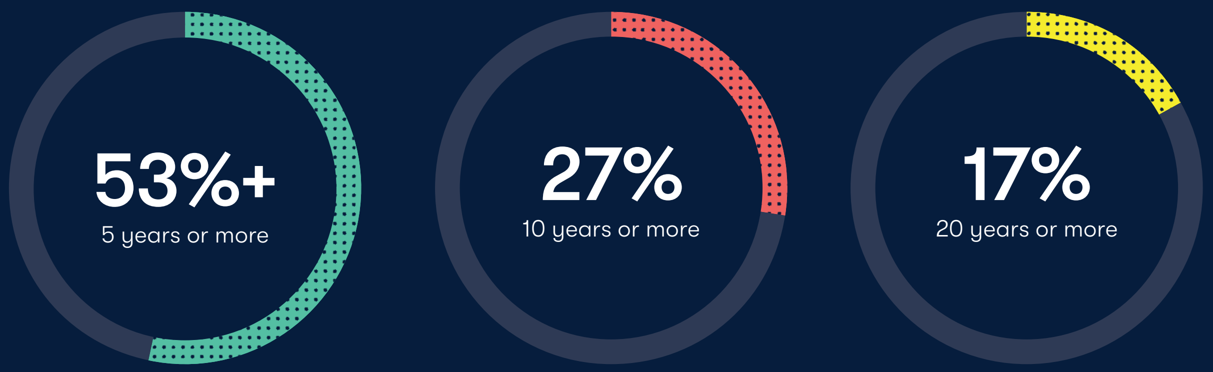
3 Continents

Building lasting relationships

Our Agencies pride themselves on building strong, productive partnerships with Clients. That's why so many brands have stayed with them for years – or even decades. As well as strong track records in retention, we're also welcoming exciting new Clients. Across the year, our Agency acquisitions brought in some well-known and loved household names.

Client retention

Proportion of revenue earned from long-standing Clients.



The MISSION

TO be the preferred creative partner for real business growth **BY** delivering **Work that Counts™**

TECHNOLOGY & MOBILITY

HEALTH & WELLNESS

BUSINESS & CORPORATE

CONSUMER & LIFESTYLE

SPORTS & ENTERTAINMENT

PROPERTY

MISSION ADVANTAGE

MISSION COMMERCIAL

Our Agencies

Our Agencies are home to a rich and varied mix of talented thinkers and doers.
All highly skilled in delivering hugely successful campaigns across every platform.

ALIVE
Bringing brands to life in the real world, through meaningful brand building and experiences.

april6
Delivering strategic marketing for leading technology and automobile brands.

Bray Leino
A brand-building pioneer, operating from Devon, Bristol and Asia.

BRAY LEINO EVENTS
Creators of world-class live experiences for over 30 years.

A psychological insights and behavioural solutions consultancy.

INFLUENCE SPORTS & MEDIA
A global commercial, communications and content Agency specialising in Formula 1 and leading high-performance sports.

.krow
A full service creative powerhouse with four UK offices.

LIVITY
A creative business that works hand in hand with brands and the next generation to build the future better.

MEZZO LABS
Mezzo Labs are the data plumbers of martech. We create the data architecture that underpins personalised customer experience.

mongoose
A leading integrated sports, fitness and entertainment marketing Agency.

Populate
A social media Agency dedicated to delivering results and pushing boundaries through a 'no-fluff' approach to social media marketing.

RJW&partners
Providing market access support to pharma and medical brands.

SOLARIS health
An innovative specialist medical communications Agency.

soul
Customer relationships built on psychological insight.

SPARK
Creating effective promotions and new revenue streams through brand partnerships.

SPEED
An ambitious, creative and commercially-minded PR Agency.

STORY
Award-winning integrated creative Agency in three locations. We make believers of your brand.

thinkbdw
The UK's leading integrated property marketing Agency.

TURBINE
An integrated Growth Media Agency – Turbine uses media to power your growth.

Making a positive change

In our ambition to become the UK's leading, most respected Agency Group, we need to do just that – lead. This is never truer than when it comes to our corporate, social and environmental responsibility.

Our success as a Group is measured by our financial growth but this is just one element of the equation. The difference we make to our people and future generations, the communities we work and live within and the environment that we have a responsibility to protect – is of equal importance.

We also have a responsibility to consider not just how we operate but also to share ESG insight and best practice across our Clients to move the brands and businesses we work with forward. Reaching millions of people through our 600 plus international Client base, that's a lot of chances to make a big difference every day.

Environment

As a collective of creative Agencies, providing a range of marketing, advertising and consultative services, our direct and indirect impact on the environment is low. But we can always do better. We aim to reduce our environmental impact in the resources and energy we use, how and when we travel, the suppliers we select and how we work to create healthy operating models.

Our People are a key part of our environmental journey driving behaviour change in our Agencies to reduce carbon impact, whether through reducing waste and energy consumption, travelling more responsibly or selecting suppliers aligned to our ambitions.

We have been measuring greenhouse gas (GHG) emissions since 2019 (selected baseline year to address anomaly pandemic year of 2020) in order to understand our footprint, prioritise areas of focus and take action to reduce our impact.

Ultimately, our aim is to achieve sustainable profitability while making a positive impact on the world. We are focused on delivering our ESG aspirations and targets, committed to being transparent on the journey and determined to maintaining healthy growth.

Our goals

- Reduce emissions by 21% for 2024 and 42% for 2029 across Scope 1, 2 and 3 in line with Science-Based Targets[1] and achieve net zero emissions by 2050
- Commit to the Business Ambition for 1.5°
- Build Environmental Management Systems and action plans across our Agencies to address carbon emission hotspots and drive emissions reduction
- Work towards ISO 14001 certification for the majority of Agencies by 2026

[1] Science Based Targets are a set of goals developed by a business to provide it with a clear route to reduce greenhouse gas emissions. An emissions reduction target is defined as 'science based' if it is developed in line with the scale of reductions required to keep global warming below 1.5°C from pre-industrial levels.

Carbon Transition Plan

To reach these goals we have developed a Carbon Transition Plan – an action plan which clearly outlines how we will transform existing assets, operations, and business models to transition towards achieving net-zero by 2050. In preparing this plan, we have followed guidance and frameworks from the Carbon Disclosure Project (CDP) and the former Task Force on Climate-Related Financial Disclosures (TCFD) which has been replaced by the International Sustainability Standards Board (ISSB) two standards – IFRS S1 and IFRS S2.

Covering our management approach, climate risks & opportunities, governance, GHG profile and how we will specifically address Scope 1, 2 and 3 emissions (our carbon transition), our CTP will be reviewed annually to ensure we are assessing not just our progress against our net-zero target but committed action for change.

2023 emissions

2023 has seen total emissions remain roughly the same as 2022 (2,881 compared to 2,864t CO2e) resulting in a 39% overall decrease in emission compared to pre pandemic levels in 2019.

In 2023, the highest sources of emissions were business travel with increases across the board for air, road and rail. This rise was primarily down to better reporting capability and accuracy with the introduction in 2023 of carbon reporting within **MISSION's** back-office finance system. Travel expenses can no longer pass through across the Group without appropriate data collation which eradicated the need for carbon impact estimates based on spend.

Other key emission sources were business services (decreased by 52% compared to 2022 primarily owing to updated conversions factors from DEFRA) and employee commuting (decreased by 12% due to a reduction in distance travelled by car and taxi although there was an increase in distance travelled by rail).

Positively 2023 saw further consolidation of our estate (18% from 2019 to 2023) with the opening of our new London office at The Manufactory in the historic Heal's building on Tottenham Court Road. This brought together a number of Agencies under one roof in this modern refurbished facility seeing an overall reduction in energy, waste and water use and reduced commuting for many due to its location to transport links. The new office is a brilliant location for our Agency teams and Clients to collaborate and has become a thriving workspace building connections and driving creativity in our delivery of pioneering work.

In the mix, we have also added two new Agencies to our Group – Turbine and Mezzo Labs – which has seen our headcount grow by over 25 people in 2023.

Social

We're a people-based business with an aim to make **MISSION** and all our Agencies places people want to be, and places that have a positive impact on the world around us.

We're powered by talented teams who value and respect difference. And we're committed to making sure our people feel valued whatever their background, that they belong, and can be their authentic self at work.

Diversity & Inclusion

We're on a journey to drive a broader agenda of equality, opportunity and progression.

Our aim is to have a respectful and supportive environment that enables us to attract, develop and retain the best talent from a diverse range of backgrounds, representative of our Clients, their clients and wider society.

One initiative that is supporting this aim is the establishment of Communities throughout The **MISSION** Group, providing platforms for individuals to exchange insights and educate one another on crucial topics like neurodiversity, and sexuality. These Communities also serve as advisory bodies, offering guidance to our leaders.

We are committed to creating environments where people talk about the things that matter to their health & wellbeing. It is these conversations that change the way we work to create the best environments for our people. We've combined free mental health support and educational life balance activities which are overseen by over 40 mental health first aiders. We want to change the way we all think and act about workplace mental health.

A new approach

For the past few years, we've focused on Community, Family, and Health & Wellbeing. And bringing in family friendly policies, Communities, and talking about matters that count, has been critical in moving forward. But as we continue along our journey, we'll be focusing on the culture looking at the role we play in making a difference. We'll protect against bias, drive empathy through awareness & conversations, whilst having a zero tolerance against discriminatory behaviour.

2024 is a good time to reevaluate our social targets to ensure they are still helping us adjust to a changing culture. And to help us become a truly diverse and inclusive place to work we've designed four key areas that we'll focus on:

Workforce – Building a diverse workforce that allows everyone to develop their potential.

Workplace – Creating an inclusive workplace where people can bring all of themselves to work and feel like they belong.

Marketplace – Demonstrating that diversity and inclusion is a central part of how we operate in the marketplace.

Insights – Gathering data and insights to understand the experiences of our people to continue to inform the things we do.

Giving people a voice

A key part of our inclusion culture is giving people a voice. And in our annual Employee Engagement Survey we got a good idea of how people felt. We're proud that 81% of our people feel we have a respectful and supportive environment; 84% feel they can be their authentic self; 78% of employees believe our commitment to creating an inclusive environment is genuine and 76% of employees felt they belong at the company.

Supporting local communities

With 25 locations and 1,100 + people across the globe it's important to our team and to us that we connect and support our local communities. We are committed to helping them thrive, boosting the key foundation stones that make them healthy – arts, education, conservation, health & wellbeing.

Throughout 2023, we continued to open our doors to local schools, colleges, and universities. This connection through open days, work experience, paid internships and mentoring is vital in supporting the next generation and creating accessible pathways to opportunities within our industry.

Our impact is also felt through partnerships, support, volunteering and pro bono work with a wide range of local charity and community groups from RNLI and Macmillan to North Devon Hospice.

Governance

We believe that corporate governance is not the poor cousin of the ESG triplet but an integral part of the Group. It is key to how we interact with our investors, employees, suppliers and other stakeholders and is focused on monitoring progress against our wider ESG commitments making sure we are driving forward positive change.

Agency make-up

Unlike many other groups, our Agencies, which have mainly come into the Group via acquisition, retain their original personnel, cultures and business practices, with **MISSION** providing the support infrastructure and economies of scale of a multi-national group. This sees a highly personalised and people-centric culture which has led to an expanding and loyal Client base (53% have been with us for more than five years) and strong talent retention (79% for 2023). We believe the role of the Board is not to direct these Agencies but ensure they are supported and collaborate to deliver the best work to help our Clients succeed.

The Board

The **MISSION** Board and non-executive group has a good balance of sector and financial experience alongside Agency CEOs who provide a 'front seat' view of Agency challenges, opportunities and the marketplace as a whole.

2023 saw the return of David Morgan as Chair who brings a wealth of experience drawing on a longstanding career in the advertising and media industry with an in-depth knowledge of **MISSION**, having founded Bray Leino, one of the Group's key Agencies.

The Board is responsible for the long–term success and growth of the Group, embedding effective controls which enable risks such as cyber security; data protection; supply chain fragility; market resilience; economic volatility and political instability to be assessed and managed. Held to account by independent Audit & Risk and Remuneration committees, the Board is focused on ensuring that our People, Agencies and the Group are consistently safeguarded.

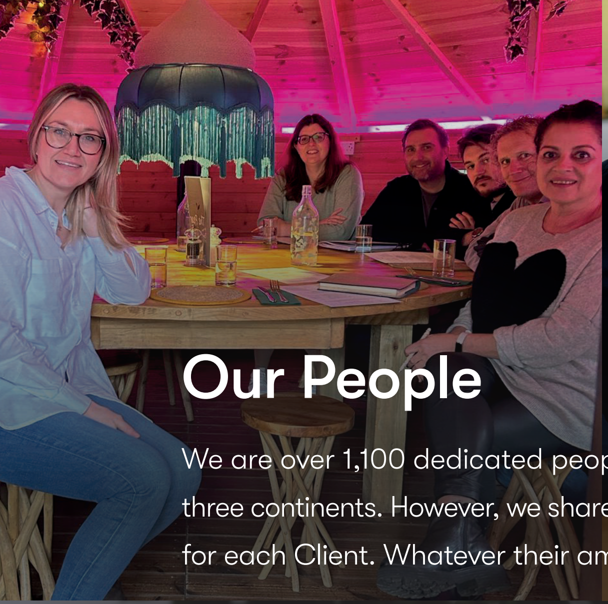
Our very existence as a marketing group is dependent upon our ability to foster strong and mutually beneficial relationships with all Stakeholders. Alongside sustainable growth, we see Client happiness, referral ratings and staff retention levels as indicators of our collective success which are consistently measured by the Board.

People, Planet, Profit

2023 also saw the establishment of the ESG Steering Committee which is responsible for ensuring our business and operational plans and consequent decision-making is aligned with our ESG aims. Comprising key senior leadership members including CEO, CFO, COO, Head of People and our Group ESG Lead, the committee is focused on developing effective strategies using a 'People, Planet, Profit' filter.

Good governance is about transparency, trust and accountability. We believe all stakeholders need to be part of our journey and we are committed to being open and transparent, always, as we move forward on our successes but also areas for growth.

More on **MISSION's** ESG approach, goals and journey can be found in its annual ESG Report.



Our People

We are over 1,100 dedicated people, in 25 different locations, reaching across three continents. However, we share our primary goal: producing **Work That Counts™** for each Client. Whatever their ambitions.

Our approach to our people is focused on the eight areas set out below, with several of these also forming key parts of our ESG strategy which you can read more about in this report. Achieving sustainable progress in these ways is important to us. We're proud of the steps we've taken, and will continue to take, together.

What our People Say...

"Our team is great – everyone is so supportive and nurturing, always willing to help and teach each other. I've learnt a lot really quickly, and have built up confidence in my abilities. I love having a job where I do not do the same thing day in, day out."

Tash, Bray Leino

1
Growing Together

At **MISSION** we are committed to creating a respectful and inclusive environment; one where our people can be themselves. We also believe in the power of personal growth; so, we listen, learn, and support our people to have the skills and experiences to make them ready for today and fit for tomorrow. We're big on creating pathways and succession planning along with creating learning opportunities across our Agencies.

2
Diversity & Inclusion

We're creating a home for empowered people who celebrate difference and challenge the status quo. Our diverse workforce allows everyone to develop their potential and bring all of themselves to work feeling like they belong.

3
Community Action

We're an international Group, but we believe strongly in local action. As such, all our UK Agencies actively support local charities and communities in their towns – from fundraising and volunteering to pro bono work, putting our communications skills to good use.

4
New Talent

To foster fresh talent, our Agencies open their doors to local schools, colleges and universities; offering internships and an Apprenticeship programme.

5
Taking Care of You

We believe that life, and being happy, is more than the job you do. To best support our people with the ups and downs of life, we have devised our Employee Assistance Programme to help with financial, family, health and wellbeing issues.

6
Flexible for All

People are at their best when their home life doesn't suffer. That's why we offer over 160 different flexible working patterns across the Group. Plus, parental return to work schemes and a supportive approach when our People need time out for life's big moments.

7
Health & Wellbeing

Our Agencies take a proactive approach to health and wellbeing, with free mental health support and educational life balance activities overseen by trained mental health first aiders.

8
Socials

"All work and no play" is a thing of the past. Therefore, each Agency maintains a busy social scene, with everything from dining events, beer fridge Fridays, summer sports days, picnics and end-of-year parties.

What Drives Us

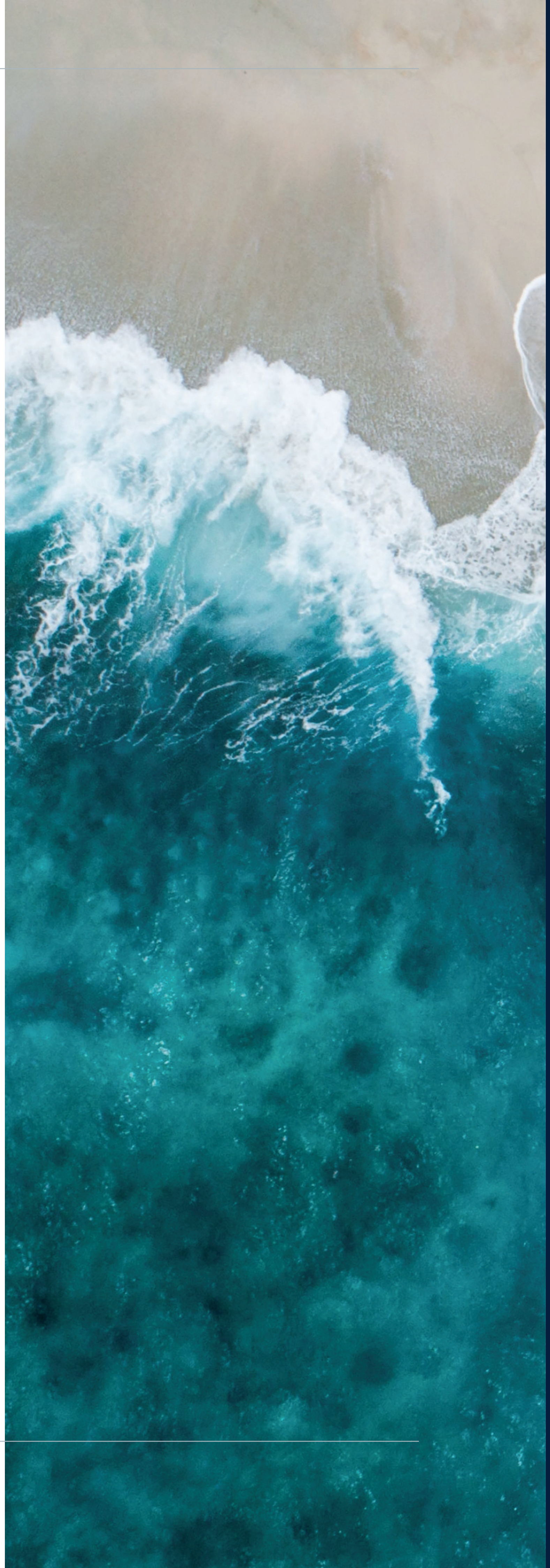
Our work, energy, time and commitment needs to count not just for our Clients and the Communities they serve but for our People.

We need to feel, everyday, that we are making a difference, driving positive impact with our thinking, creative and execution across the sectors we support, our own industry and the communities we work and live within. It's this sense of achievement and ability to see the power of what we deliver that keeps us excited, focused and constantly driving for more.

Each Agency has its own values and personalities but what we do share is an entrepreneurial mindset, a passion for sustainable growth and a commitment to leave a positive impression on the world around us.

Culture of Collaboration

Collaboration is at the heart of our commitment to **Work that Counts™**. Home to 19 Agencies and 1,100 people with a myriad of specialist skills and knowledge, **MISSION** offers a unique approach which is reliant on working together and exchanging ideas to do our best at every opportunity. This is how we elevate our Clients and ourselves.



Our Purpose

"What unites us is our desire to make a positive difference in the work we deliver and the impact we have on the world around us."

The Way we Treat the World Around us Counts

In our ambition to become the UK's leading, most respected Agency Group, we need to do just that – lead. This is never truer than when it comes to our social and environmental responsibility.

We have been on a journey since 2019 closely monitoring our environmental impact and challenging ourselves with robust carbon reduction action and targets.

Our social commitments are primarily focused on our People making sure they feel valued, that they belong and can be their authentic self at work. This is also reflected in providing space for them to support their passions and local Community whether fund raising, volunteering or delivering valued pro bono support.

Strong progress has been made against our ESG commitments, but there is more we can and will do. We are steadfast in our desire to make an even greater difference to our People, Client and Communities and the wider environment.

MISSION welcomes back Non Exec Chair David Morgan MBE

We are proud to announce the appointment of David Morgan as Non-Executive Chair.

David brings a wealth of experience to the Board and draws on a longstanding career in the advertising and media industry with an in-depth knowledge of **MISSION**, having founded Bray Leino, one of the Group's key Agencies. He was previously Executive Chair of the Group between April 2010 and October 2021.

"I am delighted that the Board has asked me to return as Chair. **MISSION** is made up of extremely dynamic, entrepreneurial Agencies managed by very talented people. I look forward to working closely with the Board and management team to deliver long-term value for all our stakeholders."

David Morgan, Non-Exec Chair

MISSION opens the doors to its new London home

We opened the doors of our new London hub – a home from home for all **MISSION** Agencies. The Manufactory is an exciting new collaborative workspace for The **MISSION** Group.

Situated above the Heal's building on Tottenham Court Road, our new office was home to iconic British design for over 200 years, evolving from a furniture factory to one of the West End's most recognisable buildings.

The new Manufactory campus has been restored and remastered to form a collection of unique workspaces rich with history. Well-being is at the core of the building with best-in-class amenities, cutting-edge technology, environmentally conscious heating and cooling, and energy efficient services.

Inside The Manufactory, you'll find a collaborative, contemporary space with just the right combination of open-plan, free-flow spaces and more defined work areas, to support our creative culture, people, partners and Clients.

Influence expands into the US

Influence Sports & Media, a member of Mongoose Group, took their expertise in the world of sport to a North American audience in 2023.

The New York office offers strategic consultancy, commercial sales, partnership activation, and PR & communications – with a focus on Formula 1, given its substantial growth in popularity.

The strategic move came in advance of a high-profile international sporting calendar, including five Formula 1 Grand Prix, the 2024 Copa América, the 2026 FIFA World Cup, and the 2028 Summer Olympics in Los Angeles.

"There is a major opportunity for us to assist companies who want to make sports like motor racing, soccer, rugby, or sailing, part of their regional or global strategies."

Chris O'Donoghue, CEO Mongoose Group

Introducing Turbine

In 2023 we announced the launch of Turbine, an integrated Growth Media Agency specialising in owned, earned, and paid media for consumer brands.

Their unique multi-channel approach defies traditional media planning methods, which often lead to siloed thinking, disjointed plans, and missed opportunities.

Instead, Turbine uses genuine connected systems to ensure that every aspect of their Clients' media strategy is integrated, aligned, and able to deliver the metrics that matter.

TURBINE

James Clifton, **MISSION** CEO commented: "As we all know there is a growing demand for an effective solution to the challenges of multi-channel digital marketing, adding Turbine to our centralised **MISSION** capability will ensure that all our Agencies continue to deliver **Work that Counts™**"

Matt Pepper, CEO of Turbine commented: "In a time of economic uncertainty companies need to ensure their owned, earned and paid media strategies are truly joined up and complement one another to maximise efficiencies and impact. That's why we exist."

A successful launch for the Big Ms

The first ever Big Ms awards got off to a bang as we came together to celebrate **Work That Counts™** across the **MISSION** Group.

MISSION Chief Creative Officer Dylan Bogg introduced the initiative, with industry legend Bil Bungay as Chair of the judges.

The awards celebrated cross-group collaboration and increased exposure between Agencies, with the sharing of projects that would not have otherwise been publicly accessible.

Plenty of applicants made their efforts count. In total 11 bronze, 11 silver, and 11 gold awards were given, as well as a People's Award voted for on the night, and a Grand Prix that really counted.

Sadly we can't discuss the work here, but it's fair to say that standards were even higher than hoped.

MISSION HUBS

To facilitate our international expansion into new regions **MISSION** HUBS was established as part of our **MISSION** Advantage, offering a structured approach to the Group's international ambitions.

MISSION HUBS connects entrepreneurially spirited, independent thinking agencies who are looking to grow their business through partnership and collaboration.

Our delivery of **MISSION** HUBS is achieved by these independent Agencies either becoming a **MISSION** PARTNER – an affordable and accessible way to benefit from collaboration and international business opportunities.

Or by becoming a **MISSION** AFFILIATE which provides the opportunity for these Agencies to access best-in class resources from within **MISSION** ADVANTAGE – our portfolio of strategic services. Comprising teams of experts in global digital production, data science and research, promotional marketing and more. Using these services enables our Affiliates to grow their business revenues rather than their overheads.

Owners of **MISSION** Affiliates agencies can in turn register their interest in becoming a wholly owned **MISSION** business with tailored acquisition options from exit to buy-in and more.

Since launching **MISSION** HUBS in 2023 we have signed up 16 **MISSION** PARTNER Agencies and one **MISSION** AFFILIATE Agency. We now have **MISSION** HUB Agencies in 24 countries spanning the globe from Argentina to Australia, Chile to China, Germany to Guatemala, Saudi Arabia to Singapore and UAE to USA.

Post Office
A monumental win for the Group

Arguably the biggest news of 2023 was the Post Office pitch win, which saw krow and the wider **MISSION** Group unite to take on the role of lead creative Agency for one of the nation's biggest brands.

The account is managed within "Cloak Lane" – an SPV formed of krow London, krow Central, and krow.x, alongside PR Agency Speed – named after the site in the City of London where the first General Post Office opened in 1548.

The win includes the full gambit from strategic, creative, and production services to social, digital, in-branch, customer experience, PR, web, and email.

Post Office are hoping to increase consideration for the brand in a wider space, beyond the over-the-counter services that customers already associate with Post Office. And we're excited to help facilitate their marketing needs in 2024 and beyond.

James Clifton, CEO at The MISSION Group, commented: "Post Office plays an important part in all our lives – as individuals, in our communities, our businesses and the economy. We are honoured to be appointed by such a unique and emotive brand, and look forward to playing an important role in its future success."

Natalie Nightingale, Head of Creative & Content at Post Office, added: "We are delighted to be working with The **MISSION** Group on this wide-ranging brief. We were looking to enhance our strategic, creative and production capabilities and have found that solution in Cloak Lane. We look forward to growing the brand further in partnership with them."

POST OFFICE

MISSION ADVANTAGE

MISSION ADVANTAGE is a portfolio of strategic services built to drive positive change and dramatically extend the scale and scope of our offer.

Comprising teams of experts in HR, global digital production, data science and research, regional expansion and promotion – our teams are positioned around the globe and ready to mobilise in support of our Agencies.

MISSION ADVANTAGE complements the strategic and creative strength of our Agencies allowing them to offer wider, deeper, and highly credible services in support of their own unique propositions and aspirations.

ADVANTAGE is built as the platform for change, operating on a cost only basis to ensure the profitability, relationships and opportunity remain with our Agencies.

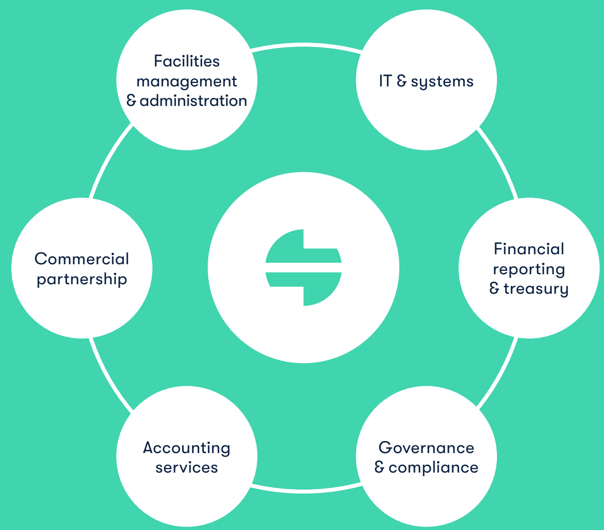
MISSION COMMERCIAL

MISSION COMMERCIAL is an array of cost-effective, shared provisions designed to deliver scalable, best-in-class support services and expertise to our Agencies.

MISSION COMMERCIAL incorporates teams across Facilities management & administration, IT & systems, Accounting services, Financial reporting, Governance & compliance and Commercial partnership. Our people are experts in their fields and are driven to provide value, safety and security across the Group.

MISSION COMMERCIAL supports the wider Group endeavour, ensuring that every Agency team is dedicated to delivering **Work that Counts**™. New Agency additions to the Group are able to quickly focus directly on growth and opportunity whilst handing off their own support services safely and securely.

By simplifying and sharing these services and creating scalable centres of excellence the Group is well positioned to deliver sustainable margin growth as revenues rise.



Non-Executive Chair's statement

The difficulties that we encountered in 2023 have been well recorded, suffice to say that we ended in a better place than was feared after our Trading Update in October. Nevertheless and with hindsight we should have reacted earlier and faster than we did but the response from the management in the final quarter was very impressive.

In returning to Chair the business in November, I learnt that despite those setbacks we have a robust and growing business which, given the structural and operational cost reductions we have implemented, is set fair for 2024 and beyond. I also learnt that we have a supportive Bank, exceptional Clients and Agencies that continue to punch above their weight. Capable of winning against whatever competition we come across.

In 2023 we had some great new business wins and two contributory factors to our downturn that I am pleased to report have already been rectified. We sold the Pathfindr business in December 2023 and thereby removed the losses in running costs for the current year. We have also turned around our US Technology Agency that had had a horrendous first six months in 2023 but showed some recovery over the final six months.

Structurally we have reassessed our operating model and tweaked or changed the way we do things, which as a Board will keep us risk averse and nimble. Whilst we remain confident that our long-term strategy remains sound we have streamlined our operations, ensuring we are leaner and more able to react to market conditions. Our Agencies will be supported by innovative specialisms from data to AI and behavioural to media. With innovative, ostrobogulous creativity, embedded in all that we do.

"Structurally we have reassessed our operating model and tweaked or changed the way we do things, which as a Board will keep us risk averse and nimble."

Board

I was pleased to be asked by the Board to return as Non-Executive Chair in November 2023. Despite the ongoing challenges for our industry, **MISSION** is made up of extremely dynamic, entrepreneurial Agencies managed by very talented people and I look forward to working closely with James, Giles and the senior team to help the Group consolidate its strategic progress and deliver long-term value for all our stakeholders.

On behalf of the Board and the wider team at **MISSION** I would also like to thank Julian Hanson-Smith for his contribution to the Group during his eight year tenure.

Dividend

In line with the Group's commitment to reducing its net debt position as soon as possible, as previously reported the Board took the decision to cancel the interim dividend of 0.87 pence per share (approximately £0.79m) that was due to go ex dividend on 2 November 2023 and be paid to shareholders on 1 December 2023. The Board has proposed that, whilst there will be no final FY2023 dividend, it remains committed to a progressive dividend policy once the balance sheet strength is restored.

Debt Refinancing

We have refinanced our existing debt facility with our long-standing lender NatWest. Further detail on this is included in Note 31 to the financial statements.

Outlook

With our new Value Restoration Plan in place we are confident of the future and have redefined our strategy against the goals that we are setting over the coming five years.

Through 2024 and 2025 our focus will be on debt reduction, rebuilding the balance sheet and delivering our profit targets. Thereafter we will look to expand faster under new initiatives but retain our focus of being a Group active in generalist and specialist areas whether that be sports, healthcare, property, technology or automotive.

I believe that we have the platform, the passion and the people in place to deliver sustained success in the years to come and I am delighted to be back among them.

David Morgan
Non-Executive Chair
March 2024

The market challenges that both we and the industry experienced in 2023 have been well documented but it is important not to lose sight of the significant strategic progress that was achieved over the course of the year. The year saw us confirm strategic new Client wins that are not only testament to the creativity of our Agencies but also our commitment to deliver work that underpins real business growth and the growing strength of our Group capabilities, reinforced by the investments made to expand our Client service offering in both 2023 and previous years.

As previously stated the collapse of the US tech market in the first quarter of 2023 resulted in a sudden reduction and deferral of Client spending that proved difficult to quickly mitigate at a point when the Group was fully resourced following a record 2022 in that sector, leaving no margin for error in the remainder of the year.

As soon as the resulting trading impact became clear in the third quarter, the Board promptly instigated a full strategic review of the business, putting in place a Value Restoration Plan ("VRP") through which progress was immediately made to drive significant cost saving initiatives and margin improvements.

The response of the business has been incredible, a testament to the 'can-do' and entrepreneurial culture inherent in **MISSION**. All Agencies have been tasked with delivering Agency-led plans to drive appropriate efficiencies whilst still maintaining our market-leading focus on Client service and business development. To date this has seen an annualised projected £5.0m of profit improvements secured for 2024.

Part of our VRP has also included a review of the Group's balance sheet with a focus on improving flexibility and resilience in order to support both our medium and long term plans.

The Group has identified the selected disposal of a non-core business and since the year end has been pleased to confirm the disposal of its 80% shareholding in Pathfindr Ltd with the initial proceeds of £1m being deployed to reduce debt.

Furthermore, the Board have taken a cautious view regarding the goodwill valuation of our agencies and in so doing have impaired the carrying value of the Story and Krow agencies, resulting in a £10.3m, non-cash write down in 2023.

Finally, we are pleased that we have refinanced our existing debt facility with NatWest.

"The response of the business has been incredible, a testament to the 'can-do' and entrepreneurial culture inherent in **MISSION**"

Chief Executive's review

FY2023 operating income from continuing operations

£86.3M

growth of 9% on 2022

Performance Review

Despite the challenges experienced throughout 2023 which, as previously mentioned, were particularly felt by our Agencies exposed to the Technology and Mobility sectors, our teams have remained nimble and quick to respond to new market opportunities as trading momentum improved in the final quarter of the year. This resulted in FY2023 operating income of £86.3m from continuing operations, representing growth of 9% on 2022 (2022: £79.6m) including the impact of 2023 acquisitions and ahead of Advertising Association expectations for 2023 of 2.6%.

Of the £6.8m increase in operating income from continuing operations, organic growth of £1.6 million was up 2% on the prior year driven by a particularly robust performance across our Property and Sports and Entertainment business segments. Client retention across the Group also continued to be excellent, a true testament to our teams' focus on excellent Client service, with 53% of operating income now coming from Clients who have been with the Group for over 5 years.

Whilst the wider new business landscape remained challenging we have continued to leverage the investments we have made in previous years to enhance **MISSION**'s service offering and capabilities. This has underpinned our success on several highly significant new business mandates. Our appointment to UK Post Office in September marked the Group's largest Client mandate to date and represents a fully integrated cross-Agency response. Other notable new Client wins secured over the course of the year included Lumen, EasyJet, Beauty Pie, Pandora, Meta, Hawaiian Tropic and Brabantia. Good momentum has continued into 2024 with further new Client wins including Herta UK for Speed and global pharmaceutical company Dr Reddy's for Bray Leino.

In line with our strategic areas of focus, the first half of the year saw us make selective investments in Data Science & Digital Analytics through the acquisition of Mezzo Labs and Growth Media through the launch of Turbine, an integrated Growth Media Agency specialising in earned, owned and paid media for consumer brands. These, along with recent acquisitions Populate and Influence, continue to contribute new, profitable, revenue streams to the Group contributing £5.2m to the £6.8m increase in operating income growth from continuing operations in 2023, as well as underpinning our work for existing Clients. We look forward to realising the continued benefit of this enhanced service capability in 2024.

We continue to see multiple examples of AI infused work being created in our Agencies and as part of our plans to define and hone our Group AI strategy have created an AI steering panel focused on addressing three key pillars of focus; ensuring AI literacy in every role to empower and enable everyone with AI learning; provide specialist centralised AI support and resources to work alongside our Agencies; and define guidelines to inform AI usage across the Group and ensure compliance and best practice.

The year also saw the Group launch its **MISSION** Hubs programme, an agency ecosystem with **MISSION** at its heart, connected to a series of Affiliates and Partners from around the globe. The Programme provides the Group with extended access to new markets and revenue streams through trusted relationships. At the same time, Affiliates and Partners gain access to our 19 Agencies in 25 locations worldwide and the **MISSION** Advantage portfolio of strategic services including media, data & analytics, AI and production.

"I am pleased that the efficiencies already realised are helping to restore profitable growth"

Making Positive Change

Following the launch of our Environmental, Social and Governance (ESG) manifesto 'Making Positive Change' in 2020, we have made further progress against our key commitments over the course of 2023.

Particular areas of progress have included the development of our Carbon Transition Plan which clearly outlines how we will transform existing assets, operations, and business models to transition towards achieving net-zero by 2050. Moving forward this plan will be reviewed annually to ensure we are assessing not just our progress against our net-zero target but are committed to action for change.

We are also pleased to be adopting a new approach in 2024 to re-evaluate our social targets. In order to ensure we can become a truly diverse and inclusive place to work we've designed four key areas that we'll focus on: workforce, workplace, marketplace and insight and full details of this approach and our wider progress against our commitments can be found in our ESG Report which is available on our website within the Culture section under Making A Positive Change.

Current Trading and Outlook

On behalf of the Board I would like to thank all of our talented team for their commitment and dedication in 2023.

We remain focused on delivering further progress against our Value Restoration Plan and I am pleased that the efficiencies already realised are helping to restore profitable growth and reinforce the Group's balance sheet which, is now further underpinned by the completion of the successful bank refinancing.

Whilst the market is still somewhat subdued, trading in the current financial year has started well and in line with expectations. 2024 brings with it a number of high profile European and Global sporting events which should bode well for the marketeer's calendar including the Olympics and UEFA European Championships and we are particularly pleased to have secured a number of early new business wins in January.

The opening of our new central London Head Office has also created a busy hub for the Group, the perfect home for continued collaboration and learning and it is really encouraging to see the benefit to our teams' growth and development, on a day to day basis.

In summary, the plan for the year ahead is simple. We remain focused on leveraging the continued success of **MISSION's** integrated Group offering to expand our capabilities and market leading services for our Clients.

James Clifton
Chief Executive
March 2024

Chief Financial Officer's review

Growing revenues in a flat and often unpredictable market is not easy. The strong operating income growth delivered in 2023, despite a particularly challenging year for our Technology segment that weighed heavily on both profit and working capital, highlights both the successful integration of recent acquisitions and investments as well as the underlying resilience of our core agency portfolio.

Operating income growth in 2023 of 9% from continuing operations provided a helpful platform and was a significant achievement. However, managing operating expenditure levels in a changeable trading environment proved problematic as the fixed nature of our cost base rendered us over-resourced when revenue streams reduced suddenly in certain markets and geographies, most notably the US Technology market sector. The result of this was a reduction in headline operating margins on continuing operations to 7.5% (2022: 11.1%). Therefore, headline operating profit from continuing operations reduced to £6.5m (2022: £8.8m). A cautious review of the carrying value of our agency assets, primarily in relation to the Story and Krow agency groups, resulted in one-off impairment adjustment of £10.3m. This is described more fully below and set out in Note 3. This adjustment along with a number of other, smaller adjustments and an increase in borrowing costs led to a reported loss before tax of £12.0m (2022 £0.7m profit).

Another unusual dynamic experienced in the year as a result of the downturn in US Technology trading was a significant reduction in Client prepayments (deferred income), particularly through quarter 2 and quarter 3. Furthermore, the Group experienced a more general extension to the working capital cycle as assignments in most segments took considerably longer to get from 'bid' status through to purchase order, then billing and finally cash collection. These factors, combined with how late in the year many sales were delivered, put considerable pressure on working capital. This in turn lay heavy on net debt, pushing the Group to the limits of its banking facility in the later months of the year. The threat of exceeding these facilities and the risk of not passing banking covenants has seen the Group work with long-time, and highly supportive, lender NatWest plc on a refinancing plan.

This plan, the 'Value Restoration Plan', saw the Group review operational expenditure in order to make significant improvements to profitability on continuing operations going into 2024. The Group has also considered different strategies to reduce leverage, including divestments of non-core operations and as a result of this review disposed of Pathfindr Ltd for £1.3m in December. Furthermore, both accrued income and deferred income balances closed at similar levels to December 2022.

The Group has successfully refinanced its debt facility, further details of which are set out in Note 31 to the financial statements.

9%

growth in operating income from continuing operations

Chief Financial Officer's review

£m	Headline continuing 2023	2022	Movement	Reported 2023	2022	Movement
Operating income ('revenue')	86.3	79.6	9%	86.6	79.8	8%
Operating profit	6.5	8.8	-25%	(9.7)	1.6	-697%
Operating margin %	7.5%	11.1%	-3.6pts	-11.2%	2.0%	-13.2pts
Profit before tax	4.2	7.9	-47%	(12.0)	0.7	-1721%
Earnings per share	3.1	6.9	-55%	(13.4)	-	-
Tax rate	29%	21%	+8pts	1%	95%	-94pts

Billings and revenue

Turnover (billings) was 7% higher than the previous year, at £195.9m (2022: £182.7m), but since billings include pass-through costs (e.g. TV companies' charges for buying airtime), the Board does not consider turnover to be a key performance measure for its Agencies. Instead, the Board views operating income (turnover less third-party costs) as a more meaningful measure of activity levels. Taken as a whole, the Group's operating income (referred to as "revenue") from continuing operations for the year increased by 9% to £86.3m (2022: £79.6m).

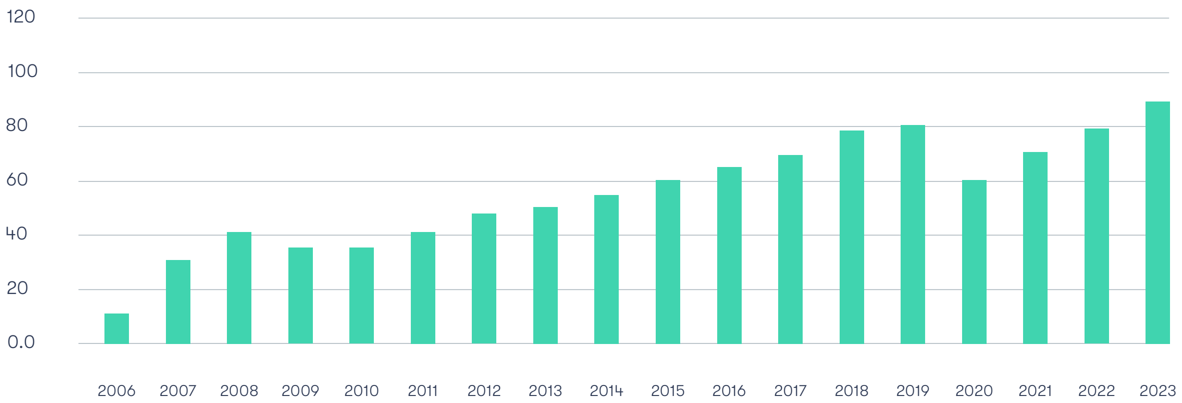
Of this £6.8m growth in revenue, £1.6m (2%) was organic, reflecting the continued growth across a number of MISSION business segments, most notably Property (£1.7m increase in revenue) and Sports & Entertainment (£0.5m increase in revenue), and in so doing mitigated the dramatic and sudden reduction in revenues experienced in the Technology and Mobility segment in the first half of 2023 (£2.2m reduction in revenue). The revenue run rate from this segment was restored in the final quarter.

The remaining £5.2m of growth came in part from the benefit of a full year of Influence (acquired December 2022) and Populate (acquired October 2022) trading in the Sports and Entertainment segment. This was supplemented by the revenue impact of new **MISSION Advantage** agency Mezzo (acquired February 2023).

The Group has reviewed and restructured its operations as part of the Value Restoration Plan and as a result the Board made the decision to dispose of its 80% share of Pathfindr Ltd. The disposal took place in December 2023 alongside the decision to withdraw from its Technology and Mobility operations in Singapore. The Group maintains a presence in SE Asia through Bray Leino Splash PTE.

One of the differentiating features of **MISSION** is the longevity and loyalty of its Client base exemplified by over 50% of income coming from Clients with whom **MISSION** has worked for more than five years. We believe this is due to the dynamic and Agency-driven culture which ensures Clients receive a boutique level of Client service but supported by the resources of a multi-national group.

Group revenue history (£m)



Loss and margins

The Directors measure and report the Group's performance primarily by reference to headline results in order to avoid the distortions created by the one-off events and non-cash accounting adjustments relating to acquisitions that are detailed below. Headline results are therefore calculated before acquisition adjustments, exceptional items and losses from new ventures as described above and set out in Note 3.

The Group reported an operating loss across all operations this year of £9.7m compared to a £1.6m profit in 2022.

Reported profit before tax decreased by £12.8m, from £0.7m in 2022 to a £12.0m loss in 2023, resulting in a loss after tax of £11.9m (2022 £0.0m).

Adjustments to reported profits, detailed further in Note 3, totalled £14.8m (2022: £7.0m) a significant increase on the previous year. This was primarily due to the £10.3m impairment of the Story (£5.2m) and Krow (£5.1m) intangible assets following a cautious review of these long-held cash generating units. The charges of £5.3m in 2022 related to similar valuation-driven impairments on Splash and Pathfindr.

In addition to this the Group invested £1.8m in new ventures (2022: £0.8m) most notably the new performance marketing joint venture Turbine and the Livity youth-marketing offer as well as smaller investments in the **MISSION** Hubs venture and a **MISSION** office in China to serve Clients in the region.

Acquisition-related costs of £1.7m compared to £0.6m in 2022. The 2023 charge consists primarily of the amortisation of intangibles recognised on acquisitions of £0.9m (2022: £0.5m) as well as professional fees in support of the acquisitions such as Mezzo made in the year. Finally, there was an increase in fair value of contingent consideration of £0.4m in 2023 following the strong performance of recently acquired agencies, in contrast to a reduction in valuation in 2022 of £0.3m relating to historic acquisitions.

As part of the Value Restoration Plan there were, unfortunately, significant one-off headcount reductions late in 2023. The resultant one-off costs associated with this restructure £0.7m (2022 £0.4m). Bank refinancing costs of £0.5m have been provided for in 2023 (2022: £Nil).

Finally, the Group was pleased to record a profit on the disposal of the Pathfindr operation of £0.3m (2022: £Nil).

Adjusting for these items delivers a headline operating profit from continuing operations of £6.5m (2022: £8.8m).

The headline operating expenditure base from continuing operations increased in the year by 13% (from £70.8m in 2022 to £79.8m in 2023). On a like for like basis, removing the impact of Influence, Populate and Mezzo, this expenditure increased by £4.7m. Operating expenditure grew in the Property segment pro-rata with revenue (£1.3m increase) but also grew by £1.0m in Technology and Mobility despite reduced revenues. This anomaly occurred as a result of the sudden and extreme nature of the revenue reductions in early 2023 from a high base at the end of 2022. Operating expenditure also increased by £2.5m on a like for like basis in the **MISSION** Advantage platform as further services were shared across the agency base.

Interest charges of £2.5m increased significantly on 2022 (£1.0m) driven by the increased net debt levels alongside interest rate increases globally as central banks sought to curb inflationary pressures.

The resultant headline profit before tax from continuing operations for 2023 was £4.2m, a reduction of £3.7m on 2022 at £7.9m.

Taxation

The headline tax rate increased to 31.8% (2022: 21.1%), as a result of the increase in the corporation tax rate in 2023, an increase in non-deductible expenses, and lower levels of non-taxable income.

On a reported basis in 2023 the impact of the large one-off non-deductible expenditure primarily in relation to impairment of goodwill resulted in a tax credit of £0.2m on a reported loss before tax of £12.0m, a rate of 1.3%. This compares to the 95.2% tax rate reported in 2022, when the non-deductible impairment of goodwill increased the tax rate payable on a profit before tax of £0.7m.

The tax rate is generally expected to be consistently higher than the statutory rate (23.5% in 2023, an increase from the 19% in 2022) when the Group is profit making, since the amortisation of acquisition-related intangibles is not deductible for tax purposes and tax rates on our US operations are substantially higher than the UK corporation tax rate.

Earnings Per Share

After tax, the reported loss for the year was £11.9m (2022: £0.0m profit) and EPS was -13.4 pence (2022: 0.0 pence). On a diluted basis, EPS was -13.4 pence (2022: 0.0 pence).

However, after adjustments, Headline EPS from continuing operations was 3.1 pence (2022: 6.9 pence) and, on a diluted basis, was 3.1 pence (2022: 6.9 pence).

Dividend

The Board has historically adopted a progressive dividend policy, aiming to grow dividends each year in line with earnings but always balancing the desire to reward shareholders via dividends with the need to fund the Group's growth ambitions and maintain a strong balance sheet and healthy distributable reserves (2023: £33.7m, 2022: £41.0m).

As a consequence of the pressure on liquidity experienced in late 2023 and the resulting refinancing process the Board has made the decision to pause dividend payments until balance sheet strength is restored (2022: 2.50 pence per share). The Board will keep this decision under regular review.

Balance sheet

In common with other marketing communications groups the main features of our balance sheet are the goodwill and other intangible assets resulting from acquisitions made over the years and the debt taken on in connection with those acquisitions.

The Board undertakes an annual assessment of the value of all goodwill, explained further in Note 11. At 31 December 2023 the Board concluded that, in the case of the Story and Krow assets, an impairment adjustment would be required in order to provide a fairer reflection of value. These assets have delivered considerable cash inflows since their original acquisition and are still believed to have a value going forwards.

The level of intangible assets relating to acquisitions and internal investments decreased by £9.1m in the year. This movement being primarily a function of the acquisition of Mezzo in February netting off against the impairment of the Story and Krow goodwill and intangible assets. The level of 'total debt' (combined net bank debt and acquisition obligations) increased by £5.3m.

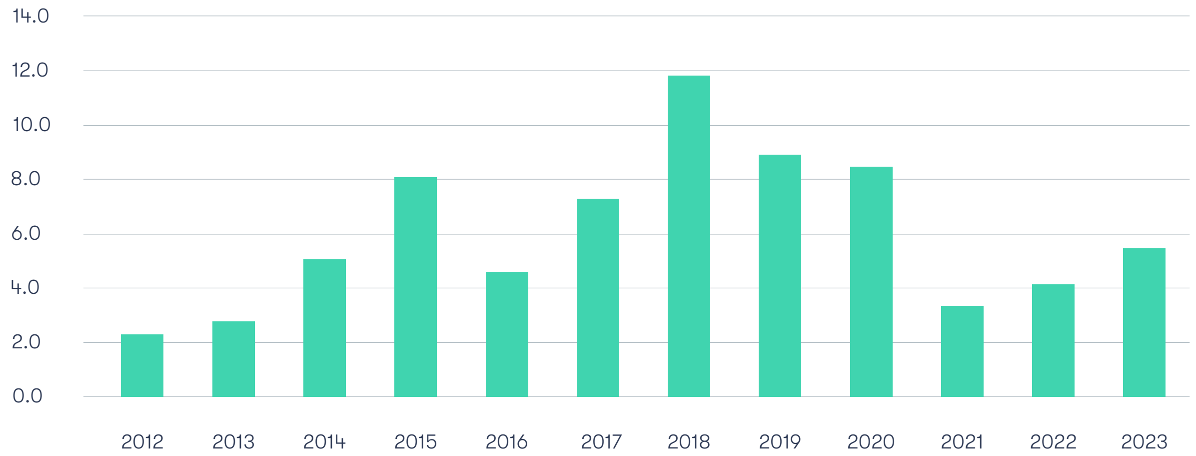
The Group's acquisition obligations at the end of 2023 were £5.5m (2022: £4.1m), to be satisfied by a mix of shares and cash in some instances at the Group's discretion. All of this is dependent on post-acquisition earn-out profits. £1.7m is expected to fall due for payment in cash within 12 months and a further £2.8m which can be satisfied by a mix of shares and cash in the subsequent 12 months.

Dividend payments and expenditure on major capital projects such as acquisitions and investments have been paused until such time as the Directors believe that balance sheet strength is suitable.

The Directors therefore believe that the Group's current balance sheet can comfortably accommodate these acquisition obligations alongside the Group's commitments to standard capital expenditure (expected to run at similar levels to recent years).

Consolidated Net Current Assets closed at £5.6m (2022 £7.7m). This was in part the result of the increase in Acquisition Obligations noted above and in part a reduction in cash and short term deposits of £1.5m in comparison to 2022.

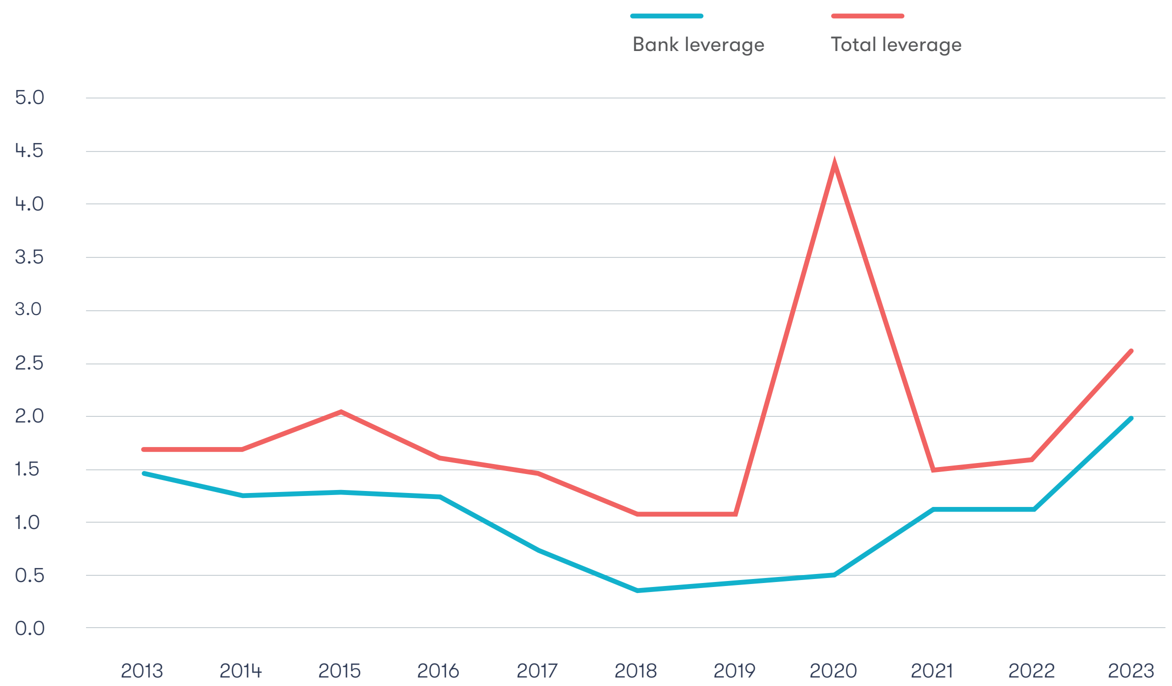
Chart showing change in total Acquisition Obligations over time



Acquisition Obligations have increased in 2023 but are still well below the levels of recent years. All existing acquisition obligations will be settled by the end of 2026.

At the end of the year the Group's net bank debt stood at £15.4m (2022: £11.4m). On an adjusted basis (pre IFRS16) the leverage ratio of net bank debt to headline EBITDA was x2.0 at 31 December 2023 (2022: x1.2). The Group's adjusted ratio of total debt, including remaining acquisition obligations, to EBITDA at 31 December 2023 was x2.7 (2022: x1.6).

Chart tracking Debt Leverage Ratios over time



Chief Financial Officer's review

Cash flow

The cash flow in 2023 was defined by the highly unusual underlying working capital outflows, particularly across the second and third trading quarters.

The working capital movement is defined as the aggregate movement in receivables, stock and payables and was at an overall level reported as an inflow of £0.3m (2022: £1.1m). However, within this there were two key movements. The first relates to an increase in the Other tax and social security creditor, primarily as a result of £4.3m of delayed VAT and PAYE payments, a payment plan having been agreed with HMRC whereby all delayed payments will be repaid by the end of May 2024.

This inflow mitigates working capital outflows stemming from the increase in inventory (£0.8m), increase in prepayments (£1.0m) and an increase in trade receivables of £1.8m as a result of the late sales cycle in 2023, with more sales falling into November and December than in 2022.

As previously noted, banking headroom came under pressure during the later months of the year. One reason for this was the extended nature of the working capital cycle as assignments took considerably longer to get from 'bid' status through to purchase order, then billing and finally cash collection. The extension of this cycle, combined with how late in the year many sales were delivered put considerable pressure on working capital as the year progressed. This was mitigated almost entirely by the end of the year but nonetheless had a significant impact on the business especially when combined with a drastic reduction in deferred income balances across that same period, as occurred this year.

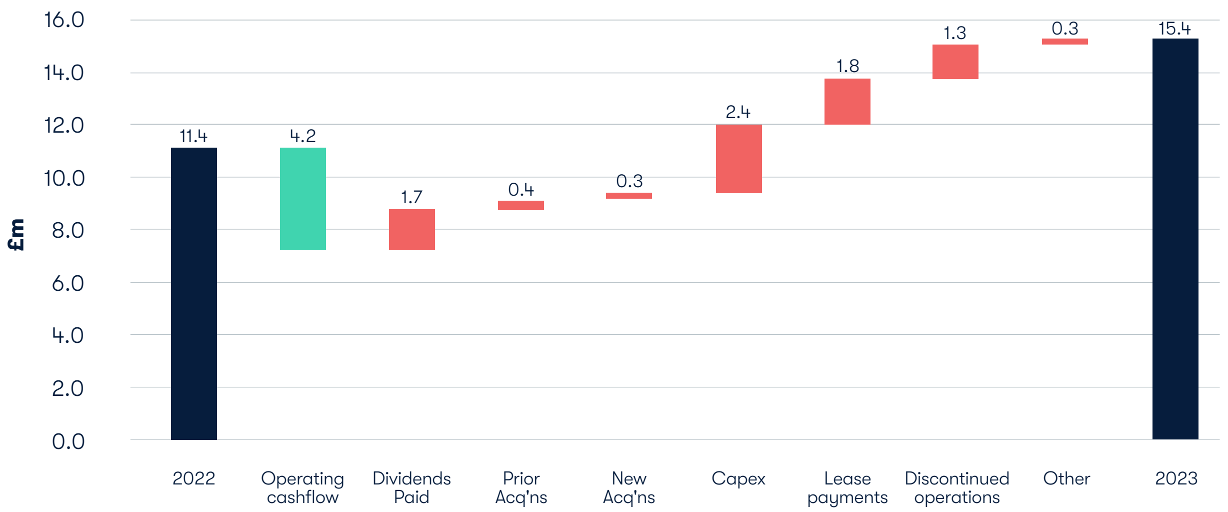
Capital expenditure in the year includes the refit of the new London offices (£1.6m).

The closing net bank debt position for 2023 was £15.4m. This represents an increase in net debt of £4.0m on the 2022 year-end net bank debt of £11.4m.

Headline operating profit from continuing operations of £6.5m (2022: £8.8m) converted into £1.8m (2022: £8.5m) of 'free cash flow' (defined as net cash inflow from operating activities less tangible and intangible capital expenditure).

Bank loans increased by £2.5m and this, coupled with the free cash flow and net proceeds from the disposal of Pathfindr provided funding for new acquisitions amounting to £0.4m (2022: £1.9m), the settlement of contingent obligations relating to the profits generated by previous acquisitions totalling £0.4m (2022: £0.8m) and dividends of £1.7m (2022: £2.2m).

Analysis of the movement in Net Debt in 2023



Working capital days:

Total debtor days and work in progress days both increased and creditors days remained in line with last year. Overall, the Group's total working capital days of 17.1 represents a deterioration from the 2022 equivalent (9.6 days), albeit fairly similar to 2021 (15.0 days).

Going concern

The Board believe that, through the actions taken in recent months and described above, the Group is well placed to recover previous levels of profitability, cash generation and facility headroom. However, further scenario modelling has been undertaken of the Group's net debt position into the reasonably foreseeable future. This modelling included cautious assumptions about trading performance, investment plans and acquisition consideration obligations. The principal uncertainty in the projections is the continued growth of the trading agencies in an unpredictable macro-economic environment and potential increases in cost base that are not proportionate to revenue growth.

The Directors have considered the resulting financial projections and cash flow projections for the Group alongside the availability of renewed committed bank facilities of £20m (expiring 5 April 2026), an overdraft facility of £9m (which will reduce to £3m in the event there is a deleveraging event – further information in Note 31 to the financial statements), and the headroom afforded against Total Debt Leverage and Bank Debt Leverage covenant tests for the coming 12 months. This successful recent facility renewal is against the backdrop of the challenging trading conditions experienced in FY23 which resulted in significant strain on working capital particularly in the latter half of the year as described earlier. These conditions led to potential covenant compliance difficulties and a formal waiver of the covenant requirements before the year end as part of a package of measures ultimately resulting in the new facility. The revised position leaves the Group much better placed to navigate its funding needs going forward in the knowledge that the bank has been supportive of the measures already taken and demonstrates confidence in the strategies adopted by the Board to lower the overall debt position.

The Directors have also considered and understood the mitigating actions that would be required in the event of reduced revenue profiles and any further consequential difficulties with covenant compliance. Such potential mitigating actions would include a review of headcount, particularly in the areas impacted by any downturn. Furthermore the Group have considered actions that can be taken should increased headroom be required. This would most likely be the disposal of non-core or high value agency assets.

Against these scenarios, the Group was demonstrated to have adequate headroom against the facilities described above. This leads the Directors to become satisfied that, taking account of reasonably possible changes in trading performance, it is appropriate to adopt the going concern basis in preparing the financial statements.

Key Performance Indicators

KPIs are designed to monitor the Group's revenue and profit growth, within a safe capital structure.

The targets, along with the outcome for 2023 are as follows:

- Achieve organic revenue growth of at least 5% per year (delivered + 2%);
- Increase headline operating profit margins to 14% (delivered 8%);
- Grow headline profit before tax by 10% year-on-year; and (delivered a 47% reduction)
- Maintain the ratio of net bank debt to EBITDA* at or below x1.5 (delivered x2.0) and the ratio of total debt (including both bank debt and deferred acquisition consideration) to EBITDA at or below x2.0 (delivered x2.7).
- *EBITDA is headline operating profit before depreciation and amortisation charges.

At the individual Agency level, the Group's financial KPIs comprise revenue and controllable profitability measures, predominantly based on the achievement of the annual budget. More detailed KPIs are applied within individual Agencies. In addition to financial KPIs, the Board periodically monitors the length of Client relationships, the forward visibility of revenue and the retention of key staff.

Outlook

We enter the year expecting 2024 to be another year of growth, albeit at a time of increasing global macro-economic & political uncertainty.

The year has started well and prospects for organic growth and recovery are good. We also expect to make additional margin improvements in spite of the cost pressures impacting our sector and we anticipate reaping the benefits of our strategic review and the focus on the core operations, offerings and capabilities. Furthermore and as a result of the actions taken in 2023 this growth is well set to be highly cash generative.

Giles Lee
Group Chief Financial Officer
28 March 2024

Aims and Ambition

Our goal remains simple: to develop **MISSION** into the UK's leading, most respected Agency group. In a complex and ever-changing marketing environment, we are constantly evolving to help our Clients navigate through their challenges and opportunities. With a wealth of specialisms and skills, as well as impartial advice, we invest and adapt to deliver the right talents in the most effective ways. With operations in the UK, Europe, Asia and the US, we're committed to helping our Clients grow and succeed. Fundamental to our continued success is our ability to provide a rewarding, challenging and fun working environment for our staff.

We aim to reward **MISSION**'s shareholders both through capital growth and dividends. Our focus is first and foremost on organic growth, and in deploying the Group's capital we always aim to support existing management teams who have demonstrated an ability to grow their businesses and to achieve consistently high margins. We constantly strive to enhance our offer with acquisitions that add new disciplines or improved services to our Agencies, and we also target new high-growth market sectors, along with service or technology opportunities, which meet strict return on investment criteria.

As well as acquisitions, we also consider launching new businesses that may require more time to become established, but which will have a smaller investment cost and lower risk profile. We continue to develop our international footprint in response to Client demand and where we see strong opportunities to leverage our well-established UK strengths elsewhere in the world. We look to maintain a balance of equity and debt financing to give shareholders the advantages of financial leverage but without placing the Group at financial risk.

Principal Risks and Uncertainties

The Group's principal operating risks and uncertainties are set out below. The management of risk is the responsibility of the Board, assisted where appropriate by the Audit & Risk and Remuneration Committees as well as the Value Restoration Committee, as described further in the Corporate Governance Report. The Directors have carried out an assessment of the principal risks facing the Group in light of the challenges faced in 2023, including those that would threaten its business model, future performance, solvency and liquidity.

Adverse Economic Conditions

The risk with the greatest potential impact on the Group's financial position is a widespread and dramatic economic downturn. This is exemplified by the longer term impact COVID-19 and recent global conflicts have had on the labour market, inflation and borrowing costs. The effect is reduced revenues and tighter margins, profitability and cash flows. Working capital cycles can also be significantly impacted, as we have seen in 2023. The entrepreneurial and autonomous culture that runs through our Agencies means that, while we will inevitably feel the impact of any economic downturn, we adapt quickly to changed circumstances and also seek out opportunities that inevitably emerge in times of economic challenge.

Loss of Key Clients

The consequence of Client losses is the same as for a general economic downturn, i.e. potential reduction in revenue, profit and cash, but to a lesser degree. Client losses are, to some degree, to be expected. The risk here is that Client losses are not replaced by new business and an agency finds all or part of its offers difficult to sell. The risk of Client loss is mitigated both by our continuous new business activity and also by a constant focus by all Agency CEOs on ensuring that the offers and services we provide to current and prospective Clients are relevant, effective and attractive.

Loss of Key People

In common with all service businesses, the Group is reliant on the quality of its people. The risk is that an Agency loses good, senior talent as a result of out-of-step remuneration packages, lack of progression opportunities or workplace environment and are unable to attract replacements. Strenuous efforts are made to provide a rewarding work environment and remuneration packages to attract, retain and motivate our leadership teams.

Two measures of our success are that our staff retention statistics are higher than the industry average and that the vast majority of the core management of our acquired businesses remain in place today. The system of financial rewards is reviewed regularly by the Remuneration Committee and revised where appropriate. An example of this is the innovative Growth Share Scheme, designed to provide a powerful retention incentive for our key business leaders. The Group launched the second iteration of this scheme in 2021. The first scheme, launched in 2017 proved to be a success and can be measured by the fact that, when the scheme matured in April 2020, we had retained all but one of the 17 individuals. The Board is considering the next iteration of such a scheme as we go into 2024.

The Board takes its Companies Act Section 172 duty to promote the success of the Group very seriously and considers the Group's various stakeholders when making decisions

Principal decisions

In 2023 the following principal decisions were taken by the Board: 1) the acquisition of Mezzo Labs Limited ('Mezzo'), 2) the fundamental review of the Group's operations in response to the trading downturn in late 2023 ('Value Restoration Plan') and 3) pausing the dividend and other major capital allocations.

Rationale

The Board has signalled its intent to invest in businesses that both have the potential to drive cross-sell into high-margin, contemporary offers and have attractive Client lists that can be introduced to existing **MISSION** services. The acquisition of Mezzo delivered on this intent with the agency's Data Science offer adding immediate scale and strength to the Group's social media and marketing capabilities across the majority of our market segments.

As has already been described in these pages, the sudden and late reduction in revenues in the year, combined with a significant extension of the working capital cycle placed considerable pressure on the Group's liquidity position as the year unfolded. The threat of exceeding these facilities and the risk of not passing banking covenants has seen the Board work with long-time, and highly supportive, lender NatWest plc on a refinancing plan.

This plan, the 'Value Restoration Plan' (VRP), saw the Group review operational expenditure in order to make significant improvements to profitability on continuing operations going into 2024. The Group has also considered divestments of non-core operations and as a result of this review disposed of Pathfindr Ltd in December. The Group has successfully refinanced its operations on 27 March 2024.

The rationale for restructuring each operation is to ensure that the Group has the margin strength and liquidity to withstand future trading shocks and to ensure that resources can be directed to strategic investment priorities when they arise.

The rationale for pausing dividend payments relates closely to the VRP and the need to strengthen the balance sheet. This is alongside pausing other capital allocation considerations such as future acquisitions and investments and major capital expenditure.

Engagement with stakeholders

Prior to the acquisition of Mezzo, James Clifton and Giles Lee presented the strategic and financial business case to the Bank, Board and to Agency CEOs, assimilated the advice and experience received from these parties and confirmed their full support before proceeding with the transaction. Care was also taken to ensure that key Mezzo employees were fully supportive of the transaction prior to completion. The Board also confirmed that the acquisition would help the Group deliver against its environmental targets.

An early stage of the VRP was to create a Board sub-committee, the Value Restoration Committee (VRC) who were responsible for the delivery of the VRP. This committee in whole or part met frequently with the Board, bank, shareholders, key Clients, credit insurers and employee representatives to ensure that there was full support for the plan at key stages of its execution. Care was taken in particular to engage with staff across the Group to minimise concern and uncertainty during the period when headcount was reduced.

A full strategic review of the capital allocation options was shared with the Board where once again the final decision was made to pause the dividend.

In all three cases above care is taken to ensure that the views of all stakeholders were considered wherever it was appropriate to do so.

MISSION's long established communication processes remained in place throughout 2023 to ensure effective interaction with all key stakeholders. Examples of this include the regular investor roadshows led by James Clifton and Giles Lee to accompany the full year and interim results, and also internal 'Town Hall' Q&A sessions and Senior Team meetings conducted by James Clifton and David Morgan to discuss major **MISSION**-led initiatives.

MISSION's long established communication processes remained in place throughout 2023 to ensure effective interaction with all key stakeholders.

The following Directors represent the committee responsible for corporate governance compliance:

David Morgan MBE

Non-Executive Chair

David founded Bray Leino, one of the **MISSION** Group's key Agencies in 1974 and was its CEO until 2008, building it into one of the largest and most awarded of the UK's regional agencies. He became Non-Executive Chair of Bray Leino in 2008 and was appointed Executive Chair of **MISSION** in April 2010 – a position he held until October 2021. He returned as Non-Executive Chair to **MISSION** in November 2023.

Giles Lee

Group Chief Financial Officer

Giles joined Bray Leino in 2005 as Group Finance Director following his successful role in transforming Merrydown plc from its fundamental financial restructure in 1998 to its acquisition in 2005. Giles was appointed Executive Chair of Bray Leino in 2013. He was appointed to the Board in March 2013 and became Commercial Director for **MISSION** in July 2018. As well as providing commercial support to the Group's Agencies, Giles has overseen many acquisitions and strategic investments and was the driving force behind the creation of **MISSION** Shared Services. Giles was appointed Group CFO in April 2021.

Mark Lund

Non-Executive Deputy Chair and Senior Independent Director

Mark has enjoyed a long career in Advertising and Marketing both as entrepreneur and corporate executive. He co-founded independent Top 10 agency DLKW (now Mullen Lowe), was President of McCann UK and Europe and ran the UK Government's marketing centre, the COI. Mark is Non-Executive Chair of Smart Energy GB and of Asbof which funds the UK's self-regulation system for Advertising. Mark was appointed to the Board in October 2022 and Chairs the Audit & Risk Committee.

Eliza Filby

Non-Executive Director

Eliza joined **MISSION** in January 2022 as a Non-Executive Director. A writer, speaker, consultant and podcast host, she is a highly respected expert in 'Generational Intelligence'. She has been helping companies and services understand generational shifts within politics, society and the workplace, working with organisations from VICE Media and Warner Brothers to the UK's Ministry of Defence and Royal Household. As well as speaking at the EU's Human Rights Forum, the Financial Times CEO Forum and the UK's House of Lord's Select Committee, she has authored books and written for the Financial Times, Times and City AM. Eliza was appointed to the Board in January 2021 and Chairs the Remuneration Committee.

Each of our Executive Directors has had a long career in marketing communications:

James Clifton

Group Chief Executive

James started out Client-side before working for various agencies in the UK and internationally, within Omnicom and WPP. He created balloon dog in 2008, having led an MBO of Fox Murphy. balloon dog was acquired by **MISSION** and James was appointed to the Board in October 2012. He became CEO of bigdog following the merger of balloon dog with fellow **MISSION** Agency Big Communications, founded Pathfindr, the Group's IIoT Asset Tracking business, and chaired the Group's Integrated Agencies before being appointed Group Chief Executive in April 2019.

Dylan Bogg

Chief Creative Officer

As Chief Creative Officer Dylan oversees creative output for the Group. He had built a successful business by the age of 24 and this was used as the bedrock for the launch of Big Communications in 1996 which was acquired by **MISSION** in 2006. Dylan is a multi-award-winning creative and was appointed to the Board in April 2010. He also chairs the Group-wide Creative Directors' Forum.

Fiona Shepherd

Chief Operating Officer

Fiona is Chief Executive of April Six and has worked in the technology industry for over 20 years, holding both Client and agency positions, with some of the world's largest technology brands. Fiona was a founder of April Six and has been instrumental in expanding the Agency from its UK origins to its current position as a well-respected global technology and mobility Agency with offices across the world. Fiona joined the Board in April 2010 and has taken on responsibility for **MISSION** Advantage in 2022.

Directors' Report – for the year ended 31 December 2023

The Directors present their report and the financial statements of The **MISSION** Group plc ("**MISSION**") for the year ended 31 December 2023. The Directors provide a separate Corporate Governance Report, which forms part of this Report of the Directors.

Results and Dividends

The Consolidated Income Statement shows the results for the year. The Directors have proposed the pausing of the dividend.

Risks and Uncertainties

The Strategic Report sets out the Group's principal operating risks and uncertainties. As a communications Agency group, the main financial risks that arise from day-to-day activities are credit and currency risk. Further details on the Group's capital and financial risk management are set out in Note 29.

Directors

The following Directors held office during the year:

Dylan Bogg
James Clifton
Dr Eliza Filby
Julian Hanson-Smith – resigned 24 November 2023
Giles Lee
Mark Lund
David Morgan – appointed 24 November 2023
Sue Mullen – resigned 12 January 2023
Fiona Shepherd

Directors' Interests in Shares and Options

The interests of the Directors and their families in the shares of the Company were as follows:
Number of ordinary shares of 10p each.

	31 December 2022	31 December 2023
Dylan Bogg	1,648,185	1,648,185
James Clifton	555,834	562,520
Dr Eliza Filby	-	-
Giles Lee	1,071,066	1,076,112
Mark Lund	-	50,000
David Morgan	N/A	5,067,426
Fiona Shepherd	1,309,932	1,309,932

Growth Share Scheme

A Growth Share Scheme was implemented on 25 June 2021, giving participants the opportunity to subscribe for Ordinary B shares in The **MISSION** Marketing Holdings Limited (the "growth shares") at a nominal value. These growth shares can, subject to continued employment, be exchanged for an equivalent number of **MISSION** Ordinary Shares if **MISSION**'s share price were to equal or exceed 150p for at least 15 days during the period from subscription up to 60 days from the announcement of the Group's financial results for the year ending 31 December 2023; if not, they would have no value.

At the time the scheme was introduced, achieving the target share price of 150p would have resulted in dilution to existing shareholders of less than 4% but would also have represented an increase in market capitalisation of over 105%. A total of 27 individuals were invited to participate in the scheme, of which 7 were Board members.

Details of growth shares held by the Directors are as follows:

Number of Ordinary B shares in The **MISSION** Marketing Holdings Limited of 0.01p each.

	31 December 2022	Awarded in year	31 December 2023
Dylan Bogg	72,727	-	72,727
James Clifton	240,000	-	240,000
Giles Lee	240,000	-	240,000
Fiona Shepherd	240,000	-	240,000

Corporate Governance

Directors' Report for the Year ended 31 December 2023

Share options

There were no unexercised options over shares held by Directors:

Substantial Shareholdings

Other than the Directors' interests disclosed above, as at 28 March 2024, notification had been received of the following interests in 3% or more of the issued share capital of the Company:

	Number of shares	%
DBAY Advisors Ltd	10,665,000	11.7
Herald Investment Management Ltd	5,778,239	6.3
Octopus Investments Nominees Ltd	5,287,327	5.8
BGF Investment Management Limited	4,713,501	5.2
Objectif Investissement Microcaps FCP	4,230,477	4.6

Share Capital

The issued share capital of the Company at the date of this report is 91,015,897 Ordinary shares. The total number of voting rights in the Company is 91,015,897.

Directors' Indemnity Insurance

The Company purchases insurance to cover its Directors and Officers against costs they may incur in defending themselves in legal proceedings instigated against them as a direct result of duties carried out on behalf of the Company.

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable IFRSs as adopted by the EU have been followed by the Group and FRS 102 by the Parent Company, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position, performance, business model and strategy.

Auditors

PKF Francis Clark have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act 2006, it is proposed that they be re-appointed auditors to the Company for the ensuing year.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware. Each of the Directors has taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Events Since the End of the Financial Year

Events since the end of the financial year are detailed in Note 31 of the financial statements.

Stakeholder Engagement

The Company's Section 172 statement and other details of stakeholder and employee engagement are set out in the Stakeholder Engagement report.

Streamlined Energy and Carbon Reporting ("SECR")

SECR is a sustainability regulation that came into force on 1 April 2019. It requires organisations to publicly report on carbon emissions and energy use, including UK energy use, associated greenhouse gas emissions, and an appropriate intensity ratio. SECR is applicable to all quoted companies and large UK incorporated unquoted companies with at least 250 employees or annual turnover greater than £36m and annual balance sheet total greater than £18m (two criteria or more must apply).

The 2023 information given below is for The **MISSION** Group plc and Bray Leino Limited. Bray Leino Limited, a non-qualifying agency, has been optionally included for comprehensive reporting and consistency with the **MISSION** Group's internal reporting.

The **MISSION** Group Plc purchases the electricity used in some subsidiaries' offices; however, this energy and resulting emissions have not been included because none of the Group's subsidiaries qualify for SECR. The energy and emissions of all subsidiaries are measured annually as part of the Group's scope 1, scope 2 and scope 3 carbon footprint.

Directors' Report – for the year ended 31 December 2023

Energy consumption: (kWh'000s)	2023	2022
- Electricity	248	253
- Gas	196	207
- Transport fuel	192	125
- Fuel for electricity generation	-	-
Total energy consumption	**636**	**585**
Emissions (tCO2e)		
Scope 1		
Emissions from combustion of gas in buildings	41.1	45.2
Emissions from combustion of fuel for transport purposes	0.7	1.4
Scope 2		
Emissions from purchased electricity (location-based method*)	51.4	48.8
Scope 1 & 2		
Total Scope 1+2 emissions	93.2	95.4
Scope 3		
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel	45.8	30.9
Emissions from upstream transport and distribution losses and excavation and transport of fuels	36.0	32.2
Total emissions for mandatory reporting	**175.0**	**158.5**
Intensity (tCO2e / FTE)		
Full Time Equivalent staff numbers	316	324
Intensity ratio: tCO2e / FTE	0.6	0.5

* location-based electricity (Scope 2) emissions use the average grid fuel mix in the region or country where the electricity was purchased and consumed. For SECR, location based is mandatory.

The computations above have been calculated and verified as accurate by Green Element Limited and Compare Your Footprint Limited, UK and the methodology used is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

We see SECR as a wonderful opportunity and not just another compliance exercise. It gives us the chance to assess our current emissions and find ways to reduce them. In 2020 we calculated our carbon footprint for the first time and certified Bray Leino as ISO 14001 compliant. All **MISSION** companies are signed up to Sustainability Solved (a coaching platform to enable organisations to implement their own environmental management systems) and additional **MISSION** companies have the aim of achieving ISO 14001 compliance. We will continue to comply with environmental legislation and to monitor and measure our consumption data with a view to reducing our intensity ratio.

Slavery and Human Trafficking Statement

The Group supports the aims of The Modern Slavery Act 2015 ("the Act") and will never knowingly deal with any organisation which is connected to slavery or human trafficking. Given the nature of the services we provide and our high standard of employment practices, we consider that we are at low risk of exposure to slavery and human trafficking. We are not aware of any areas of our operations and supply chain likely to lead to a breach of the Act.

Annual General Meeting

A notice convening the Annual General Meeting to be held on Monday 17 June 2024 at 12 noon is enclosed with this report.

On behalf of the Board

Giles Lee

Group Chief Financial Officer

28 March 2024.

Corporate Governance Report

The Board of The **MISSION** Group plc ("**MISSION**") is collectively accountable to the Company's shareholders for good corporate governance, under David Morgan as Chair.
As an AIM-listed company, **MISSION** has chosen to apply the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies ("the QCA Code").

MISSION is a collective of creative Agencies led by entrepreneurs who encourage an independent spirit. Our aims and ambitions are set out in the Strategic Report. Unlike many other groups, our Agencies, which have mainly come into the Group via acquisition, retain their original leaders, cultures and business practices. **MISSION** provides them with the support infrastructure and economies of scale of a multi-national group. We strongly believe that this results in a highly personalised and Client-centric culture which in turn leads to an expanding and loyal Client base. The role of the Board in establishing good corporate governance in the context of this strategy requires making sure not only that individual Agencies are targeted, monitored and supported but, equally importantly, that Agencies cooperate and collaborate with each other to ensure we are providing the best possible range of services to help our Clients succeed. Indeed, it is this sense of cooperation and collaboration which defines the culture of **MISSION** and much of our time as a Board of Directors is devoted to exploring how this collaboration is optimised.

Board of Directors

The Board has a balance of sector, financial and public markets skills and experience. Brief profiles of each member of the Board are set out on pages 44 and 45. Each of our Executive Directors has had a long career in marketing communications, and brings strong and up to date sector experience.

Our Group Chief Financial Officer and two independent Non-Executive Directors provide industry, financial and public market skills and experience and, together with me, represent the committee responsible for corporate governance compliance and ensuring that a strong independent voice is present during Board discussions.

The roles of Chair and Chief Executive are separate, with James Clifton, as Group Chief Executive, having responsibility for implementing the Group's strategy, driving growth, building our brand and delivering sustainable shareholder value.

Giles Lee was appointed Group Chief Financial Officer in 2021 and has also in practice retained much of his previous responsibilities as Group Commercial Director. In accordance with the QCA Code recommendation, the company secretary is not also an Executive Director, with Michael Langford being appointed to the role. Michael is the Group's Financial Controller. He is a Chartered Accountant with suitable training and has previously assisted the Finance Director in company secretarial matters.

Our Non-Executive Directors are Mark Lund and Dr Eliza Filby, both independent by virtue of having no executive responsibilities within the Group. Both Mark and Eliza bring a strong independent voice to Board discussions but also with an insight into our sector.

Mark has enjoyed a long career in Advertising and Marketing both as entrepreneur and corporate executive. He co-founded independent Top 10 agency DLKW (now Mullen Lowe), was President of McCann UK and Europe and ran the UK Government's marketing centre, the COI. Eliza is a writer, speaker, consultant and podcast host, she is a highly respected expert in 'Generational Intelligence'. She has been helping companies and services understand generational shifts within politics, society and the workplace, working with organisations from VICE Media and Warner Brothers to the UK's Ministry of Defence and Royal Household.

Directors' Report – for the year ended 31 December 2023

Formal evaluations of Board effectiveness are held on a periodic basis. The most recent evaluation took place during 2022, was conducted by the Chair, and involved a combination of self-evaluation and one-to-one interviews with individual Board members to seek objective feedback on the balance of skills, behaviours and effectiveness of the Board as a whole,

the Chair and other Board members. The next evaluation is due to take place during 2024. External counsel is sought when considering best-practice review criteria.

The Directors are collectively responsible for the strategic direction, investment decisions and effective control of the Group. As part of its recurring business, the Board receives a financial summary of the Group's performance early in the month, comparing revenue and profit for each Agency with the prior year and budgets set at the beginning of the year and any subsequent re-forecasts. This summary is supplemented by written monthly reports from the Group CEO and a report from the Group CFO summarising the Group's balance sheet and working capital performance. Separate reports are received in connection with non-recurring matters, including written strategic and financial appraisals of potential acquisition opportunities. The Board is satisfied that it receives information of a quality and to a timetable that permits it to discharge its duties.

All Directors are subject to election by Shareholders at the first opportunity after their appointment and are required to seek re-election every three years. The Board has established three formal committees to deal with specific aspects of the Group's affairs. These are detailed below. Further to this the Board established a further, temporary committee, the Value Restoration Committee to steer the Group through the restructuring process. The members of this committee were Mark Lund, James Clifton and Giles Lee and me.

Audit & Risk Committee

The Audit & Risk Committee consists of two Non-Executive Directors, with Mark Lund as Chair alongside me.

The Committee considers matters relating to the reporting of results, financial controls and the cost and effectiveness of the audit process. The terms of reference of the Committee can be found in the Governance section of our website. It aims to meet at least twice a year with the Group's external auditors in attendance. Other Directors attend as required. The Committee receives from the Group's auditors and considers two detailed reports: the Audit Planning Report which sets out the auditors' proposed audit approach, and the Audit Completion Report, towards the conclusion of the audit fieldwork, which highlights the main matters considered and arising from the audit work.

The main meeting of the Committee each year reviews the financial results and disclosures in the annual report. This meeting is held shortly before the annual results are published and considers in detail with the Group's auditors the principal areas of subjective judgement and any other matters brought to the Committee's attention by the Group's auditors. The main matters considered each year are any indications of possible goodwill and/or investment impairment, going concern and the application of the Group's revenue recognition policies.

The Committee is satisfied that the Group's auditors, PKF Francis Clark, have been objective and independent of the Group. The Group's auditors performed non-audit services for the Group as outlined in Note 6. The nature of this work was again predominantly corporate finance advice and financial due diligence in relation to prospective acquisitions and not related to areas of significant judgement in the accounts. The work was not carried out by the audit team, the value of this work was not significant in relation to the size of the audit fee, the basis for charging was based on hourly involvement and no fees were contingent on outcome. As a consequence, the Committee is satisfied that the auditors' objectivity and independence was not impaired by their non-audit services.

Remuneration Committee

As outlined in the Strategic Report, strong Client relationships and quality of staff are key factors in the success of **MISSION**, and strenuous efforts are made to retain and motivate our leadership teams. The Board maintains a policy of providing executive remuneration packages that will attract, motivate and retain Directors and senior executives of the calibre necessary to deliver the Group's growth strategy and to reward them for enhancing shareholder value. The Remuneration Committee consists of two independent Non-Executive Directors, with Eliza Filby taking the role of Chair alongside me. The Committee determines the remuneration of the Executive Directors and makes recommendations to the Board with regard to remuneration policy and related matters.

The Committee meets as and when required and its terms of reference can be found in the Governance section of our website. The remuneration and terms and conditions of appointment of the Non-Executive Directors are determined by the Board. No Director is involved in setting his or her own remuneration.

The Committee reviews the components of each Executive Director's remuneration package annually. During the year, these packages consisted of four elements:

- basic salary and benefits,
- performance related bonus linked to the delivery of profit targets
- share-based incentives, and
- termination packages to outgoing Directors.

With regard to remuneration policy, the Committee gives specific consideration each year to the nature and quantum of incentive arrangements to ensure they remain relevant and effective for the retention of key staff, including not just Executive Directors but also senior staff within the Group's Agencies. This includes setting the profit targets which trigger annual performance-related cash bonuses and approving the allocation of incentives to individuals. The Committee undertook a detailed review of the Group's incentives during 2018, implementing various changes as a result and no further refinements were considered necessary in 2023.

The Remuneration Committee approved the latest Growth Share Scheme in June 2021.

The Committee reviews annually whether or not profit targets have been met to trigger performance-related bonuses to Directors and the senior management in individual Agencies. This evaluation considers both the Group's financial performance and individual Agency performance, and takes place alongside the finalisation of the annual results. Details of Directors' remuneration are included in Note 7.

Nomination Committee

The Nomination Committee consists of me, as the Committee Chairman, and the two Non-Executive Directors. The Committee is responsible for reviewing and making proposals to the Board on the appointment of Directors and meets as necessary. The terms of reference of the Committee are available on request. In 2023 the Committee considered the vacancy created for the Non-Executive Chair by the resignation of Julian Hanson-Smith and invited David Morgan to join the Board on this basis.

Summary of Directors' Attendance

Executive Directors are expected to make a full-time commitment to the Group, whilst Non-Executive Directors are generally expected to be available to participate in person at Board meetings and meetings of the Remuneration, Audit and Nomination Committees.

In addition, they are expected to be available to discuss matters between these formal meetings. Where diary clashes or Client commitments conflict with formal meeting dates, the matters to be addressed during meetings are discussed with the relevant Director both before and after the relevant meeting. We estimate that the time commitment required from our Non-Executive Directors is roughly 3 days per month.

Directors' Report – for the year ended 31 December 2023

	Board Meetings		Remuneration Committee		Audit Committee	
	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended
Dylan Bogg	12	11	n/a	n/a	n/a	n/a
James Clifton	12	12	n/a	n/a	n/a	n/a
Eliza Filby	12	12	3	3	n/a	n/a
Julian Hanson-Smith	9	9	2	2	2	2
Giles Lee	12	12	n/a	n/a	n/a	n/a
Mark Lund	12	12	1	1	3	3
David Morgan	3	3	n/a	n/a	1	1
Fiona Shepherd	12	12	n/a	n/a	n/a	n/a

Shareholder Communication

We engage in a dialogue with our shareholders and prospective shareholders via formal meetings and informal telephone and email contact. In addition, we provide comprehensive information to investors on our website, including contact information and answers to frequently asked questions.

Formal meetings with institutional fund managers and wealth managers take place throughout the year but are concentrated on the periods following our interim and full year results announcements. We receive collated feedback from these meetings via our NOMAD, Canaccord Genuity. In addition, I speak to representatives of our larger institutional investors between these formal set pieces to make sure the dialogue continues and that we understand their expectations. Private investors don't have the benefit of regular formal meetings, but we make sure we are available to meet shareholders at our Annual General Meeting and we often continue a dialogue with them via email. The results of proxy votes cast at Annual General Meetings can be found in the Investors section of our website.

James Clifton, Giles Lee and I are, between us, the first point of contact for any queries raised by shareholders but, should we fail to resolve any queries, the Senior Independent Director, Mark Lund, is available to meet shareholders. I am encouraged to note that, to date, no such request has been received.

Corporate Culture

The Group has established a statement of corporate values in order to establish clearly for all stakeholders what we stand for and how we behave. These values are: invested, accountable, connected, progressive and human. However, culture is defined as the internal expression of brand purpose. In the same document we stated our brand purpose or Vision as "the preferred creative partner for real business growth." This was supported by a summary of our personality: "We are a challenger brand. So we try harder. We look for solutions where others see problems. We are connected by the ambition to deliver amazing results for our Clients. We are driven by the entrepreneurial spirit that runs through our veins. We celebrate diversity and treat others how we would wish to be treated ourselves." This is the culture to which we aspire.

Risk Management

Whilst the Directors are collectively responsible for the effective control of the Group, the Audit & Risk Committee has primary responsibility for the oversight of risk. The principal risks and uncertainties facing the Group are set out in more detail in the Strategic Report and the Non-Executive Directors periodically consider whether or not this remains up to date.

Clients and staff represent the key resources and relationships on which our business relies.

Primary responsibility for maintaining strong Client relationships and retaining key staff lies with the Agency CEOs and this is monitored via written monthly reports and interaction with the Group CEO. Their day to day involvement with Clients provides the Board with strong and up to date feedback from this vital stakeholder group, including lessons to be learnt from unsuccessful new business pitches. Periodically, a new service is developed as a result of this feedback loop. It has also been through Client feedback that we have embarked on our international expansion – going where our Clients want us to be.

Potential acquisitions and changes in incentive and rewards systems, designed to motivate and retain key staff, are considered by the full Board when it meets in person, or via regular informal contact between meetings.

The Board is responsible for ensuring that the Group maintains a system of internal financial controls.

The objective of the system is to safeguard Group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is timely and reliable. Any such system can only provide reasonable, but not absolute, assurance against material loss or misstatement.

All day to day operational decisions are taken initially by the Executive Directors, in accordance with the Group's strategy. The Executive Directors are also responsible for initiating commercial transactions and approving payments, save for those relating to their own employment.

The formal matters reserved for the Board include certain key internal controls: the specific levels of delegated authority and the segregation of duties; the prior approval of all acquisitions; the review of pertinent commercial, financial and other information by the Board on a regular basis; the prior approval of all significant strategic decisions; and maintaining a formal strategy for business activities.

Assurance over risk management is obtained from the establishment of management policies and controls, regular review of individual Agency financial performance, and the external audit process. The Board does not consider it necessary to have a separate internal audit function at the present time; the internal audit of internal financial controls forms part of the responsibilities of the Group's finance function.

On behalf of the board

David Morgan
Chair

28 March 2024

Independent Auditor's Report to the Members of The **MISSION** Group plc

Opinion

We have audited the financial statements of The **MISSION** Group plc (the "Group") for the year ended 31 December 2023, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An Overview of the Scope of Our Audit

We planned and performed our audit by obtaining an understanding of the Group and its environment, including the accounting processes and controls, and the industry in which it operates. The Group comprises the following trading companies:

- 19 UK subsidiary companies;
- 1 wholly owned US based subsidiary;
- 1 wholly owned Germany based subsidiary;
- 5 wholly owned Asian subsidiaries;
- A 50% owned joint venture;
- A 70% owned Asian subgroup comprising 5 locally incorporated companies; and
- 2 UK holding companies.

Of the Group's 34 (2022: 30) reporting components, we subjected 3 (2022: 3) to full scope audits and 9 (2022: 6) to specific audit procedures. The remaining components were subject to analytical review procedures. All of the work was carried out by the Group audit team. Those components subject to audit and specific audit procedures cover 76% (2022: 75%) of the Group's consolidated operating income and 88% (2022: 79%) of the Group's absolute profit before tax (absolute result does not distinguish between profit or loss at subsidiary level). Our audit work at the component level is executed at levels of materiality appropriate for such components, as detailed below.

Key Audit Matters

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

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
REVENUE RECOGNITION The Group's primary revenue streams are outlined in the accounting policies section. We identified that the revenue recognition risk relates particularly to the correct treatment of project fees, where the service spans the year end. Assessing the timing of recognition and valuation of such work involves estimates and can be complex.	**Our audit work included:** • Assessing and challenging the revenue recognition policies adopted by the Group to confirm they are appropriate in the context of the business and in accordance with IFRS15. • Reviewing a sample of open jobs at the year end, including all material jobs, across the Group and testing accuracy, completeness and cut off. • Reconciling open job reports at the year end to revenue and profit recognised. • Assessing and challenging on a sample basis whether revenue and profit recognised on open jobs is complete and appropriately valued. • Evaluating the accuracy of accrued income in the previous year against actual outcomes to determine whether management's historic estimations have been reliable and are consistent with current year assumptions. As a result of the procedures performed, we are satisfied that revenue has been correctly recorded.
GOODWILL IMPAIRMENT The impairment review of the Group's carrying value of Goodwill arising on consolidation is one of the main areas of estimation. At 31 December 2023, the carrying value of goodwill in the Group balance sheet was £88m (2022: £96m). We identified that the audit risk relates to ensuring that management's impairment review is robust and reliable in identifying potential impairment, and that the assumptions made are reasonable. The key assumptions used by management in assessing value in use are: • Budgets and forecasts for the next 4 years. • The discount rate applied (the Group's weighted average cost of capital – WACC). • Assumed growth rate.	**Our audit work included:** • Assessing and challenging the key assumptions and calculations applied by management in their impairment reviews. • Benchmarking the short and long term growth rates to independent market data to confirm it is appropriate. • Reviewing the detailed components of the WACC calculation. • Assessing and challenging management's sensitivity analysis on key assumptions and calculations. • Where there is limited headroom, performing our own sensitivity analysis on agency EBIT bridges and challenging current forecasts where performance underachieved against historical forecast results. • Comparing the assumptions used in management's forecasts to those used in other areas of the financial statements, including estimating contingent consideration and supporting the going concern assumption. We challenged management and obtained supportable explanations where inconsistencies were identified. • Assessing the disclosures made in the financial statements, specifically surrounding the krow Group, Story Agency and Story UK CGUs. As a result of the work performed, after management's impairment of goodwill relating to krow Group, Story Agency and Story UK, by a total of £10.3m, we are in agreement that goodwill does not require further impairment at this stage.

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
GOING CONCERN The group has had a challenging year, with significantly reduced revenues and profits in several agencies due to the loss (temporarily or permanently) of significant clients together with softer technology markets overseas. This, combined with significantly fewer payments made by foreign customers in advance of work, has led to difficult trading conditions, stretched cashflow and net debt. As a result, the group has breached its bank covenants after the year end. They have received a waiver for this breach and the covenants have been reset.	The key assumptions used by management in assessing going concern are in the underlying forecasts for the next 12 months. **Our audit work included:** • Reviewing and challenging management's assessment of going concern and key assumptions (including assessment at the planning stage of the audit process). • Assessing the timing and amount of turnover and related cashflows in the forecast models. We also tested the integrity and mathematical accuracy of the models used. • Reviewing and assessing the appropriateness of management's sensitivity analysis including changes in turnover and related cashflows. • Testing the amount of existing bank facilities and expected headroom based on the forecast, and sensitivities, over the next 12 months. • Evaluating the reliability of the forecast through discussion with management, review of post year end trading, review of external independent reports and considering the historical reliability of forecasts compared to actual results. • Considering downside scenarios and likely mitigating actions should forecast results not be achieved. • Reviewing going concern related disclosures in the financial statements to ensure they are appropriate We 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 twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our Application of Materiality

Misstatements, including omissions, are considered to be material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We use quantitative thresholds of materiality, together with qualitative assessments in planning the scope of our audit, determining the nature, timing and extent of our audit procedures and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

MATERIALITY MEASURE	GROUP
Overall materiality	£299,000 (2022: £388,000)
Performance materiality	£207,000 (2022: £291,000)
Basis for determination	Overall materiality has been set as an average of 5% of Headline profit before tax for the three years up to and including 2023 (2022: 5% Headline profit before tax). We consider a measure based on historical and current year results most appropriate as the drop in results of 2023 are driven by temporary factors including market volatility/economic uncertainty. We consider a measure based on historical and current year results most appropriate as the drop in results of 2023 are driven by temporary factors including market volatility/economic uncertainty. Management's value restoration plan, that is already partially actioned, is designed to restore the profitability within the Group. We have considered headline profit before tax to be the most appropriate measure for materiality as it best reflects the Group's underlying trading profitability and is a key metric used by both management and other stakeholders in assessing the Group's performance. Performance materiality is set as 70% (2022: 75%) of overall materiality.
Misstatements reported to the audit committee	£15,000 (2022: £12,000)

Range of materiality at components subject to full scope audits:

£148,000 - £247,000

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Please refer to the Key Audit Matters section above for further details of work performed and conclusions.

Other Information

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which we are Required to Report by Exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 pages 48 and 49, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or 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 obtained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates. We identified the principal risks of non-compliance with laws and regulations as relating to breaches around health and safety and General Data Protection Regulation. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as financial reporting legislation (including the Companies Act 2006) and taxation legislation. We considered the extent to which any non-compliance with these laws and regulations may have a negative impact on the group’s ability to continue trading and the risk of a material misstatement in the financial statements.

We also evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to the misstatement of the result for the year, goodwill impairment and revenue recognition.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Both goodwill impairment and revenue recognition were assessed as Key Audit Matters and our work in respect of them is detailed above.
- We made enquiries of senior management as to their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of material fraud, of which there were none.
- We identified the individuals with responsibility for ensuring compliance with laws and regulations and discussed with them the procedures and policies in place.
- We reviewed minutes of meetings of Senior Management and those charged with governance.
- We challenged the assumptions and judgements made by management in its significant accounting estimates.
- We audited the risk of management override of controls, including through substantively testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available 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 shareholders, 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 shareholders those matters we are required to state to them in an audit 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 shareholders as a body for our audit work, for this report, or for the opinions we have formed.

Duncan Leslie FCA
(Senior Statutory Auditor)

PKF Francis Clark
Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

28 March 2024

Consolidated Financial Statements & Notes

Consolidated Income Statement
For the year ended 31 December 2023

	Note	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	Total 2023 £'000	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total 2022 £'000
TURNOVER	2	195,450	438	195,888	182,324	361	182,685
Cost of sales		(109,130)	(208)	(109,338)	(102,767)	(104)	(102,871)
OPERATING INCOME	2	86,320	230	86,550	79,557	257	79,814
Headline operating expenses		(79,840)	(1,668)	(81,508)	(70,765)	(392)	(71,157)
HEADLINE OPERATING PROFIT / (LOSS)		6,480	(1,438)	5,042	8,792	(135)	8,657
Goodwill, business and intangible impairment	3	(10,409)	-	(10,409)	(2,396)	(2,861)	(5,257)
Profit on sale of Pathfindr (Note 22.3)		-	308	308	-	-	-
Start-up costs	3	(1,818)	-	(1,818)	(776)	-	(776)
Acquisition adjustments	3	(1,652)	-	(1,652)	(593)	-	(593)
Restructuring costs	3	(715)	-	(715)	(402)	-	(402)
Bank refinancing	3	(475)	-	(475)	-	-	-
OPERATING (LOSS) / PROFIT		(8,589)	(1,130)	(9,719)	4,625	(2,996)	1,629
Share of results of associates and joint ventures		150	-	150	160	-	160
(LOSS) / PROFIT BEFORE INTEREST AND TAXATION		(8,439)	(1,130)	(9,569)	4,785	(2,996)	1,789
Net finance costs	5	(2,472)	-	(2,472)	(1,046)	-	(1,046)
(LOSS) / PROFIT BEFORE TAXATION	6	(10,911)	(1,130)	(12,041)	3,739	(2,996)	743
Taxation	8	(225)	387	162	(1,273)	566	(707)
(LOSS) / PROFIT FOR THE YEAR		(11,136)	(743)	(11,879)	2,466	(2,430)	36
Attributable to:							
Equity holders of the parent		(11,283)	(743)	(12,026)	2,439	(2,430)	9
Non-controlling interests		147	-	147	27	-	27
		(11,136)	(743)	(11,879)	2,466	(2,430)	36
Basic earnings per share (pence)	10	(12.6)	(0.8)	(13.4)	2.7	(2.7)	0.0
Diluted earnings per share (pence)	10	(12.6)	(0.8)	(13.4)	2.7	(2.7)	0.0
Headline basic earnings per share (pence)	10	3.1	(1.2)	1.9	6.9	(0.1)	6.8
Headline diluted earnings per share (pence)	10	3.1	(1.2)	1.9	6.9	(0.1)	6.7

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

	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	Total Year to 31 December 2023 £'000	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total Year to 31 December 2022 £'000
(LOSS) / PROFIT FOR THE YEAR	(11,136)	(743)	(11,879)	2,466	(2,430)	36
Other comprehensive income – items that may be reclassified separately to profit or loss:						
Exchange differences on translation of foreign operations	(271)	-	(271)	(688)	-	(688)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(11,407)	(743)	(12,150)	1,778	(2,430)	(652)
Attributable to:						
Equity holders of the parent	(11,561)	(743)	(12,304)	1,829	(2,430)	(601)
Non-controlling interests	154	-	154	(51)	-	(51)
	(11,407)	(743)	(12,150)	1,778	(2,430)	(652)

Financial Statements

Consolidated Financial Statements & Notes

Consolidated Balance Sheet
As at 31 December 2023

	Note	As at 31 December 2023	As at 31 December 2022
		£'000	£'000
FIXED ASSETS			
Intangible assets	11	90,628	99,741
Property, plant and equipment	13	3,209	2,090
Right of use assets	14	16,432	9,536
Investments, associates and joint ventures	15	587	437
		110,856	111,804
CURRENT ASSETS			
Stock	16	2,981	2,185
Trade and other receivables	17	44,676	41,255
Corporation tax receivable		447	-
Cash and short term deposits	18	4,632	6,153
		52,736	49,593
CURRENT LIABILITIES			
Trade and other payables	19	(45,388)	(39,667)
Corporation tax payable		-	(794)
Bank loans	20	(21)	(27)
Acquisition obligations	22.1	(1,745)	(1,371)
		(47,154)	(41,859)
NET CURRENT ASSETS		5,582	7,734
TOTAL ASSETS LESS CURRENT LIABILITIES		116,438	119,538
NON CURRENT LIABILITIES			
Bank loans	20	(19,973)	(17,488)
Lease liabilities	21	(15,768)	(8,481)
Acquisition obligations	22.1	(3,720)	(2,772)
Deferred tax liabilities	23	(524)	(622)
		(39,985)	(29,363)
NET ASSETS		76,453	90,175
CAPITAL AND RESERVES			
Called up share capital	24	9,102	9,102
Share premium account		45,928	45,928
Own shares	25	(942)	(994)
Share-based incentive reserve	26	1,107	1,010
Foreign currency translation reserve	27	(888)	(610)
Retained earnings		21,967	35,558
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		76,274	89,994
Non-controlling interests		179	181
TOTAL EQUITY		76,453	90,175

The financial statements were approved and authorised for issue on 28 March 2024 by the Board of Directors.
They were signed on its behalf by:

Giles Lee, Group Chief Financial Officer

Company registration number: 05733632

Consolidated Cash Flow Statement
For the year ended 31 December 2023

	Continuing operations 2023	Discontinued operations 2023	Total 2023	Continuing operations 2022	Discontinued operations 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Operating (loss) / profit	(8,589)	(1,130)	(9,719)	4,625	(2,996)	1,629
Depreciation, amortisation and impairment charges	15,343	31	15,374	6,078	2,623	8,701
Increase / (decrease) in the fair value of contingent consideration	434	-	434	(334)	-	(334)
Profit on sale of Pathfindr Ltd	-	(308)	(308)	-	-	-
(Profit) / loss on disposal of property, plant and equipment and software and intellectual property	94	-	94	(11)	21	10
Non-cash charge for share options, growth shares and shares awarded, net of awards settled in cash	79	-	79	73	-	73
(Increase) / decrease in receivables	(2,945)	(67)	(3,012)	114	35	149
Increase in stock	(1,125)	(43)	(1,168)	(70)	(3)	(73)
Increase / (decrease) in payables	5,803	(1,277)	4,526	995	61	1,056
OPERATING CASH FLOWS	9,094	(2,794)	6,300	11,470	(259)	11,211
Net finance costs paid	(2,471)	-	(2,471)	(1,002)	-	(1,002)
Tax paid	(2,411)	637	(1,774)	(458)	(24)	(482)
Net cash inflow / (outflow) from operating activities	4,212	(2,157)	2,055	10,010	(283)	9,727
INVESTING ACTIVITIES						
Proceeds on disposal of property, plant and equipment	2	-	2	64	-	64
Purchase of property, plant and equipment	(2,340)	(3)	(2,343)	(1,019)	(73)	(1,092)
Investment in software and product development	(111)	-	(111)	(456)	(1,396)	(1,852)
Acquisitions of, or investments in, businesses	(397)	-	(397)	(1,893)	-	(1,893)
Payment relating to acquisitions made in prior years	(393)	-	(393)	(790)	-	(790)
Cash acquired with subsidiaries	71	-	71	271	-	271
Proceeds on disposal of Pathfindr	-	1,050	1,050	-	-	-
Costs of disposal of Pathfindr	-	(187)	(187)	-	-	-
Net cash (outflow) / inflow from investing activities	(3,168)	860	(2,308)	(3,823)	(1,469)	(5,292)

Consolidated Cash Flow Statement – *continued*
For the year ended 31 December 2023

	Continuing operations 2023	Discontinued operations 2023	Total 2023	Continuing operations 2022	Discontinued operations 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
FINANCING ACTIVITIES						
Dividends paid	**(1,495)**	**-**	**(1,495)**	(2,180)	-	(2,180)
Dividends paid to non-controlling interests	**(156)**	**-**	**(156)**	(40)	-	(40)
Payment of lease liabilities	**(1,820)**	**-**	**(1,820)**	(1,935)	-	(1,935)
Increase in bank loans	**2,474**	**-**	**2,474**	992	-	992
Purchase of own shares held in EBT	**-**	**-**	**-**	(497)	-	(497)
Net cash outflow from financing activities	**(997)**	**-**	**(997)**	(3,660)	-	(3,660)
Increase / (decrease) in cash and cash equivalents	**47**	**(1,297)**	**(1,250)**	2,527	(1,752)	775
Exchange differences on translation of foreign subsidiaries			**(271)**			(688)
Cash and cash equivalents at beginning of year			**6,153**			6,066
Cash and cash equivalents at end of year			**4,632**			6,153

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

	Share capital	Share premium	Own shares	Share-based incentive reserve	Foreign currency translation reserve	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	**9,102**	**45,928**	**(518)**	**868**	**-**	**37,820**	**93,200**	**272**	**93,472**
Profit for the year	-	-	-	-	-	9	9	27	36
Exchange differences on translation of foreign operations	-	-	-	-	(610)	-	(610)	(78)	(688)
Total comprehensive (loss) / income for the year	-	-	-	-	(610)	9	(601)	(51)	(652)
Share option charge	-	-	-	33	-	-	33	-	33
Growth share charge	-	-	-	109	-	-	109	-	109
Own shares purchased by EBT	-	-	(497)	-	-	-	(497)	-	(497)
Shares awarded and sold from own shares	-	-	21	-	-	(91)	(70)	-	(70)
Dividend paid	-	-	-	-	-	(2,180)	(2,180)	(40)	(2,220)
At 31 December 2022	**9,102**	**45,928**	**(994)**	**1,010**	**(610)**	**35,558**	**89,994**	**181**	**90,175**
(Loss) / profit for the year	-	-	-	-	-	**(12,026)**	**(12,026)**	**147**	**(11,879)**
Exchange differences on translation of foreign operations	-	-	-	-	**(278)**	-	**(278)**	**7**	**(271)**
Total comprehensive (loss) / income for the year	-	-	-	-	**(278)**	**(12,026)**	**(12,304)**	**154**	**(12,150)**
Share option charge	-	-	-	**17**	-	-	**17**	-	**17**
Growth share charge	-	-	-	**80**	-	-	**80**	-	**80**
Shares awarded and sold from own shares	-	-	**52**	-	-	**(70)**	**(18)**	-	**(18)**
Dividend paid	-	-	-	-	-	**(1,495)**	**(1,495)**	**(156)**	**(1,651)**
At 31 December 2023	**9,102**	**45,928**	**(942)**	**1,107**	**(888)**	**21,967**	**76,274**	**179**	**76,453**

Notes to the Consolidated Financial Statements

1. Principal Accounting Policies

Basis of preparation

The Group's financial statements consolidate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. They have been prepared in accordance with UK-adopted International Accounting Standards and on the historical cost basis. The functional currency of the Group is Pounds Sterling and the level of rounding applied is £'000.

Basis of consolidation

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Directors have considered the financial projections and cash flow projections for the Group alongside the availability of renewed committed bank facilities of £20m (expiring 5 April 2026), an overdraft facility of £9m (which will reduce to £3m in the event there is a deleveraging event – further information in Note 31 to the financial statements), and the headroom afforded against Total Debt Leverage and Bank Debt Leverage covenant tests for the coming 12 months. This recent successful facility renewal is against the backdrop of the challenging trading conditions experienced in 2023 which resulted in significant strain on working capital particularly in the latter half of the year. These conditions led to potential covenant compliance difficulties and a formal waiver of the covenant requirements before the year end as part of a package of measures ultimately resulting in the new facility. The revised position leaves the Group much better placed to navigate its funding needs going forward in the knowledge that the bank has been supportive of the measures already taken and demonstrates confidence in the strategies adopted by the Board to lower the overall debt position including capital raising initiatives.

The Directors have also considered and understood the mitigating actions that would be required in the event of reduced revenue profiles and any further consequential difficulties with covenant compliance. Such potential mitigating actions would include a review of headcount, particularly in the areas impacted by any downturn.

Furthermore the Group have considered actions that can be taken should increased headroom be required. This would most likely be the disposal of non-core or high value agency assets.

Against these scenarios, the Group was demonstrated to have adequate headroom against the facilities described above. This leads the Directors to become satisfied that, taking account of reasonably possible changes in trading performance, it is appropriate to adopt the going concern basis in preparing the financial statements.

Turnover and revenue recognition policy

The Group's operating subsidiaries carry out a range of different activities. The following policies apply consistently across subsidiaries.

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Where there are contracts with a variety of performance obligations that are distinct, an element of the transaction price is allocated to each performance obligation and recognised as revenue as and when that performance obligation is satisfied. Revenue is allocated to each of the performance obligations based on relative standalone selling prices. Typically, performance obligations are satisfied over time as services are rendered. The nature of the work is almost always such that it relates to facts and circumstances that are specific to the Client, with the result that the work performed does not create an asset with alternative use to the Group. Therefore, in accordance with IFRS 15, even if the Client will receive the benefits of the Group's performance only when the Client receives the piece of work, the performance obligation is regarded as being satisfied over time. The Group is generally entitled to payment for work performed to date.

Contracts are typically short-term in nature and do not include any significant financing components. The Group is generally paid in arrears for its services and invoices are typically payable within 30 to 60 days.

Where performance obligations have been satisfied and the recorded turnover exceeds amounts invoiced to Clients, the excess is classified as accrued income (within Trade and other receivables). Accrued income is a contract asset and is transferred to trade receivables when the right to consideration is unconditional and billed per the terms of the contractual agreement. Where amounts invoiced to Clients exceed recorded turnover, because performance obligations have not yet been satisfied, the excess is classified as deferred income (within Trade and other payables). These balances are considered contract liabilities.

The Group has applied the practical expedient permitted by IFRS 15 to not disclose the transaction price allocated to performance obligations unsatisfied or partially unsatisfied as of the end of the reporting period as contracts typically have an original expected duration of a year or less.

The amount of revenue recognised depends on whether the Group acts as principal or agent. Third party costs are included in revenue when the Group acts as principal with respect to the goods or services provided to the Client and are excluded when the Group acts as agent, by reference to whether or not the Group controls the relevant good or service before it is transferred to the Client.

The Group has not recognised any significant costs incurred to obtain or fulfil a Client contract as assets on the balance sheet. Costs to obtain a contract are typically expensed as incurred as the contracts are generally short term in nature.

Turnover represents fees, commissions, rechargeable expenses and sales of materials performed subject to specific contracts.

Further details on revenue recognition are detailed by activity below:

(i) Advertising and ad hoc marketing campaigns

This typically involves fees for strategic planning and creative concepts through to execution and delivery of final campaigns. Revenue may consist of various arrangements, but typically comprises retainer fees or fixed price contracts, both of which are recognised over time. Retainer fees are recognised on a straight-line basis over the term of the contract. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is typically determined based on third party costs incurred to date and actual labour hours devoted to date relative to the total expected costs and labour hours.

(ii) Website, portal or application design and build (Digital)

The Group derives revenue from designing and building websites, portals and applications under fixed price contracts. Revenue is typically recognised over time, determined by applying the hours devoted to date as a percentage of total hours expected.

(iii) Software development (Digital)

This revenue stream involves the supply of software licences and aftersales support. If billed as a single fixed price fee, each of these services is accounted for as a separate performance obligation, the transaction price allocated to each being determined by the labour hours and cost required to supply each service. Revenue attributable to the provision of the software is recognised at a point in time when the software licence is made available for use by the Client. Revenue attributable to the aftersales support is recognised monthly on a straight-line basis over the period support is to be provided. In some cases, the contract might also cover the provision of data migration and training services, but each of these is separately billed, the revenue being recognised over time, determined by applying the hours devoted to date as a percentage of total hours expected.

(iv) Media buying

Revenue is derived from identifying the Client's media requirements and managing and placing orders for the appropriate media. Revenue is typically recognised at the point in time the media is aired or on the date of publication.

v) Exhibitions, events and conferences

Revenue is derived from the design, planning and supply of exhibition stands, events and conferences. Revenue is typically recognised over time based on third party costs incurred to date and actual labour hours devoted to date relative to the total expected costs and labour hours.

(vi) Learning and training

Revenue is in the form of fixed price fees from planning and designing training courses and from performing training courses. Specific training is recognised at a point in time on the date the training takes place. If the service provided includes planning and designing the training course and material, then revenue would be attributed to this performance obligation and recognised over time based on third party costs incurred to date and actual labour hours devoted to date relative to the total expected costs and labour hours.

(vii) Public Relations

PR revenue is typically derived from retainer fees and fixed price fees for services to be performed subject to specific agreement. Revenue under these arrangements is earned over time, in accordance with the terms of the contractual arrangement. Retainer fee revenue is recognised on a straight-line basis over the period covered by the fee. For ad hoc fixed price projects, the Group generally applies the hours devoted to date as a percentage of total hours as the basis for recognising revenue.

Goodwill and other intangible assets

Goodwill

Goodwill arising from the purchase of subsidiary undertakings and trade acquisitions represents the excess of the total cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired. The total cost of acquisition represents both the unconditional payments made in cash and shares on acquisition and an estimate of future contingent consideration payments to vendors in respect of earn-outs.

Goodwill is not amortised but is reviewed annually for impairment. Goodwill impairment is assessed by comparing the carrying value of goodwill for each cash-generating unit to the future cash flows, discounted to their net present value using an appropriate discount rate, derived from the relevant underlying assets. Where the net present value of future cash flows is below the carrying value of goodwill, an impairment adjustment is recognised in profit or loss and is not subsequently reversed.

Other intangible assets

Other intangible assets separately identified as part of an acquisition are amortised over periods of between 2 and 10 years, except certain brand names which are considered to have an indefinite useful life. The value of such brand names is not amortised, but rather an annual impairment test is applied and any shortfall in the present value of future cash flows derived from the brand name versus the carrying value is recognised in profit and loss. Amortisation and impairment charges are excluded from headline profit.

Other intangible assets also include costs associated with the development of identifiable software and other products. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources available to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Development expenditure includes all directly related costs, including internal staff costs and an element of directly attributable overheads. Expenditure on research and sales related activities is recognised in profit or loss. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

These assets are carried at cost less accumulated amortisation and are amortised over periods of between 3 and 5 years. Impairments are recognized if the carrying amount of an asset exceeds the recoverable amount. Amortisation of software and product development costs is included within operating expenses.

Contingent consideration payments

The Directors manage the financial risk associated with making business acquisitions by structuring the terms of the acquisition, wherever possible, to include an element of the total consideration payable for the business which is contingent on its future profitability (i.e. earn-out). Contingent consideration is initially recognised at its estimated fair value based on a reasonable estimate of the amounts expected to be paid. Changes in the fair value of the contingent consideration that arise from additional information obtained during the first twelve months from the acquisition date, about facts and circumstances that existed at the acquisition date, are adjusted retrospectively, with corresponding adjustments against goodwill. The fair value of contingent consideration is reviewed annually and subsequent changes in the fair value are recognised in profit or loss but excluded from headline profits.

Accounting estimates and judgements

The Group makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the actual results. The Directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are, in order of significance:

Potential impairment of goodwill

The potential impairment of goodwill is based on estimates of future cash flows derived from the financial projections of each cash-generating unit over an initial three-year period and assumptions about growth thereafter, discussed in more detail in Note 11.

Contingent payments in respect of acquisitions

Contingent consideration, by definition, depends on uncertain future events. At the time of purchasing a business, the Directors use the financial projections obtained during due diligence as the basis for estimating contingent consideration. Subsequent estimates benefit from the greater insight gained in the post-acquisition period and the business' track record of financial performance.

Revenue recognition policies in respect of contracts which straddle the year end

Estimates of revenue to be recognised on contracts which straddle the year end are typically based on the amount of time so far committed to those contracts by reference to timesheets in relation to the total estimated time to complete them.

Valuation of intangible assets on acquisitions

Determining the separate components of intangible assets acquired on acquisitions is a matter of judgement exercised by the Directors. Brand names, customer relationships and intellectual property rights are the most frequently identified intangible assets. When considering the valuation of intangible assets on acquisitions, a range of methods is undertaken both for identifying intangibles and placing valuations on them. The valuation of each element is assessed by reference to commonly used techniques, such as "relief from royalty" and "excess earnings" and to industry leaders and competitors. Estimating the length of Client retention is the principal uncertainty and draws on historic experience.

Intangible development costs

The Group capitalises development costs within intangible fixed assets. The key sources of estimation uncertainty involved in this are:

i. Assessment of proportion of employees' time spent on product development.

ii. Period of amortisation – the length of time between the creation of the asset and it being consumed in the sales of the products created.

Share-based payment transactions

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

The fair value of nil-cost share options is measured by use of a Black Scholes model on the grounds that there are no market-related vesting conditions. The fair value of Growth Shares is measured by use of a Monte Carlo simulation model on the grounds that they are subject to market-based conditions (the future share price of the Company).

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies arising from normal trading activities are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are reflected in the profit or loss accordingly.

The income statements of overseas subsidiary undertakings are translated at average exchange rates and the year-end net assets of these companies are translated at year-end exchange rates. Exchange differences arising from retranslation of the opening net assets are reported in the Consolidated Statement of Comprehensive Income.

Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful economic life, as follows:

Short leasehold improvements	Period of the lease
Motor vehicles	25% per annum
Fixtures, fittings and office equipment	10-33% per annum
Computer equipment	25-33% per annum

Stock

Stock is stated at the lower of cost and net realisable value and includes the costs of direct materials and purchases, and the costs of direct labour. Net realisable value is based on estimated invoice value less further costs expected to be incurred to completion.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Issue costs are offset against the proceeds of such instruments. Financial liabilities are released to income when the liability is extinguished.

Leases

The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

The lease liability is presented as a separate line in the Consolidated Balance Sheet. The lease liability is initially measured at the present value of all future lease payments, discounted at the rate implicit in the lease, or if this rate is not readily determined, the incremental borrowing rate of the Group. Lease payments included in the measurement of the lease liability include:

- fixed and variable lease payments, less any lease incentives;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease

in which case the liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right of use assets are presented as a separate line in the Consolidated Balance Sheet. The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day of the lease and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right of use asset.

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

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Where material intangible assets are recognised on acquisition which will be amortised over their useful lives, a deferred tax liability is also recognised and released against income over the corresponding period.

New standards, interpretations and amendments to existing standards

There are no new or amended standards or interpretations that impact the Group's financial statements.

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 and have not been adopted early by the Group. No new standards in issue but not yet effective are expected to have a material impact on the Group.

2. Segmental Information

IFRS 15: Revenue from Contracts with Customers requires the disaggregation of revenue into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Board has considered how the Group's revenue might be disaggregated in order to meet the requirements of IFRS 15 and has concluded that the segmentation disclosures set out below represent the most appropriate categories of disaggregation. The Board considers that neither differences between sales channels and markets nor differences between contract duration and the timing of transfer of goods or services are sufficiently significant to require further disaggregation.

For management purposes the Board monitors the performance of its individual agencies and groups them into service segments based on the sectors in which they operate. Each reportable segment therefore includes a number of agencies with similar characteristics.

The Board assesses the performance of each segment by looking at turnover, operating income and headline operating profit. The headline operating profit shown below is after the reallocation to the agencies of certain head office costs relating to the Shared Services function. These costs include a significant portion of the total operating costs which are now centrally managed.

The Board does not review the assets and liabilities of the Group on a segmental basis. A segmental breakdown of assets and liabilities is therefore not disclosed.

	Business & Corporate	Consumer & Lifestyle	Health & Wellness	Property	Sports & Entertainment	Technology & Mobility	MISSION Advantage & Central	Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year to 31 December 2023									
Turnover									
Continuing operations	67,215	26,128	4,438	30,983	10,373	40,876	15,437	-	195,450
Discontinued operations	-	-	-	-	-	-	-	438	438
Total Group	67,215	26,128	4,438	30,983	10,373	40,876	15,437	438	195,888
Operating income									
Continuing operations	20,785	18,195	3,949	15,038	6,675	15,084	6,594	-	86,320
Discontinued operations	-	-	-	-	-	-	-	230	230
Total Group	20,785	18,195	3,949	15,038	6,675	15,084	6,594	230	86,550
Headline operating profit / (loss)									
Continuing operations	2,831	1,322	712	2,303	1,368	165	(2,221)	-	6,480
Discontinued operations	-	-	-	-	-	-	-	(1,438)	(1,438)
Total Group	2,831	1,322	712	2,303	1,386	165	(2,221)	(1,438)	5,042

2. Segmental Information *– continued*

	Business & Corporate	Consumer & Lifestyle	Health & Wellness	Property	Sports & Entertainment	Technology & Mobility	MISSION Advantage & Central	Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year to 31 December 2022									
Turnover									
Continuing operations	62,134	24,880	4,694	26,505	6,040	48,527	9,544	-	182,324
Discontinued operations	-	-	-	-	-	-	-	361	361
Total Group	62,134	24,880	4,694	26,505	6,040	48,527	9,544	361	182,685
Operating income									
Continuing operations	20,637	18,243	3,891	13,353	3,352	17,295	2,786	-	79,557
Discontinued operations	-	-	-	-	-	-	-	257	257
Total Group	20,637	18,243	3,891	13,353	3,352	17,295	2,786	257	79,814
Headline operating profit / (loss)									
Continuing operations	2,459	1,182	953	1,895	654	3,369	(1,720)	-	8,792
Discontinued operations	-	-	-	-	-	-	-	(135)	(135)
Total Group	2,459	1,182	953	1,895	654	3,369	(1,720)	(135)	8,657

As contracts typically have an original expected duration of less than one year, the full amount of the accrued income balance at the beginning of the year is recognised in revenue during the year. The vast majority of turnover is recognised over time.

Geographical segmentation

The following table provides an analysis of the Group's operating income by region of activity:

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
UK	**75,278**	67,766
USA	**7,688**	9,156
Asia	**3,340**	2,667
Rest of Europe	**244**	225
	86,550	79,814

3. Reconciliation of Headline Profit to Reported Profit

The Board believes that headline profits, which eliminate certain amounts from the reported figures, provide a better understanding of the underlying trading of the Group.

	Year ended 31 December 2023		Year ended 31 December 2022	
	PBT £'000	**PAT £'000**	PBT £'000	PAT £'000
From continuing and discontinued operations				
Headline profit	**2,720**	**1,855**	7,771	6,130
Goodwill, business and intangible impairment	**(10,409)**	**(10,381)**	(5,257)	(4,697)
Profit on sale of Pathfindr (Note 22.3)	**308**	**355**	-	-
Start-up costs	**(1,818)**	**(1,363)**	(776)	(629)
Acquisition-related items (Note 4)	**(1,652)**	**(1,453)**	(593)	(443)
Restructuring costs	**(715)**	**(536)**	(402)	(325)
Bank refinancing costs	**(475)**	**(356)**	-	-
Reported (loss) / profit	**(12,041)**	**(11,879)**	743	36
From continuing operations				
Headline profit	**4,158**	**2,953**	7,906	6,229
Goodwill, business and intangible impairment	**(10,409)**	**(10,381)**	(2,396)	(2,366)
Start-up costs	**(1,818)**	**(1,363)**	(776)	(629)
Acquisition-related items (Note 4)	**(1,652)**	**(1,453)**	(593)	(443)
Restructuring costs	**(715)**	**(536)**	(402)	(325)
Bank refinancing costs	**(475)**	**(356)**	-	-
Reported (loss) / profit	**(10,911)**	**(11,136)**	3,739	2,466
From discontinued operations				
Headline loss	**(1,438)**	**(1,098)**	(135)	(99)
Goodwill, business and intangible impairment	-	-	(2,861)	(2,331)
Profit on sale of Pathfindr (Note 22.3)	308	355	-	-
Reported loss	**(1,130)**	**(743)**	(2,996)	(2,430)

In 2022 goodwill, business and intangible impairment costs related to Splash goodwill and the impairment of Pathfindr fixed assets and stock, following a review of the valuation of these cash generating units and assets, and the loss on disposal of the Fenturi investment in associate and write-off of intercompany balance. In 2023, goodwill, business and intangible impairment costs relate to the impairment of Story UK Ltd, Story Agency Ltd, Krow Agency Ltd and Krow Communications Ltd goodwill and the write off of the Mission Brand Bonding Index intangible asset.

Start-up costs derive from organically started businesses or loss-making businesses acquired and comprise the trading losses of such entities until the earlier of two years from commencement or when they show evidence of becoming sustainably profitable. Start-up costs in 2022 related to the trading losses of the new Livity youth-marketing offer as well as costs associated with the early-stage foundation of performance marketing and data science capabilities. Start-up costs in 2023 relate to Livity, the launch of Turbine, an integrated Growth Media agency, specialising in owned, earned and paid media for consumer facing brands, the trading losses of BLS China launched in 2023, as well as costs associated with the early-stage foundation of performance marketing and data science capabilities.

Restructuring costs in 2022 comprised costs associated with the major fundamental restructuring of the Splash business. In 2023, restructuring costs consist of costs of closing down the April Six Singapore office, and redundancy, PILON and TUPE related costs associated with restructuring and right sizing of various business units in the last quarter of the year following the downgraded full year profit expectation announced to the market.

Bank refinancing costs in 2023 consist of fees from various consulting and legal firms used to assist and advise the bank in the refinancing process, and other related costs associated with this process.

4. Acquisition Adjustments

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Movement in fair value of contingent consideration	**(434)**	334
Amortisation of other intangibles recognised on acquisitions	**(942)**	(519)
Acquisition transaction costs expensed	**(276)**	(408)
	(1,652)	(593)

The movement in fair value of contingent consideration relates to a net upward (2022: downward) revision in the estimate payable to vendors of businesses acquired. This upward revision is driven by improved performance by the recent acquisitions. Acquisition transaction costs relate to professional fees in connection with acquisitions made or contemplated.

5. Net Finance Costs

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Interest on bank loans and overdrafts, net of interest on bank deposits	**(1,795)**	(656)
Amortisation of bank debt arrangement fees	**(45)**	(48)
Interest expense on lease liabilities	**(632)**	(342)
Net finance costs	**(2,472)**	(1,046)

6. Profit Before Taxation

Profit or loss on ordinary activities before taxation is stated after charging / (crediting):

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Depreciation of owned tangible fixed assets	1,171	1,068
Depreciation expense on right of use assets	2,612	1,918
Amortisation of intangible assets recognised on acquisitions	942	519
Amortisation of other intangible assets	353	337
Expense relating to short term leases	388	376
Expense relating to low value leases	29	12
Income from subleasing right of use assets	(153)	(194)
Staff costs (Note 7)	63,095	55,032
Bad debts and net movement in provision for bad debts	(5)	386
Auditors' remuneration	267	238
Loss / (profit) on foreign exchange	589	(411)

Auditors' remuneration may be analysed by:

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Audit of Group's annual report and financial statements	62	56
Audit of subsidiaries	138	128
Audit related assurance services	6	5
Corporate finance	61	49
	267	238

7. Employee Information

The average number of Directors and staff employed by the Group during the year analysed by segment, was as follows:

	Year to 31 December 2023	Year to 31 December 2022
Business & Corporate	235	281
Consumer & Lifestyle	205	209
Health & Wellness	31	29
Property	190	184
Sports & Entertainment	63	34
Technology & Mobility	143	150
MISSION Advantage & Central	196	136
Investments	21	18
	1,084	1,041

The aggregate employee costs of these persons included in operating expenses were as follows:

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Wages and salaries	54,538	47,593
Social security costs	6,327	5,453
Pension costs	2,133	1,844
Share based payment expense	97	142
Total employee costs	63,095	55,032

The Group operates twenty four (2022: twenty six) defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Group to the schemes. At the end of the financial year outstanding contributions amounted to £289,000 (2022: £279,000).

Directors' Remuneration

Directors' remuneration is derived from their role as either a Board member of **MISSION** or as an Executive Director of one of the Group's Agencies. Remuneration for the year was as follows (all amounts in £'000):

	Salary / Fees	Performance - related payments*	Benefits	Pension	Total 2023	Total 2022
As Board Directors						
David Morgan (Chair from 24 November 2023)	20	-	-	-	20	-
Julian Hanson-Smith (Chair to 24 November 2023)	73	-	-	-	73	81
Dylan Bogg	168	-	12	10	190	174
James Clifton (Chief Executive)	326	-	9	19	354	480
Eliza Filby	45	-	-	-	45	46
Mark Lund (Non-Executive from 1 October 2022)	100	-	-	3	103	25
Giles Lee (Chief Financial Officer)	244	-	7	23	274	350
Fiona Shepherd	240	95	6	24	365	357
Former Directors						
Sue Mullen (to 12 January 2023)	-	-	-	-	-	143
Andy Nash (Non-Executive to 30 September 2022)	-	-	-	-	-	36
Total	**1,216**	**95**	**34**	**79**	**1,424**	**1,692**

Notes:
* Performance related discretionary bonuses were paid in the first quarter of 2023 based on 2022 results.

8. Taxation

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Current tax:		
UK corporation tax at 23.52% (2022: 19.00%)	**(123)**	380
Adjustment for prior periods	**45**	(36)
Foreign tax on profits of the period	**135**	364
	57	708
Deferred tax:		
Current year originating temporary differences	**(219)**	(1)
Tax charge for the year	**(162)**	707

Factors Affecting the Tax Charge for the Current Year:

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK. The differences are:

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Profit before taxation	**(12,041)**	743
Profit on ordinary activities before tax at the standard rate of corporation tax of 23.52% (2022: 19.00%)	**(2,832)**	141
Effect of:		
Rate changes	**(11)**	(99)
Non-deductible expenses / income not taxable	**2,696**	562
Depreciation (lower than) / in excess of capital allowances	**(5)**	(76)
Differences in overseas tax rates	**(23)**	190
Adjustments in respect of prior periods	**45**	(36)
Other differences	**(32)**	25
Actual tax charge for the year	**(162)**	707

9. Dividends

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend of nil (2022: 0.83 pence) per share	-	743
Final dividend of 1.67 pence (2022: 1.60 pence) per share	1,495	1,437
	1,495	2,180

The Board has made the decision to pause further dividend payments until balance sheet strength is restored.

10. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data, determined in accordance with the provisions of IAS 33: Earnings Per Share.

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Earnings		
Reported (loss) / profit for the year **From continuing and discontinued operations**	(11,879)	36
Attributable to:		
Equity holders of the parent	(12,026)	9
Non-controlling interests	147	27
	(11,879)	36
From continuing operations	(11,136)	2,466
Attributable to:		
Equity holders of the parent	(11,283)	2,439
Non-controlling interests	147	27
	(11,136)	2,466
From discontinued operations	(743)	(2,430)
Attributable to:		
Equity holders of the parent	(743)	(2,430)
Non-controlling interests	-	-
	(743)	(2,430)
Headline earnings (Note 3) **From continuing and discontinued operations**	1,855	6,130
Attributable to:		
Equity holders of the parent	1,708	6,103
Non-controlling interests	147	27
	1,855	6,130
From continuing operations	2,953	6,229
Attributable to:		
Equity holders of the parent	2,806	6,202
Non-controlling interests	147	27
	2,953	6,229

10. Earnings Per Share – *continued*

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
From discontinued operations	(1,098)	(99)
Attributable to:		
Equity holders of the parent	(1,098)	(99)
Non-controlling interests	-	-
	(1,098)	(99)
Number of shares		
Weighted average number of Ordinary shares for the purpose of basic earnings per share	89,549,143	89,906,999
Dilutive effect of securities:		
Employee share options	341,144	617,992
Weighted average number of Ordinary shares for the purpose of diluted earnings per share	89,890,287	90,524,991
Reported basis **From continuing and discontinued operations**		
Basic earnings per share (pence)	(13.4)	0.0
Diluted earnings per share (pence)	(13.4)	0.0
From continuing operations		
Basic earnings per share (pence)	(12.6)	2.7
Diluted earnings per share (pence)	(12.6)	2.7
Attributable to:		
From discontinued operations		
Basic earnings per share (pence)	(0.8)	(2.7)
Diluted earnings per share (pence)	(0.8)	(2.7)
Headline basis: **From continuing and discontinued operations**		
Basic earnings per share (pence)	1.9	6.8
Diluted earnings per share (pence)	1.9	6.7
From continuing operations		
Basic earnings per share (pence)	3.1	6.9
Diluted earnings per share (pence)	3.1	6.9
From discontinued operations		
Basic earnings per share (pence)	(1.2)	(0.1)
Diluted earnings per share (pence)	(1.2)	(0.1)

A reconciliation of the profit after tax on a reported basis and the headline basis is given in Note 3.

11. Intangible Assets

	31 December 2023	31 December 2022
	£'000	£'000
Goodwill	87,857	96,213
Other intangible assets	2,771	3,528
	90,628	99,741

Goodwill	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Cost		
At 1 January	102,486	98,877
Recognised on acquisition of subsidiaries	1,920	3,609
Adjustment to consideration / net assets acquired	20	-
At 31 December	104,426	102,486
Impairment adjustment		
At 1 January	6,273	4,273
Impairment during the year	10,296	2,000
At 31 December	16,569	6,273
Net book value at 31 December	87,857	96,213

In accordance with the Group's accounting policies, an annual impairment test is applied to the carrying value of goodwill. The review performed assesses whether the carrying value of goodwill is supported by the net present value of projected cash flows derived from the underlying assets for each cash-generating unit ("CGU"), discounted using an appropriate discount rate. It is the Directors' judgement that each distinct Agency represents a CGU. The initial projection period of four years includes the annual budget for each CGU, based on insight into Clients' planned marketing expenditure and targets for net new business growth derived from historical experience, and extrapolations of the budget in subsequent years based on known factors and estimated trends. The key assumptions used by each CGU concern revenue growth and staffing levels and different assumptions are made by different CGUs based on their individual circumstances. These assumptions are arrived at after considering factors such as historical client spend and levels of client retention, client wins secured and historical ratios of staff costs to revenue. Beyond this initial projection period, a generic long term growth rate of 1.0% is assumed for all units based on information published by market analysts. The resulting pre-tax cash flow forecasts were discounted using the Group's estimated pre-tax Weighted Average Cost of Capital ("WACC"), which is 9.9% (2022: 8.4%).

As a result of the performance and restructuring of the operations of Story Agency Ltd, Story UK Ltd, Krow Agency Ltd and Krow Communications Ltd, and having calculated the net present value of projected cash flows derived from these operations, the Directors considered it prudent to impair £10,296,000 of goodwill relating to these CGUs. No other impairments in goodwill were required.

A reconciliation of the profit after tax on a reported basis and the headline basis is given in Note 3.

11. Intangible Assets *– continued*

The long-term growth rate assumed of 1.0% is lower than past UK averages and that historically used (2022: 2.0%), so provides natural headroom in the calculations. For example, an increase to the historical level used of 2% results in combined headroom of £2m for the impaired CGUs and £16m higher value in use across all operations. Any adverse movement in the assumptions used results in further impairment to goodwill due to the nature of the calculations, which record the operations at their forecast recoverable amounts (using the assumptions set out above).

Goodwill arose from the acquisition of the following subsidiary companies and trade assets and is comprised of the following substantial components:

	31 December 2023	31 December 2022
	£'000	£'000
April Six Ltd and April Six (Mobility) Ltd	14,832	14,832
Bray Leino Ltd	27,761	27,761
Bray Leino Splash Pte. Ltd	356	356
Influence Sports Ltd	2,834	2,834
Krow Agency Ltd and Krow Communications Ltd	13,232	18,327
Mezzo Labs Ltd	1,920	-
Mongoose Sports & Entertainment Ltd	931	931
RJW & Partners Ltd	4,962	4,962
Solaris Healthcare Network Ltd	1,058	1,058
Soul (London) Ltd	2,444	2,444
Speed Communications Agency Ltd	3,085	3,085
Story Agency Ltd	1,476	3,440
Story UK Ltd	4,279	7,516
ThinkBDW Ltd	6,283	6,283
Other smaller acquisitions	2,404	2,384
	87,857	96,213

Other intangible assets	Software and product development	Trade names	Customer relationships	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	**3,828**	**1,958**	**6,154**	**11,940**
Additions	1,852	150	614	2,616
Transfers to PPE	(103)	-	-	(103)
Disposals	(3)	-	-	(3)
Impairment	(2,875)	-	-	(2,875)
At 31 December 2022	**2,699**	**2,108**	**6,768**	**11,575**
Additions	159	100	370	629
Disposals	(407)	-	-	(407)
At 31 December 2023	**2,451**	**2,208**	**7,138**	**11,797**
Amortisation and impairment				
At 1 January 2022	**1,794**	**553**	**5,223**	**7,570**
Charge for the year	337	110	409	856
Transfers to PPE	(100)	-	-	(100)
Disposals	(2)	-	-	(2)
Impairment	(277)	-	-	(277)
At 31 December 2022	**1,752**	**663**	**5,632**	**8,047**
Charge for the year	353	202	740	1,295
Disposals	(316)	-	-	(316)
At 31 December 2023	**1,789**	**865**	**6,372**	**9,026**
Net book value at 31 December 2023	**662**	**1,343**	**766**	**2,771**
Net book value at 31 December 2022	**947**	**1,445**	**1,136**	**3,528**

Additions of £159,000 (2022: £1,852,000) in the year include costs associated with the development of identifiable software and other products that are expected to generate economic benefits in excess of the costs of development.

The directors consider the capitalised development costs to be an asset as they are expected to generate future cashflows for the company. As a result, the expenditure capitalised within these assets is not treated as a loss in calculating distributable reserves.

Included within the value of intangible assets is an amount of £783,000 (2022: £783,000) relating to trade names of businesses acquired, which are deemed to have indefinite useful lives. These trade names have attained recognition in the marketplace and the companies acquired will continue to operate under the relevant trade names, which will play a role in developing and sustaining customer relationships for the foreseeable future. As such, it is the Directors' judgement that the useful life of these trade names is considered to be indefinite.

A reconciliation of the profit after tax on a reported basis and the headline basis is given in Note 3.

Also included is an amount of £318,000 (2022: £393,000) relating to the krow trade name, which has attained recognition in the marketplace and plays a role in attracting and retaining Clients. This value will be amortised over the next 4 years (2022: 5 years). In addition there are amounts of £247,000 (2022: nil) and £315,000 (2022: £473,000) included relating to Mezzo customer relationships and Influence customer relationships respectively. Mezzo and Influence have developed a base of customers to whom the Group would expect to continue selling in the future. The remaining useful life of the Mezzo customer relationships is deemed to be 2 years, and of the Influence customer relationships is deemed to be 2 years (2022: 3 years). The values will be amortised over these periods.

12. Subsidiaries

The Group's principal trading subsidiaries are listed below. All subsidiaries are 100% owned and all are incorporated in the United Kingdom, except for Spark Marketing Services Ltd which is 75% owned and Bray Leino Splash Pte. Ltd which is 70% owned and incorporated in Singapore. A full list of all Group companies at 31 December 2023 can be found in Note 46 to the Company Financial Statements.

Subsidiary undertaking	Nature of business
April Six Ltd	Marketing communications, specialising in the technology sector
April Six (Mobility) Ltd	Marketing communications, specialising in the automotive sector
Bray Leino Ltd	Advertising, media buying, digital marketing, events and training
Bray Leino Splash Pte. Ltd	Digital marketing
Influence Sports Ltd	Sports and entertainment marketing
Krow Agency Ltd	Marketing communications
Krow Communications Ltd	Marketing communications
Mezzo Labs Ltd	Data services marketing
Mongoose Sports & Entertainment Ltd	Sports and entertainment marketing
RJW & Partners Ltd	Pricing and market access in the healthcare sector
Soul (London) Ltd	Marketing communications
Solaris Healthcare Network Ltd	Marketing communications, specialising in the medical sector
Spark Marketing Services	Sales promotion
Speed Communications Agency Ltd	Public relations
Story Agency Ltd Ltd	Marketing communications
Story UK Ltd	Marketing communications
ThinkBDW Ltd	Marketing communications, specialising in the property sector

13. Property, Plant and Equipment

	Property	Fixtures & fittings and office equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2022	**2,299**	**2,381**	**3,974**	**119**	**8,773**
Acquisition of subsidiaries	14	7	34	-	55
Additions	111	256	725	-	1,092
Transfers between categories and from other intangible assets	(4)	275	(168)	-	103
Disposals	(169)	(150)	(403)	(17)	(739)
Impairment	-	(62)	-	-	(62)
At 31 December 2022	**2,251**	**2,707**	**4,162**	**102**	**9,222**
Acquisition of subsidiaries	9	1	9	-	19
Disposal of subsidiaries	(7)	(81)	(21)	(25)	(134)
Additions	1,301	461	581	-	2,343
Disposals	(34)	(206)	(243)	(7)	(490)
At 31 December 2023	**3,520**	**2,882**	**4,488**	**70**	**10,960**
Depreciation					
At 1 January 2022	**1,791**	**1,813**	**3,004**	**63**	**6,671**
Charge for the year	144	284	618	22	1,068
Transfers between categories and from other intangible assets	-	268	(168)	-	100
Disposals	(148)	(103)	(398)	(17)	(666)
Impairment	-	(41)	-	-	(41)
At 31 December 2022	**1,787**	**2,221**	**3,056**	**68**	**7,132**
Disposal of subsidiaries	(7)	(23)	(18)	(18)	(66)
Charge for the year	223	282	650	16	1,171
Disposals	(31)	(197)	(252)	(6)	(486)
At 31 December 2023	**1,972**	**2,283**	**3,436**	**60**	**7,751**
Net book value at 31 December 2023	**1,548**	**599**	**1,052**	**10**	**3,209**
Net book value at 31 December 2022	**464**	**486**	**1,106**	**34**	**2,090**

14. Right of Use Assets

The Group leases several assets including property, office equipment, computer equipment and motor vehicles.

	Property	Office equipment, computer equipment and motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022	**15,551**	**2,169**	**17,720**
Acquisition of subsidiaries	123	-	123
Additions	1,704	478	2,182
Disposals	(2,210)	(248)	(2,458)
At 31 December 2022	**15,168**	**2,399**	**17,567**
Additions	9,256	252	9,508
Disposals	(1,540)	(243)	(1,783)
At 31 December 2023	**22,884**	**2,408**	**25,292**
Depreciation			
At 1 January 2022	**6,736**	**1,835**	**8,571**
Charge for the year	1,638	280	1,918
Disposals	(2,210)	(248)	(2,458)
At 31 December 2022	**6,164**	**1,867**	**8,031**
Charge for the year	2,259	353	2,612
Disposals	(1,540)	(243)	(1,783)
At 31 December 2023	**6,883**	**1,977**	**8,860**
Net book value at 31 December 2023	**16,001**	**431**	**16,432**
Net book value at 31 December 2022	**9,004**	**532**	**9,536**

The increase in Right of Use Assets in 2023 relates to the entering into of new leases, most notably the new long term London office lease.

15. Investments, Associates and Joint Ventures

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
At 1 January	**437**	517
Profit during the year	**150**	160
Disposal of Fenturi	-	(240)
At 31 December	**587**	437

16. Stock

	31 December 2023	31 December 2022
	£'000	£'000
Stock	2,981	2,185

Stock consists predominantly of signage, raw materials and furniture sold in marketing suites at clients' development sites by our property marketing specialist agency ThinkBDW, and vouchers for cinema tickets used by our sales promotion agency, Spark.

17. Trade and Other Receivables

	31 December 2023	31 December 2022
	£'000	£'000
Trade receivables	26,858	25,052
Accrued income	13,476	13,273
Prepayments	3,005	2,051
Other receivables	1,337	879
	44,676	**41,255**

17. Trade and Other Receivables – *continued*

An allowance has been made for estimated irrecoverable amounts from the provision of services of £25,000 (2022: £228,000). In 2022, one specific debtor was provided for which accounted for the majority of the allowance. This debtor was partially recovered in 2023 and the remaining balance written off, resulting in the decrease in provision for irrecoverable amounts in 2023. The estimated irrecoverable amount is arrived at by considering the historical loss rate and adjusting for current expectations, Client base and economic conditions. Both historical losses and expected future losses being very low, the Directors consider it appropriate to apply a single average rate for expected credit losses to the overall population of trade receivables and accrued income. Accrued income relates to unbilled work in progress and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

	31 December 2023	31 December 2022
	£'000	£'000
Gross trade receivables	**26,883**	25,280
Gross accrued income	**13,476**	13,273
Total trade receivables and accrued income	**40,359**	38,553
Expected loss rate	**0.1%**	0.6%
Provision for doubtful debts	**25**	228

Trade receivables include £8.8m (2022: £6.5m) that is past due but not impaired, of which £1.0m (2022: £1.0m) is greater than 3 months past due.

Credit risk

The Group's principal financial assets are trade receivables, accrued income and bank balances, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables and accrued income. The credit risk on cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The majority of the Group's trade receivables and accrued income is due from large national or multinational companies where the risk of default is considered low. In order to mitigate this risk further, the Group has arranged credit insurance on certain of its trade receivables as deemed appropriate. Where credit insurance is not considered cost effective, the Group monitors credit-worthiness closely and mitigates risk, where appropriate, through payment plans.

There can be no assurance that any of the Group's Clients will continue to utilise the Group's services to the same extent, or at all, in the future. The loss of, or a significant reduction in advertising and marketing spending by, the Group's largest Clients, if not replaced by new Client accounts or an increase in business from existing Clients, would adversely affect the Group's prospects, business, financial condition and results of operations. The impact would however be limited as only two Clients represented more than 3% of total operating income in 2023 (2022: three Clients).

18. Cash and Short Term Deposits

Cash and short term deposits comprise cash held by the Group and short term bank deposits.

19. Trade and Other Payables

	31 December 2023	31 December 2022
	£'000	£'000
Trade creditors	**14,026**	14,454
Deferred income	**8,533**	8,903
Other creditors and accruals	**11,163**	10,771
Other tax and social security payable	**9,683**	3,957
Lease liabilities (Note 21)	**1,983**	1,582
	45,388	39,667

Other tax and social security increased as a result of delayed VAT and PAYE payments, with a payment plan having been agreed with HMRC whereby all delayed payments will be repaid by the end of May 2024.

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

20. Bank Overdrafts, Loans and Net Bank Debt

	31 December 2023	31 December 2022
	£'000	£'000
Bank loan outstanding	20,049	17,575
Unamortised bank debt arrangement fees	(55)	(60)
Carrying value of loan outstanding	19,994	17,515
Less: Cash and short term deposits	(4,632)	(6,153)
Net bank debt	15,362	11,362
The borrowings are repayable as follows:		
Less than one year	21	27
In one to two years	20,023	17,521
In two to three years	5	22
In three to four years	-	5
	20,049	17,575
Unamortised bank debt arrangement fees	(55)	(60)
	19,994	17,515
Less: Amount due for settlement within 12 months (shown under current liabilities)	(21)	(27)
Amount due for settlement after 12 months	19,973	17,488

Bank debt arrangement fees, where they can be amortised over the life of the loan facility, are included in finance costs. The unamortised portion is reported as a reduction in bank loans outstanding.

Included in the above is £49,000 of bank loans owing by Populate Social Ltd, one of the companies acquired during 2022. These borrowings are repayable over a three year period.

At 31 December 2023, the Group's committed bank facilities comprised a revolving credit facility of £20.0m, with an option to increase the facility by £5.0m. On 8 March 2023 the Group exercised the option to extend by one year, the facility now expiring on 5 April 2025. Interest on the facility is based on SONIA (sterling overnight index average) plus a margin of between 1.50% and 2.25% depending on the Group's debt leverage ratio, payable in cash on loan rollover dates. On 27 March 2024, the Group agreed a new revolving credit facility of £20m, expiring on 5 April 2026. Interest on the new facility is based on SONIA (sterling overnight index average) plus a margin of between 2.25% and 4.90% depending on the Group's debt leverage ratio, payable in cash on loan rollover dates.

In addition to its committed facilities, the Group has available an overdraft facility of up to £9.0m with interest payable by reference to National Westminster Bank plc Base Rate plus 2.25%.

At 31 December 2023, there was a cross guarantee structure in place with the Group's bankers by means of a fixed and floating charge over all of the assets of the Group companies in favour of National Westminster Bank plc.

All borrowings are in sterling.

21. Lease Liabilities

Obligations under leases are due as follows:

	31 December 2023	31 December 2022
	£'000	£'000
In one year or less (shown in trade and other payables)	1,983	1,582
In more than one year	15,768	8,481
	17,751	10,063

The fair values of the Group's lease obligations approximate their carrying amount.

The Group's obligations under leases are secured by the lessor's charge over the leased assets.

22. Acquisitions and Disposals

22.1 Acquisition Obligations

The terms of an acquisition provide that the value of the purchase consideration, which may be payable in cash or shares at a future date, depends on uncertain future events such as the future performance of the acquired company. The Directors estimate that the liability for contingent consideration payments is as follows:

	31 December 2023			31 December 2022		
	Cash	Shares	Total	Cash	Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	1,745	-	1,745	1,371	-	1,371
Between one and two years	2,830	-	2,830	53	-	53
In more than two years but less than three years	890	-	890	1,820	-	1,820
In more than three years but less than four years	-	-	-	899	-	899
	5,465	-	5,465	4,143	-	4,143

22. Acquisitions *– continued*

A reconciliation of acquisition obligations during the period is as follows:

	Cash	Shares	Total
	£'000	£'000	£'000
At 31 December 2022	4,143	-	4,143
Obligations settled in the period	(393)	-	(393)
Adjustments to estimates of obligations	434	-	434
New acquisitions	1,281	-	1,281
At 31 December 2023	**5,465**	**-**	**5,465**

22.2 Acquisition of Mezzo Labs Ltd

On 13 February 2023, the Group acquired the entire issued share capital of Mezzo Labs Ltd ("Mezzo"). Mezzo is a leading provider of innovative data services with over 16 years' experience in data strategy and architecture, web analytics, CX analytics, marketing automation, insights generation, data science, Conversion Rate Optimisation (CRO) and personalisation. Headquartered in London, the company also has operations in Singapore. The fair value of the consideration given for the acquisition was £1,678,000, comprising initial cash consideration and deferred contingent consideration. The deferred contingent consideration is to be satisfied by the issue of new ordinary shares up to a maximum of 40% at **MISSION**'s discretion, with the balance payable in cash. Costs relating to the acquisition amounted to £81,000 and were expensed.

Maximum contingent consideration of £4,000,000 is dependent on Mezzo achieving a profit target over the period 1 January 2023 to 31 December 2024. The Group has provided for contingent consideration of £1,466,000 to date.

The book value of the net identifiable liabilities acquired was £594,000 resulting in goodwill and previously unrecognised other intangible assets of £2,272,000. Goodwill arises on consolidation and is not tax-deductible. Management carried out a review to assess whether any other intangible assets were acquired as part of the transaction. Management concluded that both a brand name and customer relationships were acquired and attributed a value to each of these by applying commonly accepted valuation methodologies. The goodwill arising on the acquisition is attributable to the anticipated profitability of Mezzo.

	Book value	Fair value adjustments	Fair value
	£'000	£'000	£'000
Net assets acquired:			
Intangible assets	49	-	49
Fixed assets	19	-	19
Trade and other receivables	368	-	368
Cash and cash equivalents	71	-	71
Trade and other payables	(1,088)	-	(1,088)
Deferred tax	(13)	-	(13)
	(594)	-	(594)
Other intangibles recognised at acquisition	-	470	470
Deferred tax adjustment	-	(118)	(118)
	(594)	352	(242)
Goodwill			1,920
Total consideration			1,678
Satisfied by:			
Cash			397
Deferred contingent consideration			1,281
			1,678

Mezzo contributed turnover of £2,536,000, operating income of £2,369,000 and headline operating profit of £583,000 to the results of the Group in 2023.

22.3 Sale of Pathfindr Ltd

During the year, the Group considered different strategies to reduce leverage, including divestments of non-core operations. As a result of this review, on 29 December 2023, the Group disposed of its 80% share in Pathfindr Ltd. The consideration, assets disposed of and costs of disposal were as follows:

	£'000
Upfront cash consideration received	1,050
Working capital surplus payment to be received	250
Total consideration	**1,300**
Net assets disposed of:	
Fixed assets	68
Trade and other receivables	204
Stock	372
Corporation and deferred tax	366
Trade and other payables	(206)
	804
Disposal costs	188
Total cost of disposal	**992**
Profit on sale of Pathfindr	**308**

22.4 Pro-forma results including acquisitions

The Directors estimate that, had the Group consolidated the results of acquisitions made during the year, from the beginning of the year, the turnover, operating income and headline operating profit of the Group would not have been materially different to the numbers presented in the consolidated income statement.

23. Deferred Tax

The deferred taxation liability of £524,000 (2022: £622,000) recognised in the financial statements is set out below:

	Accelerated capital allowances	Tax losses	Other timing differences	Trade names and customer relationships	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	**157**	**39**	**(6)**	**293**	**483**
Acquisition of subsidiaries	-	-	-	191	191
Charge / (credit) to income statement	89	(39)	(5)	(97)	(52)
At 31 December 2022	**246**	**-**	**(11)**	**387**	**622**
Acquisition of subsidiaries	13	-	-	118	131
Disposal of subsidiaries	(10)	-	-	-	(10)
Charge / (credit) to income statement	185	(195)	(1)	(208)	(219)
At 31 December 2023	**434**	**(195)**	**(12)**	**297**	**524**

Deferred tax assets of £548,000 (2022: £441,000) have not been recognised due to insufficient certainty that there will be sufficient profits available in the future to utilise these losses.

24. Share Capital

	31 December 2023	31 December 2022
	£'000	£'000
Allotted and called up:		
91,015,897 Ordinary shares of 10p each (2022: 91,015,897 Ordinary shares of 10p each)	**9,102**	9,102

Share-based incentives

The Group has the following share-based incentives in issue:

	At start of year	Granted/ acquired	Waived/ lapsed	Exercised	At end of year
TMMG Long Term Incentive Plan	393,221	-	-	(133,029)	260,192
Growth Share Scheme	3,200,000	-	(578,766)	-	2,621,234

The TMMG Long Term Incentive Plan ("LTIP") was created to incentivise senior employees across the Group. Nil-cost options are awarded at the discretion of, and vest based on criteria established by, the Remuneration Committee. During the year, 133,029 options were exercised at an average share price of 29.3p and at the end of the year 260,192 of the outstanding options are exercisable.

Shares held in an Employee Benefit Trust (see Note 25) will be used to satisfy share options exercised under the Long Term Incentive Plan.

A Growth Share Scheme was implemented in June 2021. Participants in the scheme subscribed for Ordinary B shares in The Mission Marketing Holdings Limited (the "growth shares") at a nominal value. These growth shares can be exchanged for an equivalent number of Ordinary Shares in **MISSION** if **MISSION**'s share price equals or exceeds 150p for at least 15 consecutive days during the period ending on the date the Company's financial results for the year ended 31st December 2023 are announced; if not, they will have no value.

25. Own Shares

	No. of shares	£'000
At 31 December 2021	**718,138**	**518**
Own shares purchased	**827,937**	**497**
Awarded or sold during the year	**(50,537)**	**(21)**
At 31 December 2022	**1,495,538**	**994**
Awarded or sold during the year	**(98,317)**	**(52)**
At 31 December 2023	**1,397,221**	**942**

Shares are held in an Employee Benefit Trust to meet certain requirements of the Long Term Incentive Plan.

26. Share-Based Incentive Reserve

The share-based incentive reserve represents charges to the profit or loss required by IFRS 2 to reflect the cost of the nil-cost share options and growth shares issued to the Directors and employees.

27. Foreign Currency Translation Reserve

	31 December 2023	31 December 2022
	£'000	£'000
Foreign currency translation reserve	**(888)**	(610)

The foreign currency translation reserve contains the accumulated gains (losses) on currency translation of foreign operations arising on consolidation.

28. Share-Based Payments

Nil-cost share options

Details of the relevant option schemes are given in Note 24. Fair value on grant date is measured by use of a Black Scholes model. The valuation methodology is applied at each year-end and the valuation revised to take account of any changes in estimate of the likely number of shares expected to vest. No options were issued during 2023 or 2022.

The weighted average share price over the three years ending 31 December 2023 was 52.4p and the weighted average remaining contractual life of the share options outstanding at 31 December 2023 was 3.8 years.

The Group recognised an expense of £17,000 in 2023 (2022: £33,000).

Growth Shares

Details of the Growth Share scheme are given in Note 24. The fair value of growth shares was measured by use of a Monte Carlo simulation model, which uses probability analysis to calculate the value of options. The fair value of the growth shares issued in 2021 was 9.0p per share at measurement date. No growth shares were issued in 2022 or 2023. The key inputs for the valuation of the growth shares issued in 2021 are:

Share price at grant	75.0p
Risk free rate	0.2%
Dividend yield	3.0%
Expected volatility	33.0%

Volatility is based on the historical volatility of the share price over a 3 year trading period. The weighted average share price from inception of the scheme until 31 December 2023 was 47.1p and the weighted average remaining contractual life of the growth shares outstanding at 31 December 2023 was 0.3 years.

The Group recognised an expense of £80,000 in 2023 (2022: £109,000).

29. Financial Assets and Liabilities

Capital management

The Group defines "capital" as being debt plus equity. Net bank debt comprises short and long term borrowings net of cash, cash equivalents and the unamortised balance of bank renegotiation fees as analysed in Note 20. In addition, the Group treats its commitment to future consideration payments under acquisition agreements as another component of debt. Equity comprises issued share capital, reserves and retained earnings as disclosed in the balance sheet and in the Consolidated Statement of Changes in Equity.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an appropriate capital structure to balance the needs of the Group to grow, whilst operating with sufficient headroom within its bank covenants. The principal measures by which the Directors monitor capital risk are the ratios of net bank debt to EBITDA and total debt (including both net bank debt and estimated acquisition consideration payable) to EBITDA. (Note that, since acquisition consideration is dependent on future levels of profitability in the acquired business, which are inevitably uncertain, the Directors calculate this ratio by reference to the amount of consideration which would be payable if the acquired business were to maintain its current level of profitability.) The Directors have set targets, of remaining below x1.5 and x2.0 for these ratios respectively (calculated on a pre-IFRS 16 basis).

Financial risk management

The Group's policy is to eliminate financial risk where it is cost-effective, including the use of credit insurance and currency hedges, and to mitigate it where not, including close monitoring of credit-worthiness and the use of Client payment plans if possible. The Group's policy is not to use any financial instruments for speculating.

The Group's principal financial instruments comprise cash and various forms of borrowings.

Substantially all the Group's activities continue to take place in the United Kingdom. Where revenue is generated in one currency and costs are incurred in another, the Group aims to agree pricing at the outset of a piece of work and then hedge its foreign currency exposure, if considered significant, through the use of forward exchange contracts. There was no material foreign currency exposure at the year end.

The main purpose of the Group's use of financial instruments is for day-to-day working capital and as part of the funding for past acquisitions. The Group's financial policy and risk management objective is to achieve the best interest rates available whilst maintaining flexibility and minimising risk. The main risks arising from the Group's use of financial instruments are interest rate risk and liquidity risk.

Interest rate risk

The operations of the Group generate cash and it funds acquisitions through a combination of retained profits, equity issues and borrowings. The Group's financial liabilities comprise floating rate instruments. The bank loan's interest rate is reset from time to time and accordingly is not deemed a fixed rate financial liability.

Interest on the Group's revolving credit facility is payable by reference to SONIA (sterling overnight index average), subject to downward or upward ratchets depending on certain ratios of debt to EBITDA on a quarterly basis. The Directors have considered again the relative merits of the use of hedging instruments to limit the exposure to interest rate risk. Since the sensitivity of profits to a 1% change in interest rates is less than £0.2m, they have decided not to enter into any hedging arrangements.

Liquidity risk

The Group's financial instruments include a mixture of short and long-term borrowings. The Group seeks to ensure sufficient liquidity is available to meet working capital needs and the repayment terms of the Group's financial instruments as they mature.

Financial assets	31 December 2023	31 December 2022
	£'000	£'000
Cash at bank maturing in less than one year or on demand	4,632	6,153

Financial liabilities

Financial liabilities	Bank loan and overdraft	Lease liabilities	Acquisition obligations	Total
	£'000	£'000	£'000	£'000
At 31 December 2023				
Interest analysis:				
Subject to floating rates	20,049	-	-	20,049
Subject to fixed rates	-	17,751	5,465	23,216
	20,049	17,751	5,465	43,265
Maturity analysis:				
One year or less, or on demand	21	1,983	1,745	3,749
In one to two years	20,023	2,030	2,830	24,883
In two to three years	5	1,999	890	2,894
In three to four years	-	1,709	-	1,709
In four to five years	-	1,533	-	1,533
In more than five years	-	8,497	-	8,497
	20,049	17,751	5,465	43,265
At 31 December 2022				
Interest analysis:				
Subject to floating rates	17,575	-	-	17,575
Subject to fixed rates	-	10,063	4,143	14,206
	17,575	10,063	4,143	31,781
Maturity analysis:				
One year or less, or on demand	27	1,582	1,371	2,980
In one to two years	17,521	1,346	53	18,920
In two to three years	22	1,170	1,820	3,012
In three to four years	5	998	899	1,902
In four to five years	-	717	-	717
In more than five years	-	4,250	-	4,250
	17,575	10,063	4,143	31,781

The Group's bank loans and overdraft facility are floating rate borrowings and all facilities are secured by a fixed and floating charge over the assets of all Group companies.

The fair value of the Group's financial assets and liabilities is not considered to be materially different from their book values.

30. Leave Pay Accrual

The Group has a policy of not allowing days to be carried forward from one year to the next, unless in exceptional circumstances. In addition, no payment is made in lieu of untaken leave which is not carried forward. There is no material liability relating to untaken leave at year end.

31. Post Balance Sheet Events

Debt Refinancing

On 20 December 2023, **MISSION** confirmed that it was in constructive dialogue with its long-standing lender, NatWest, with respect to the covenants and maturity of its banking facilities and that NatWest had agreed to waive the December 2023 covenant.

MISSION has now secured a new debt facility with NatWest, to replace its existing debt facility and extending the facility for a year to 5 April 2026. The Board is pleased with the ongoing support from NatWest.

The previous NatWest debt facility was a £20m Revolving Credit Facility and a £9m overdraft terminating in 2025. The new NatWest debt facility is a £20m Revolving Credit Facility, and a £9m overdraft which will reduce to £3m in the event there is a deleveraging event achieved by 30 June 2024 (the "New Debt Facility").

A deleveraging event is an equity raise (or other such deleveraging event to be agreed reasonably by NatWest) resulting in cash proceeds of no less than £4m to be undertaken by no later than 30 June 2024 (the "Deleveraging Event"). If the Deleveraging Event is not achieved by this deadline, this would not constitute an event of default under the New Debt Facility and the New Debt Facility would remain in place.

32. Related Party Transactions

The Directors consider that the Directors of the Company represent the Group's key management personnel for the purposes of disclosing related party transactions. Directors' remuneration is disclosed in detail in Note 7. The total compensation payable to key management personnel is detailed below.

	Year to 31 December 2023	Year to 31 December 2022
	£'000	£'000
Short-term employee benefits	1,345	1,593
Post-employment benefits	79	69
Share-based payments	-	30
	1,424	1,692

Bray Leino Ltd rents property from entities under the control of David Morgan, Chair of The **MISSION** Group plc, and members of his close family. During the year the Company paid annual rental and property fees totalling £75,000 (2022: £75,000). There were no amounts owed at the balance sheet date to these entities.

Krow Agency Ltd is contracted to pay annual rent to four individuals, including Dylan Bogg (Executive Director). During the year, total rental of £93,000 (2022: £74,000) was paid and no amount was outstanding at the balance sheet date.

During 2021 seven directors received loans totalling £46,045 in respect of the personal tax payable on a growth share award, as follows: Dylan Bogg £3,061; James Clifton £10,000; Julian Hanson-Smith £4,269; Giles Lee £10,000; Sue Mullen £5,970; Andy Nash £2,746; Fiona Shepherd £10,000. All loans are repayable from the proceeds of the growth share scheme or on termination of employment. No interest is being charged and all loans remain outstanding at the year end.

Mark Lund, a Non-Executive Director, is also a director of Smart Energy GB, a company which is a Client of Livity Ltd. There were no sales in the year from Livity Ltd to Smart Energy GB (2022: £31,853 at arms length subsequent to Mark becoming a director on 1 October 2022). No amounts were owing from Smart Energy GB at the end of the year (2022: £38,224 included within trade debtors).

James Clifton, the Group Chief Executive, owns a 5% (2022: 5%) holding in Pathfindr Ltd. The Group disposed of its share in Pathfindr on 29 December 2023 (see note 22.3).

33. Availability of Annual Report

Copies of the Annual Report for the year ended 31 December 2023 will be circulated to shareholders at least 21 days ahead of the Annual General Meeting ("AGM") on 17 June 2024 and, after approval at the AGM, will be delivered to the Registrar of Companies. Further copies will be available from the Company's registered office and on the Group's website, www.themission.co.uk.

Independent Auditor's Report to the Members of The **MISSION** Group plc

Report on the parent company financial statements

Opinion

We have audited the financial statements of The **MISSION** Group plc (the 'Company') for the year ended 31 December 2023, which comprise the Company Balance Sheet, Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

We planned and performed our audit by obtaining an understanding of the Company and its environment, including the accounting processes and controls, and the industry in which it operates.

Key audit matters

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

The key audit matter identified for the company related to the carrying value of its investments, given the company holds material investments in subsidiary undertakings. The directors have supported the carrying value of the investments by considering the cash flows the subsidiaries are expected to generate, being the dividend income received from trading subsidiaries. We reviewed and considered the level of dividend income received from subsidiary companies along with the ongoing ability for subsidiary companies to generate distributable profits. We have carried out specific audit work in respect of goodwill impairment in respect of the Group's cash generating units, which has tested the assumptions within management's forecast cash flow model. Details of this audit work is set out in our Group audit report.

Our application of materiality

Misstatements, including omissions, are considered to be material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We use quantitative thresholds of materiality, together with qualitative assessments in planning the scope of our audit, determining the nature, timing and extent of our audit procedures and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the company financial statements should be based on gross assets as it is a holding company. This was restricted to 50% of group materiality to give overall company materiality of £148,000 (2022: £216,000), performance materiality of £104,000 (2022: £162,000). Individual errors above £7,000 (2022: £6,000) were reported to the audit committee.

Independent Auditor's Report: Company

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 (as set out in the group audit report), we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on pages 48 and 49, 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 obtained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates. We identified the principal risks of non-compliance with laws and regulations as relating to breaches around GDPR. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as financial reporting legislation (including The Companies Act 2006), distributable profits legislation and taxation legislation. We considered the extent to which any non-compliance with these laws and regulations may have on the company's ability to continue trading and the risk of a material misstatement in the financial statements.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to overstatement of the carrying value of the investment, and a resulting misstatement of the result for the year.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- We made enquiries of senior management as to their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of material fraud, of which there were none.
- We identified the individuals with responsibility for ensuring compliance with laws and regulations and discussed with them the procedures and policies in place.
- We reviewed minutes of meetings of Senior Management and those charged with governance.
- We challenged the assumptions and judgements made by management in its significant accounting estimates. Further details of the audit work on key assumptions is included within our Group audit report.
- We audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available 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.

Duncan Leslie FCA
(Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

28 March 2024

Company Financial Statements & Notes

Company Balance Sheet
As at 31 December 2023

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
NON-CURRENT ASSETS			
Intangible assets	35	1,087	1,296
Investments	36	114,596	114,596
Property, plant and equipment	37	2,490	965
		118,173	116,857
CURRENT ASSETS			
Debtors	38	13,868	10,653
		13,868	10,653
CREDITORS: Amounts falling due within one year	39	(20,931)	(11,655)
NET CURRENT LIABILITIES		(7,063)	(1,002)
TOTAL ASSETS LESS CURRENT LIABILITIES		111,110	115,855
CREDITORS: Amounts falling due after more than one year	40	(20,145)	(17,640)
NET ASSETS		90,965	98,215
CAPITAL AND RESERVES			
Called up share capital	42	9,102	9,102
Share premium account	42	45,928	45,928
Own shares	42	(942)	(994)
Share-based incentive reserve		914	886
Profit and loss account		35,963	43,293
SHAREHOLDER'S FUNDS		90,965	98,215

The company made a loss of £5,765,000 for the year (2022: profit of £3,717,000).

The financial statements were approved and authorised for issue on 28 March 2024 by the Board of Directors. They were signed on its behalf by:

Giles Lee , Group Chief Financial Officer

Company registration number: 05733632

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

	Share capital £'000	Share premium £'000	Own shares £'000	Share-based incentive reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2022	9,102	45,928	(518)	828	41,847	97,187
Profit for the year	-	-	-	-	3,717	3,717
Share option charge	-	-	-	33	-	33
Growth share charge	-	-	-	25	-	25
Own shares purchased	-	-	(497)	-	-	(497)
Shares awarded and sold from own shares	-	-	21	-	(91)	(70)
Dividend paid	-	-	-	-	(2,180)	(2,180)
At 31 December 2022	9,102	45,928	(994)	886	43,293	98,215
Loss for the year	-	-	-	-	(5,765)	(5,765)
Share option charge	-	-	-	17	-	17
Growth share charge	-	-	-	11	-	11
Shares awarded and sold from own shares	-	-	52	-	(70)	(18)
Dividend paid	-	-	-	-	(1,495)	(1,495)
At 31 December 2023	9,102	45,928	(942)	914	35,963	90,965

Notes to the Company Financial Statements

34. Principal Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The **MISSION** Group plc is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 120. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 4 to 9.

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

Reduced disclosure exemptions

The **MISSION** Group plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to the presentation of a statement of comprehensive income, cash flow statement, financial instruments, share-based payment, share capital and remuneration of key management personnel. The company made a loss of £5.8m for the year (2022: profit of £3.7m).

Deferred taxation

Deferred taxation is recognised on all timing differences where the transactions or event that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recoverable. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions to be classified as basic instruments are subsequently measured at amortised cost using the effective interest method.

Basic debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial liabilities are released to the profit and loss account when the liability is extinguished.

Contingent consideration payments

The terms of an acquisition may provide that the value of the purchase consideration, which may be payable in cash or shares at a future date, depends on uncertain future events such as the future performance of the acquired company. The amounts recognised in the financial statements represent a reasonable estimate at the balance sheet date of the amounts expected to be paid and has been classified in the balance sheet in accordance with the substance of the transaction. Revisions to estimated consideration payable year on year are reflected in the value of the corresponding investment. Where the agreement gives rise to an obligation that may be settled by the delivery of a variable number of shares to meet a defined monetary liability, these amounts are disclosed as debt.

Investments

In the Company's financial statements, investments in subsidiary and associate undertakings are stated at cost less provision for any impairment in value.

Accounting estimates and judgements

The Company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the actual results. The Directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are, in order of significance:

Potential impairment of investments

The potential impairment of investments is based on estimates of future cash flows derived from the financial projections of each cash-generating unit over an initial four year period and assumptions about growth thereafter.

Contingent payments in respect of acquisitions

Contingent consideration, by definition, depends on uncertain future events. At the time of purchasing a business, the Directors use the financial projections obtained during due diligence as the basis for estimating contingent consideration. Subsequent estimates benefit from the greater insight gained in the post-acquisition period and the business' track record of financial performance.

Lease commitments

Rental costs under operating leases are charged against profits as incurred.

Profit of parent company

As permitted under Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these accounts.

35. Intangible Assets

Other intangible assets	Software development and licences	Customer relationships	Goodwill	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	**733**	**61**	**897**	**1,691**
Additions	86	-	-	86
Adjustments to purchase consideration	-	-	(34)	(34)
At 31 December 2022	**819**	**61**	**863**	**1,743**
Additions	39	-	-	39
Adjustments to purchase consideration	-	-	22	22
Disposals	(138)	-	-	(138)
At 31 December 2023	**720**	**61**	**885**	**1,666**
Amortisation and impairment				
At 1 January 2022	**200**	**61**	**-**	**261**
Charge for the year	186	-	-	186
At 31 December 2022	**386**	**61**	**-**	**447**
Charge for the year	192	-	-	192
Disposals	(60)	-	-	(60)
At 31 December 2023	**518**	**61**	**-**	**579**
Net book value at 31 December 2023	**202**	**-**	**885**	**1,087**
Net book value at 31 December 2022	**433**	**-**	**863**	**1,296**

Additions of £39,000 (2022: £86,000) in the year include costs associated with the development of identifiable software products that are expected to generate economic benefits in excess of the costs of development.

36. Investments

	Shares in subsidiary undertakings
	£'000
Cost	
At 1 January 2022	**123,039**
Additions	-
Adjustment to purchase consideration	-
At 31 December 2022	**123,039**
Additions	-
Adjustment to purchase consideration	-
At 31 December 2023	**123,039**
Impairment	
At 1 January 2022	**(8,443)**
Impairment	**-**
At 31 December 2022	**(8,443)**
Impairment	-
At 31 December 2023	**(8,443)**
Net book value at 31 December 2023	**114,596**
Net book value at 31 December 2022	114,596

A list of the principal trading companies in the Group at 31 December 2023 can be found in Note 12 to the Consolidated Financial Statements and a complete list can be found in Note 46.

37. Property, Plant and Equipment

	Property	Fixtures & fittings and office equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2022	**148**	**49**	**1,384**	**9**	**1,590**
Additions	43	-	549	-	592
Disposals	-	-	(53)	-	(53)
At 31 December 2022	**191**	**49**	**1,880**	**9**	**2,129**
Additions	1,237	393	561	-	2,191
Disposals	(15)	(18)	-	-	(33)
At 31 December 2023	**1,413**	**424**	**2,441**	**9**	**4,287**
Depreciation					
At 1 January 2022	**46**	**33**	**653**	**7**	**739**
Charge for the year	17	11	448	2	478
Disposals	-	-	(53)	-	(53)
At 31 December 2022	**63**	**44**	**1,048**	**9**	**1,164**
Charge for the year	87	51	528	-	666
Disposals	(15)	(18)	-	-	(33)
At 31 December 2023	**135**	**77**	**1,576**	**9**	**1,797**
Net book value at 31 December 2023	**1,278**	**347**	**865**	**-**	**2,490**
Net book value at 31 December 2022	**128**	**5**	**832**	**-**	**965**

38. Debtors

	31 December 2023	31 December 2022
	£'000	£'000
Trade debtors	**1,448**	652
Amounts due from subsidiary undertakings	**8,245**	6,510
Corporation tax	**1,692**	1,499
Prepayments	**1,712**	1,453
Accrued income	**220**	485
Other debtors	**551**	54
	13,868	10,653

39. Creditors: Amounts Falling Due Within One Year

	31 December 2023	31 December 2022
	£'000	£'000
Trade creditors	**1,034**	831
Bank overdraft	**1,078**	326
Amounts due to subsidiary undertakings	**15,785**	9,003
Accruals	**1,829**	834
Acquisition obligations	**-**	371
Other creditors	**1,205**	290
	20,931	11,655

40. Creditors: Amounts Falling Due After More Than One Year

	31 December 2023	31 December 2022
	£'000	£'000
Bank loan (see Note 41)	**19,945**	17,440
Deferred tax liability	**200**	200
	20,145	17,640

41. Borrowings

	31 December 2023	31 December 2022
	£'000	£'000
Bank loan outstanding	20,000	17,500
Adjustment to amortised cost	(55)	(60)
Carrying value of loan outstanding	19,945	17,440
The borrowings are repayable as follows:		
Less than one year	-	-
In one to two years	20,000	17,500
	20,000	17,500
Adjustment to amortised cost	(55)	(60)
	19,945	17,440
Less: Amount due for settlement within 12 months (shown under current liabilities)	-	-
Amount due for settlement after 12 months	19,945	17,440

Details of the Company's borrowing facilities and interest rates are set out in Note 20 and not therefore repeated here. All borrowings are in sterling.

As at 31 December 2023, net assets of the Group were £76,453,000 (2022: £90,175,000) and net borrowings under this Group arrangement amounted to £15,362,000 (2022: £11,362,000).

42. Share Capital and Own Shares

The movements on these items are disclosed within the Consolidated Financial Statements.

A description of Own Shares is disclosed in Note 25. During the year, the Company did not issue any new Ordinary shares of 10p each (2022: no shares were issued) and at 31 December 2023, the number of shares in issue was 91,015,897 (2022: 91,015,897).

43. Unrealised Reserves

Included in reserves at 31 December is unrealised profit, which is non-distributable, of £3,165,000 (2022: £3,165,000).

44. Operating Lease Commitments

The total minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2023		31 December 2022	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	1,093	15	286	12
Between two and five years	5,959	40	899	35
In more than five years	6,017	-	581	-
	13,069	55	1,766	47

The increase in operating lease commitments in 2023 relates to the entering into of new leases, most notably the new long term London office lease.

45. Related Party Transactions

Details of related party transactions are disclosed in Note 32 of the Consolidated Financial Statements.

46. Group Companies

Below is a list of all companies in the Group. All subsidiaries are 100% owned and all are incorporated in the United Kingdom, unless otherwise indicated. In addition, the Company holds an indirect interest in Destination CMS Ltd (50%), treated as a joint venture. Unless otherwise stated, the registered office of all companies is The Old Sawmills, Filleigh, Barnstaple, EX32 0RN.

Subsidiary undertaking	Country of Incorporation	Registered office
Held directly:		
The Mission Marketing Holdings Ltd **		
Held indirectly:		
April Six GmbH	Germany	1/f, Rosental 7, Munich 80331, Germany
April Six Inc.	USA	900 Kearny Street, Suite 700, San Francisco, CA 94133, United States of America
April Six Ltd **		
April Six (Mobility) Ltd **		
April Six Proof Ltd		
April Six Pte. Ltd	Singapore	176 Orchard Road #05 - 05, The Centrepoint, Singapore 238843
Balloon Dog Ltd		
Bastin Day Westley Ltd		
Big Communications Ltd		
Bray Leino Ltd **		
Bray Leino Productions Ltd		
Bray Leino Sdn. Bhd. *	Malaysia	No. 308, Block A (3rd Floor), Kelana Business Centre, No. 97, Jalan 557/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Bray Leino Splash Ltd *	Hong Kong	Unit 1101, 11/F, Tower 1, Cheung Sha Wan Plaza, 833 Cheung, Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong
Bray Leino Splash Pte. Ltd	Singapore	176 Orchard Road, #05-05 The Centrepoint, Singapore 238843
Bray Leino Splash Sdn. Bhd. *	Malaysia	No. 308, Block A (3rd Floor), Kelana Business Centre, No. 97, Jalan 557/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Fox Murphy Ltd		
Fuse Digital Ltd		
Influence Sports Ltd **		
Jellyfish Ltd		
Joluxan Holdings Ltd **		
Krow Agency Ltd **		
Krow Communications Ltd **		
Livity Ltd **		
Mezzo Labs (Hong Kong) Limited	Hong Kong	12F Tower 535535, Jaffe Road, Causeway Bay Hong Kong SAR
Mezzo Labs Ltd **		
Mezzo Labs (Singapore) Pte. Ltd.	Singapore	36 Carpenter Street, 02-00 Carpenter Haus, 059915, Singapore
Mongoose Sports & Entertainment Ltd **		
Populate Social Ltd **		
RJW & Partners Ltd **		
Robson Brown Ltd		
Solaris Healthcare Network Ltd **		
Soul (London) Ltd **		
Spark Marketing Services Ltd (75% owned) **		
Speed Communications Agency Ltd **		
Splash Interactive Ltd *	Vietnam	Suite 13-01 Pearl Plaza Offices 561A Dien Bien Phu Ward 25, Binh Thanh District, HCMC, Vietnam
Splash Interactive (Shanghai) Co Ltd *	China	Room 1723, Raffles City Shanghai, 268 Middle Xizang Road, Huangpu District, Shanghai, China
Story Agency Ltd **		
Story UK Ltd **		1-4, Atholl Crescent, Edinburgh, Scotland EH3 8HA
The Mission Ltd		
The Splash Partnership Ltd		
ThinkBDW Ltd **		
TMGPLC Asia Pte Ltd	Singapore	176 Orchard Road #05 - 05, The Centrepoint, Singapore 238843
Turbine Media Ltd (51% owned) **		
Zonr Ltd		

* These subsidiaries are 100% owned by Bray Leino Splash Pte. Ltd, which is 70% owned by The **MISSION** Group plc.

** These subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as The **MISSION** Group plc has guaranteed the subsidiary company under Section 479C of the Act.

Advisors

Company Registration Number:	05733632
Registered Office:	The Old Sawmills Filleigh, Barnstaple Devon, EX32 0RN
Nominated Advisor:	**Canaccord Genuity Limited** 88 Wood Street London EC2V 7QR
Stockbroker:	**Canaccord Genuity Limited** 88 Wood Street London EC2V 7QR
Auditors:	**PKF Francis Clark** Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter, EX2 7XE
Lawyers:	**Shakespeare Martineau** No 11 Colmore Square, Birmingham, B4 6AA
Registrars:	**Neville Registrars** Neville House Steelpark Road Halesowen, B62 8HD
Company Secretary:	**Michael Langford** The Old Sawmills Filleigh, Barnstaple Devon, EX32 0RN
Bankers:	**NatWest Corporate & Commercial Banking** 250 Bishopsgate London, EC2M 4AA

The Old Sawmills, Filleigh,
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