16 April 2024

Gattaca plc
("Gattaca" or "the Group")

Interim Results for the six months ended 31 January 2024

"Focus on our core strengths"

Gattaca plc, the specialist staffing business, today announces its financial results for the six months ended 31 January 2024 ("2024 H1").

Financial Highlights

Continuing operations	**2024 H1**	**2023 H1** *(restated[2])*	**Variance**
Revenue (£m)	188.4	192.8	-2%
Net Fee Income (NFI)[1] (£m)	19.7	22.5	-13%
Operating (loss) / profit (£m)	(0.1)	0.4	-
Underlying profit before tax[3] (£m)	0.8	0.7	+10%
Profit before tax (£m)	0.5	0.6	-16%
Profit after tax (£m)	0.2	0.4	-44%
Loss after tax from discontinued operations	-	(0.2)	-
Group profit after tax	0.2	0.2	+9%
Basic earnings per share (pence)	0.7	0.6	+17%
Net cash (£m)	22.3	20.9	+7%

Highlights

- Group NFI of £19.7 million, a decrease of 13% year-on-year ("YoY")
    - UK NFI down 10% at £19.1 million (2023 H1[2]: £21.3 million)
    - Defence performed strongly with 12% year-on-year growth when excluding a Recruitment Process Outsourcing ("RPO") contract we chose to exit in the prior year
    - Technology, Media & Telecoms ("TMT") showed 10% growth in 2024 H1
    - Contract & Statement of Work ("SoW") vs Perm split 76% / 24% of Group NFI (2023 H1: 68% / 32%)
    - Contract NFI down 3% YoY, however exiting 2024 H1 with a growing contract book
    - Permanent NFI down 36% YoY, due to challenging market conditions and against a strong comparative including £0.9m from the RPO account we chose to exit
    - Gattaca Projects Statement of Work ("SOW") NFI up 14% year-on-year, due to phasing on long-term contracts in 2024 H1; full-year NFI expected to be in line with FY23
- Group underlying profit before tax of £0.8m (2023 H1[2]: £0.7m), offsetting NFI underperformance with focus on cost management
- Total sales headcount of 306 at the end of the period down 1% versus 31 July 2023 and 11% down versus 31 January 2023; rebalancing in our Energy and Business Development teams whilst reducing headcount in non-core areas
- Net cash of £22.3 million (31 July 2023: £21.6 million)
- No interim dividend (2023 H1: nil pence)

Strategic update

Continued emphasis on developing the four identified strategic priorities for sustainable profitable growth:

External Focus

- Built and deployed our new Business Development team as part of our investment in front-line sales capability and doubled our Energy sales team with a focus on Renewables, increasing our efforts in our core markets
- Implemented two new major Solutions accounts and retained two major accounts that retendered during the period
- Continued emphasis on client and candidate service feedback surveys, with increased survey responses and ratings of 8.8 and 8.9 (out of 10) respectively, vs 7.7 and 8.5 in FY23

Culture

- Winner of two Business Culture awards; Best Transformation and Leading with Purpose
- People engagement remains stable at 8.1 for 2024 H1 (FY23: 8.1) and attrition improved to 30% at 31 January 2024 (31 July 2023: 33%), showing our focus on culture is fully embedded in the business

Operational Performance

- Average NFI per sales head has increased by +2%, and by +1% per total head YoY (excluding an RPO perm client from 2023 H1 we chose to exit)
- Successfully launched a series of customer focused automations and enhanced customer platforms, which will result in streamlined processes on the back of our digital transformation
- Reset Board and validated strategy and leadership structure

Cost Rebalancing

- Ongoing optimisation of our UK property footprint, project to be completed in H2 with further cost reduction to be realised
- Support functions in North America have been outsourced to ensure a right-sized cost base for the region
- Slimmed down Board cost base

Progress on these strategic priorities will continue throughout the second half of 2024 and extend into FY25 as we focus on building sustained growth.

Outlook

We continue to be mindful of the macro-economic headwinds, which have impacted demand and candidate sentiment across the recruitment sector and negatively affected performance. We continue to see permanent recruitment subdued in the short term and our focus remains on growing our contractor base. As such we expect full year underlying profit before tax to be in a range of £2.4m to £2.7m.

Despite the current market conditions, we are optimistic about the future for the Group. Our proactive measures, including cost-cutting initiatives and operational streamlining, have positioned us favourably to capitalise on market resurgence when it occurs. We are only actively pursuing growth opportunities in sectors, services, and geographies where we believe we can be a dominant provider. Our strategic investments will be aimed at enhancing our capability in those markets.

Matthew Wragg, Chief Executive Officer said:

"Our strategy to invest in business development is starting to have a positive impact on the business, with two large client extensions and two more Managed Service Provider (MSP) wins for the Group in H1 and a growing pipeline. We continue to see high engagement, staff attrition below long-term targets and despite the market conditions, our productivity levels improving. In H1 we have continued to focus on specific markets and geographies. We have taken our first steps to reduce our workforce in North America to streamline the regional cost base and will continue to develop our international strategy.

Economic conditions have led to a challenging market in H1, and we have not been immune to this. Permanent fee income is down 38% due to much lower than anticipated volumes during late 2023 and compounded by reduced NFI from the exiting of a major programme last year. We have yet to see signs of improvement in the lead indicators for Permanent fee income and expect demand to remain subdued throughout the remainder of 2024. Contract income has remained stable, and pleasingly we are starting to see growth in our contract book.

Recognising that short term trading conditions are expected to remain challenging, we will continue to keep tight control on operating costs. We are mindful to ensure we are well placed to build market share in our chosen sectors as the economy recovers."

The following footnotes apply, unless where otherwise indicated, throughout these Interim Results:

1. NFI is calculated as revenue less contractor payroll costs

2. HY23 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over *how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on HY23 reported results is £0.2m reduction to reported profit before tax. Further details are provided in Note 1.5 of the HY24 Condensed Consolidated Interim Financial Statements.*

3. Continuing underlying results exclude the NFI and (losses) before taxation of discontinued operations (2024 H1: nil, 2023 H1: £(0.2)m), non-underlying items within administrative expenses primarily related to restructuring costs (2024 H1: £0.5m, 2023 H1: £0.2m), amortisation of acquired intangibles (2024 H1: £0.0m, 2023 H1: £0.0m), impairment of goodwill, acquired intangibles and right of use assets (2024 H1: £0.0m, 2023 H1: nil), and exchange gains from revaluation of foreign assets and liabilities (2024 H1: £0.2m, 2023 H1: £0.2m).

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

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Operational Performance

Net Fee Income (NFI) £m	2024 H1	Restated[1] 2023 H1	Change
Infrastructure	6.5	7.1	-9%
Defence	3.6	4.2	-12%
Mobility	2.2	2.2	+1%
Energy	1.8	2.1	-15%
Technology, Media & Telecoms	1.4	1.2	+10%
Gattaca Projects	1.2	1.0	+14%
Other	2.4	3.5	-31%
Total UK	**19.1**	**21.3**	**-10%**
International	0.6	1.2	-56%
Continuing Total Group NFI	**19.7**	**22.5**	**-13%**

1. *2023 H1 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on 2023 H1 reported results is £0.2m reduction to reported profit before tax. Further details are provided in Note 1.5 of the 2024 H1 Condensed Consolidated Interim Financial Statements.*

Infrastructure

Infrastructure NFI decreased by -9% year-on-year, with a challenging 6-month period in the Transportation and Water sub-sectors, marginally offset by modest growth in the Rail sub-sector. Contract demand stayed stable with low growth across all sub-sectors and the start of an uptick seen at the end of 2024 H1. However, the struggling permanent market had an impact on NFI across the board and the demand for permanent candidates was low, in line with wider market trends. Within the water market AMP7 spend is in its delivery phase, generating an increase in on-site work and contractor requirements. The Government recognises the economic benefit of commitment to infrastructure programmes, which is expected to continue past the next General Election and Gattaca continues to be well-placed, delivering resource into the private sector companies who are actively working on the large regional and national projects such as the remaining parts of HS2, the UK National Highways programme and the many other major rail projects in progress around the country.

Defence

Defence NFI grew £0.3m year-on-year on a like-for-like basis excluding the £(0.9)m impact of proactively exiting a large RPO permanent recruitment client in the middle of FY23; overall, with this client included in the prior period, Defence contracted by £(0.6)m year-on-year. The sector continues to perform with steady demand for talent and contract labour needs having seen the most growth in 2024 H1.

Resource demand in the UK Defence sector continues to increase over 2024 H1, accompanied by the increases seen in salaries and pay rates. The UK government's budget announcements show continued commitment to a further £11bn of Defence spend over the next five years. The market is well recognised for stability during economic fluctuations and Gattaca's access to the major UK market is strong, serving over half of the UK MoD's top 100 suppliers, across engineering, technology, manufacturing, and IT skills, with demand specifically for systems and software engineering, and cyber security talent.

Mobility

NFI in our Mobility market for 2024 H1 was up 1% against last half-year. This was balanced, with challenges in contract demand offset by a surge forward in permanent recruitment opportunity in 2024 H1 as Aerospace solutions clients increased demand. However, at the turn of the calendar year, we have seen a tightening in clients' staffing plans and some temporary hiring freezes coming into place, indicating a tough 2024 H2 ahead for this sector. Longer term, the increase in the airframe order book across the Aerospace sub-sector remains strong and the demand for quality, manufacturing and production skills remains high. We are also seeing the need for software, power electronics and systems engineering skills remaining high across the Automotive sub-sector, along with increasing levels of businesses looking for talent to support battery, fuel cells and propulsion systems development as well as manufacturing skills for low or zero carbon emitting vehicles.

Energy

Energy NFI was down 15% year-on-year, largely attributed to shortages in demand for offshore oil and gas contractors in North America after a strong 2023 H1. Pressure on global energy production continues to create opportunity in the UK market, and sector investment focus is increasing on green energy generation and updates and technological advancements to improve transmission. Gattaca is well positioned to capture market opportunities in renewables, transmission and distribution, nuclear and oil and gas markets. In this half year, we have doubled our Energy team to start to capitalise on this opportunity.

Technology, Media & Telecoms (TMT)

TMT NFI has increased by 10% year-on-year, against a weaker 2023 H1 when mass lay-offs were seen across the UK, European and North American markets; this increase in 2024 H1 was largely driven by demand for contract roles. The demand for experienced labour remains competitive and market focus remains around skills in digital transformation, development, cloud, and cyber security from all types and sizes of businesses in a hostile cyber environment.

Gattaca Projects
Gattaca Projects' statement of work NFI has grown by 14% year-on-year. The growth is attributed to the completion of a significant multi-year contract and the successful acquisition of numerous smaller short-term contracts. Gattaca continues to invest in the subcontracting market as we see growth opportunity with our specialism in project management, supply chain management and quality assurance packages of work. We are continuing to commit additional resource to this team as the pipeline of work grows, and our capability increases, as this adds stronger margin to our business mix.

UK Other
NFI across the aggregation of our other smaller markets was down 31% year-on-year partly driven by a reduction in Barclay Meade, our permanent recruitment biased professional services brand, which experienced a continued drop-off in permanent market conditions for skill sets across accounting and finance, procurement, HR, and sales. This aligns with broader patterns observed in the UK staffing market. Trading in our Smart Manufacturing and Public Sector sectors was similarly behind, due to sharp downturns in production at some large blue-collar contract clients and permanent hiring demand down as in other sectors. However, we secured a new contract MSP at the end of 2024 H1, bringing volume to the contract book in Smart Manufacturing which we expect to deliver increased NFI in 2024 H2.

International
International NFI was down 56% year-on-year, primarily driven by the end of a large RPO permanent deal in the US technology sector in the prior year and the decision to reduce the US sales workforce; we continue to review our strategy in this country. We are increasing our focus on the Infrastructure and Energy contract sector in Canada, working closely with our team in the UK.

Group contractor and permanent fee mix

Contract fees accounted for 70% of continuing underlying NFI in 2024 H1 (2023 H1 restated: 63%, FY23: 69%). During the period, the contract base grew by 2.5%, to approximately 4,220 contractors.

Permanent fees accounted for 24% of continuing underlying NFI in 2024 H1 (2023 H1 restated: 32%, FY23: 26%). In 2024 H1, we saw a reduction in demand for permanent hires in our contingent and solutions business across almost all our sectors, a reversal of the trend in FY22 and FY23. Aligned to the wider recruitment sector, we have observed several clients temporarily halting recruitment programmes due to nervousness about the UK economy.

Statement of Work NFI, from Gattaca Projects, was 6% of continuing underlying NFI in 2024 H1 (2023 H1 restated: 5%. FY23: 5%). Phasing on long-term contracts can impact NFI generation but our pipeline of projects delivering project management, supply chain management and quality assurance work packages remains strong and is widening to operate with clients across our Defence and Energy sectors.

People

As at 31 January 2024 Gattaca's headcount was 446, marking a reduction of 51 employees (-10%) compared to 31 January 2023. This decrease was due to performance management actions undertaken in the sales teams. The ratio of sales to support staff was 69:31 at both 31 January 2024 and 31 January 2023. The Group is committed to growing sales staff above 75% of overall employees.

Financial Overview

Revenue for the period was £188.4 million (2023 H1 restated: £192.8 million, FY23: £385.2 million), down 2.3% year-on-year. NFI of £19.7 million (2023 H1 restated: £22.5 million, FY23: £43.4 million) represented a 12.8% year-on-year decrease. Contract NFI margin of 8.1% (2023 H1 restated: 8.1%, FY23: 8.5%) was flat compared with the same period in the prior year; due to a marginal mix change of blue and white-collar contractors and pricing pressure on contract renewals. Gattaca Projects SoW margin was 26.5% (2023 H1: 40.2%, FY23: 27.8%), down against the same period in the prior year due to phasing of project costs, but consistent with FY23.

Continuing underlying profit before tax for the period amounted to £0.8 million (2023 H1 restated: £0.7 million, FY23: £2.6 million). On a continuing basis, the effective tax rate was 55% (2023 H1 restated: 32%). The Group's continuing underlying effective tax rate reported at 31 July 2023 was 43%.

Basic and diluted earnings per share from continuing operations were both 0.7 pence (2023 H1 restated: 1.3 pence) and underlying basic and diluted earnings per share from continuing operations were 1.6 pence (2023 H1 restated: 1.6 pence).

Administrative costs
Underlying administrative costs of £19.3 million (2023 H1: £21.8 million, FY23: £41.0 million) represented a decrease of 11.5% during the period, largely due to reduced staff costs, advisor fees and a reduction in the Group's expected credit loss provision.

A breakdown of the decrease in administrative costs is shown below:

	£m
2023 H1 continuing underlying administrative costs	**21.8**
Sales staff costs	(0.7)
Commissions, bonuses and incentives	(0.9)

Trade receivables and accrued income expected credit loss provision release	(0.5)
Legal and professional fees	(0.3)
Other costs	(0.1)
2024 H1 continuing underlying administrative costs	**19.3**

Non-underlying costs and discontinued operations

The continuing non-underlying costs of £0.5 million (2023 H1: £0.3 million, FY23: credit of £(0.2) million), relate predominantly to employee restructuring costs in North America in 2024 H1.

In 2024 H1, no operational results have been presented as discontinued on the basis that ongoing closure costs are immaterial. In the prior periods, the loss before tax from discontinued operations of £(0.2)m in 2023 H1 (FY23: £(0.5)m) arose from ongoing closure costs in connection with the Group's recruitment operations in South Africa, Mexico and Asia which were either sold or closed in prior periods.

Financing costs

Net finance income of £0.4 million (2023 H1: net finance costs of £0.0 million, FY23: net finance income of £0.2 million) reflected sustained lower utilisation of the working capital facility and increased interest income on money market deposits.

Debtors, cash flow, net cash / (debt) and financing

Net cash at 31 January 2024 was £22.3 million (31 July 2023: £21.6 million; 31 January 2023: £20.9 million).

The Group's trade and other receivables balance was £46.8 million at 31 January 2024 (31 July 2023: £52.2 million), of which debtor and accrued income balances were £44.1 million (31 July 2023: £47.2 million), a £3.1 million reduction over the 6-month period from 31 July 2023. The Group's days sales outstanding ("DSO") over this period (on a weekly based countback method) increased by 10 days from 43 to 53 days at 31 January 2024, although 6 days lower than the DSO position at 31 January 2023. The DSO position at 31 July 2023 is considered to have been near optimal levels; there is consistently a seasonal increase in DSO following the Christmas and New Year period.

In 2024 H1, £0.5m of cash was returned to shareholders through a share buyback programme, a total of 422,586 shares were purchased and cancelled at an average price of 118 pence per share.

Capital expenditure in the period amounted to £0.1 million (2023 H1: £0.1 million, FY23: £0.2 million).

As at 31 January 2024, the Group had a working capital facility of £50 million (31 July 2023: £50m, 31 January 2023: £60m). This facility includes both recourse and non-recourse elements. Under the terms of the non-recourse facility, the trade receivables are assigned to and owned by HSBC and so are not recognised in the Group's statement of financial position. In addition, the non-recourse working capital facility does not meet the definition of loans and borrowings under IFRS. The utilisation of this facility at 31 January 2024 was £2.0 million in credit on the recourse facility and £(4.6) million borrowing on the non-recourse facility.

Dividend

The Board is mindful of the importance of dividends to shareholders. The Board has not proposed an interim dividend for 2024 (2023 H1: nil). The Board will review in line with our policy at the year end.

Risks

The Board considers strategic, financial, and operational risks and identifies actions to mitigate those risks. Key risks and their mitigations were disclosed on pages 58 to 65 of the Annual Report for the year ended 31 July 2023.

We continue to manage several potential risks and uncertainties including contingent liabilities as noted in the interim accounts - many of which are common to other similar businesses - which could have a material impact on our longer-term performance.

Outlook

We continue to be mindful of the macro-economic headwinds, which have impacted demand and candidate sentiment across the recruitment sector and negatively affected performance. We continue to see permanent recruitment subdued in the short term and our focus remains on growing our contractor base. As such we expect full year underlying profit before tax to be in a range of £2.4m to £2.7m.

Despite the current market conditions, we are optimistic about the future for the Group. Our proactive measures, including cost-cutting initiatives and operational streamlining, have positioned us favourably to capitalise on market resurgence when it occurs. We are only actively pursuing growth opportunities in sectors, services, and geographies where we believe we can be a dominant provider. Our strategic investments will be aimed at enhancing our capability in those markets.

Condensed Consolidated Income Statement
For the period ended 31 January 2024

	Note	6 months to 31/01/2024 *unaudited* £'000	Restated[2] 6 months to 31/01/2023 *unaudited* £'000	12 months to 31/07/2023 £'000
Continuing operations				
Revenue	2	**188,443**	192,786	385,174
Cost of sales		**(168,780)**	(170,243)	(341,773)
Gross profit	2	**19,663**	22,543	43,401
Administrative expenses[1]		**(19,801)**	(22,122)	(40,967)
(Loss)/profit from continuing operations	4	**(138)**	421	2,434
Finance income		**671**	242	408
Finance cost		**(26)**	(61)	(87)
Profit before taxation		**507**	602	2,755
Taxation	5	**(280)**	(194)	(1,004)
Profit after taxation from continuing operations		**227**	408	1,751
Discontinued operations				
Loss for the period from discontinued operations (attributable to equity holders of the Company)	6	**-**	(199)	(522)
Profit for the period		**227**	209	1,229

[1] Administrative expenses from continuing operations includes net impairment releases on trade receivables and accrued income of £843,000 (period ending 31 January 2023: £393,000, year ending 31 July 2023: £334,000).
[2] HY23 results have been restated as explained further in Note 1.5.

Profits for the periods to 31 January 2024, 31 January 2023 and the year to 31 July 2023 are wholly attributable to equity holders of the parent.

Earnings per ordinary share	Note	6 months to 31/01/2024 *unaudited* pence	Restated[1] 6 months to 31/01/2023 *unaudited* pence	12 months to 31/07/2023 pence
Basic earnings per share	7	**0.7**	0.6	3.8
Diluted earnings per share	7	**0.7**	0.6	3.8

Reconciliation to adjusted profit measure

Underlying profit is the Group's key adjusted profit measure; profit from continuing operations is adjusted to exclude non-underlying income and expenditure as defined in the Group's accounting policy, amortisation and impairment of goodwill and acquired intangibles, impairment of leased right-of-use assets and net foreign exchange gains or losses.

	Note	6 months to 31/01/2024 *unaudited* £'000	Restated[1] 6 months to 31/01/2023 *unaudited* £'000	12 months to 31/07/2023 £'000
(Loss)/profit from continuing operations		**(138)**	421	2,434
Add:				
Non-underlying items included within administrative expenses	4	**480**	300	(175)
Amortisation of acquired intangibles	4	**32**	35	68
Depreciation of property, plant and equipment, leased right-of-use assets and amortisation of software and software licences	4	**766**	734	1,475
Underlying EBITDA		**1,140**	1,490	3,802
Less:				
Depreciation of property, plant and equipment, leased right-of-use assets and amortisation of software and software licences		**(766)**	(734)	(1,475)
Net finance income/(costs) excluding foreign exchange gains and losses		**443**	(10)	241
Underlying profit before taxation		**817**	746	2,568
Underlying taxation		**(303)**	(222)	(1,096)
Underlying profit after taxation from continuing operations		**514**	524	1,472

[1] HY23 results have been restated as explained further in Note 1.5.

Condensed Consolidated Statement of Comprehensive Income

For the period ended 31 January 2024

	6 months to 31/01/2024 *unaudited* £'000	Restated[1] 6 months to 31/01/2023 *unaudited* £'000	12 months to 31/07/2023 £'000
Profit for the period	**227**	209	1,229
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(23)**	(285)	(243)
Other comprehensive loss for the period	**(23)**	(285)	(243)
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	**204**	(76)	986

	6 months to 31/01/2024 £'000	Restated[1] 6 months to 31/01/2023 £'000	12 months to 31/07/2023 £'000
Attributable to:			
Continuing operations	**204**	108	1,708
Discontinued operations	**-**	(184)	(722)
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	**204**	(76)	986

[1] HY23 results have been restated as explained further in Note 1.5.

Condensed Consolidated Statement of Financial Position
As at 31 January 2024

	Note	31/01/2024 *unaudited* £'000	Restated[1] 31/01/2023 *unaudited* £'000	31/07/2023 £'000
Non-current assets				
Goodwill and intangible assets		**1,897**	2,007	1,962
Property, plant and equipment		**848**	1,243	1,024
Right-of-use assets		**1,732**	2,391	1,873
Deferred tax assets		**410**	465	440
Total non-current assets		**4,887**	6,106	5,299
Current assets				
Trade and other receivables	9	**46,758**	49,243	52,168
Corporation tax receivables		**132**	1,133	534
Cash and cash equivalents		**23,893**	24,304	23,375
Total current assets		**70,783**	74,680	76,077
Total assets		**75,670**	80,786	81,376
Non-current liabilities				
Deferred tax liabilities		**(19)**	(9)	(101)
Provisions	10	**(389)**	(661)	(366)
Lease liabilities		**(930)**	(1,886)	(964)
Total non-current liabilities		**(1,338)**	(2,556)	(1,431)
Current liabilities				
Trade and other payables		**(43,504)**	(45,090)	(46,895)
Provisions	10	**(816)**	(951)	(1,046)
Current tax liabilities		**(388)**	(287)	(330)
Lease liabilities		**(689)**	(1,175)	(857)
Bank loans and borrowings		**-**	(342)	-
Total current liabilities		**(45,397)**	(47,845)	(49,128)
Total liabilities		**(46,735)**	(50,401)	(50,559)
Net assets		**28,935**	30,385	30,817
Equity				
Share capital	11	**316**	323	319
Share premium		**8,706**	8,706	8,706
Capital redemption reserve		**8**	-	4

Merger reserve	**224**	224	224
Share-based payment reserve	**204**	348	334
Translation reserve	**673**	852	696
Treasury shares reserve	**(479)**	(214)	(331)
Retained earnings	**19,283**	20,146	20,865
Total equity	**28,935**	30,385	30,817

[1] HY23 results have been restated as explained further in Note 1.5.

The accompanying notes form part of these interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the period ended 31 January 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share-based payment reserve £'000	Translation reserve £'000	Treasury shares reserve £'000	Restated[1] Retained earnings £'000	Restated[1] Total £'000
At 1 August 2022, as originally presented	323	8,706	-	224	350	1,137	(147)	19,404	29,997
Retrospective adjustments to revenue cut-off (Note 1.5)	-	-	-	-	-	-	-	456	456
Restated total equity at 1 August 2022	323	8,706	-	224	350	1,137	(147)	19,860	30,453
Profit for the period	-	-	-	-	-	-	-	210	210
Other comprehensive loss	-	-	-	-	-	(285)	-	-	(285)
Total comprehensive loss	-	-	-	-	-	(285)	-	210	(75)
Share-based payments charge	-	-	-	-	75	-	-	-	75
Share-based payments reserve transfer	-	-	-	-	(77)	-	-	77	-
Deferred tax movement in respect of share options	-	-	-	-	-	-	-	(1)	(1)
Purchase of treasury shares	-	-	-	-	-	-	(67)	-	(67)
Transactions with owners	-	-	-	-	(2)	-	(67)	76	7
Total equity at 31 January 2023 (*unaudited*)	323	8,706	-	224	348	852	(214)	20,146	30,385
Restated total equity at 1 August 2022	323	8,706	-	224	350	1,137	(147)	19,860	30,453
Profit for the year	-	-	-	-	-	-	-	1,229	1,229
Other comprehensive loss	-	-	-	-	-	(243)	-	-	(243)
Total comprehensive (loss)/ income	-	-	-	-	-	(243)	-	1,229	986
Share-based payments credit	-	-	-	-	(64)	-	-	-	(64)
Share-based payments reserve transfer	-	-	-	-	48	-	-	(48)	-
Deferred tax movement in respect of share options	-	-	-	-	-	-	-	126	126
Purchase of treasury shares	-	-	-	-	-	-	(184)	-	(184)
Purchase and cancellation of own shares[2]	(4)	-	4	-	-	-	-	(500)	(500)
Translation reserve movements on disposal of foreign operations	-	-	-	-	-	(198)	-	198	-
Transactions with owners	(4)	-	4	-	(16)	(198)	(184)	(224)	(622)
Total equity at 31 July 2023	319	8,706	4	224	334	696	(331)	20,865	30,817
Total equity at 1 August 2023	**319**	**8,706**	**4**	**224**	**334**	**696**	**(331)**	**20,865**	**30,817**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**227**	**227**
Other comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(23)**	**-**	**-**	**(23)**
Total comprehensive (loss)/ income	**-**	**-**	**-**	**-**	**-**	**(23)**	**-**	**227**	**204**
Share-based payments charge	**-**	**-**	**-**	**-**	**80**	**-**	**-**	**-**	**80**
Share-based payments transfer	**-**	**-**	**-**	**-**	**(210)**	**-**	**-**	**210**	**-**
Deferred tax movement in respect of share options	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**50**
Shares issued on exercise of LTIP share options	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**
Purchase of treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**(148)**	**-**	**(148)**

Purchase and cancellation of own shares[2]	**(4)**	**-**	**4**	**-**	**-**	**-**	**-**	**(503)**	**(503)**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,566)**	**(1,566)**
Transactions with owners	**(3)**	**-**	**4**	**-**	**(130)**	**-**	**(148)**	**(1,809)**	**(2,086)**
Total equity at 31 January 2024 (*unaudited)*	**316**	**8,706**	**8**	**224**	**204**	**673**	**(479)**	**19,283**	**28,935**

[1] HY23 results have been restated as explained further in Note 1.5.

[2] During the periods ended 31 January 2024 and 31 July 2023, Gattaca plc undertook a public share buyback and a capital redemption reserve was created as a result of the subsequent cancellation of these shares, as discussed in Note 11.

Condensed Consolidated Cash Flow Statement
For the period ended 31 January 2024

	Note	6 months to 31/01/2024 *unaudited* £'000	Restated[1] 6 months to 31/01/2023 *unaudited* £'000	12 months to 31/07/2023 £'000
Cash flows from operating activities				
Profit after taxation		**227**	209	1,229
Adjustments for:				
Depreciation of property, plant and equipment and amortisation of intangible assets, software and software licences		**322**	284	591
Depreciation of leased right-of-use assets		**476**	485	952
Loss on disposal of property, plant and equipment		**5**	14	17
Loss on disposal of software and software licences		**-**	8	8
Reversal of impairment on right-of-use assets		**(42)**	-	-
Profit on reassessment of lease term		**-**	-	(672)
Profit on reassessment of dilapidation asset		**-**	-	(58)
Interest income		**(469)**	(52)	(328)
Interest costs		**26**	61	87
Taxation expense recognised in the income statement		**279**	188	1,007
Decrease in trade and other receivables		**5,377**	9,225	6,243
(Decrease)/increase in trade and other payables		**(3,391)**	(1,333)	476
Decrease in provisions		**(207)**	(88)	(285)
Share-based payment charge/(credit)		**80**	75	(64)
Foreign exchange (losses)/gains		**(55)**	(199)	37
Cash generated from operations		**2,628**	8,877	9,240
Interest paid		**(1)**	(23)	(19)
Interest on lease liabilities		**(25)**	(38)	(68)
Interest received		**469**	52	328
Income taxes repaid		**188**	5	61
Cash generated from operating activities		**3,259**	8,873	9,542
Cash flows from investing activities				
Purchase of property, plant and equipment		**(87)**	(129)	(178)
Sublease rent receipts		**76**	-	130
Cash used in investing activities		**(11)**	(129)	(48)
Cash flows from financing activities				
Lease liability principal repayment		**(557)**	(614)	(1,200)
Purchase of treasury shares		**(148)**	(67)	(184)
Purchase of own shares for cancellation		**(503)**	-	(500)
Working capital facility repaid		**-**	(1,459)	(1,801)
Dividends paid		**(1,566)**	-	-
Cash used in financing activities		**(2,774)**	(2,140)	(3,685)
Effects of exchange rates on cash and cash equivalents		**44**	(68)	(202)

Increase in cash and cash equivalents		**518**	6,536	5,607
Cash and cash equivalents at beginning of the period		**23,375**	17,768	17,768
Cash and cash equivalents at end of the period	**12**	**23,893**	24,304	23,375

[1] HY23 results have been restated as explained further in Note 1.5.

Net decrease in cash and cash equivalents from discontinued operations was £nil (6 months to 31 January 2023: decrease of £253,000, year to 31 July 2023: decrease of £281,000).

NOTES

Forming part of the condensed consolidated interim financial statements

1 Basis of preparation and significant accounting policies

1.1 General information

Gattaca plc ('the Company') and its subsidiaries (together 'the Group') is a human capital resources business providing contract and permanent recruitment services in the private and public sectors across the UK, Europe and North America regions. The Company is a public limited company, which is listed on the Alternative Investment Market (AIM) and is incorporated and domiciled in England, United Kingdom. The Company's registered office address is 1450 Parkway, Solent Business Park Whiteley, Fareham, Hampshire, PO15 7AF. The Company's registration number is 04426322.

1.2 Basis of preparation

These unaudited condensed consolidated interim financial statements are for the six months ended 31 January 2024 and do not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The interim financial statements have been prepared in accordance with the AIM rules and IAS 34, 'Interim Financial Reporting'. Whilst the financial information included in the interim financial statements has been prepared in accordance with UK-adopted International Accounting Standards, the interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 July 2023 which have been filed with the Registrar of Companies and are available from the Group's website, www.gattacaplc.com/investors. The statutory financial statements for the year ended 31 July 2023 received an unqualified report from the auditors and did not contain a statement under section 498 of the Companies Act 2006.

The accounting policies applied in the interim financial statements are consistent with those used in the preparation of the Group's consolidated financial statements for the year ended 31 July 2023, as described in the latest Annual Report and Accounts. No alterations have been made to the Group's accounting policies as a result of adopting new standards, amendments and interpretations which became effective in the period, as these were either not material or not relevant to the Group.

1.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report of the Group's Annual Report and Accounts for the year ended 31 July 2023. The financial position of the Group, its cash flows and liquidity are described in the Chief Financial Officer's Report of the 2023 Annual Report.

At the half year the Group reported a strong balance sheet with statutory net cash of £22.3m. The Group ensures the availability of working capital through close management of customer payment terms. There is sufficient headroom on our working capital facilities to absorb a level of customer payment term extensions, but we would also manage supply to the customer if payment within an appropriate period was not being made. Whilst there is no evidence that it would occur, a significant deterioration in average payment terms has the potential to impact the Group's liquidity.

The Directors have prepared detailed cash flow forecasts, covering a period of at least 12 months from the date of approval of these interim financial statements. This base case is prepared with appropriate regard for the current macroeconomic headwinds and particular circumstances in which the Group operates, including demand and candidate sentiment across the recruitment sector and the economic outlook for STEM markets in the UK in which our customers operate. The base case assumes sustained growth in NFI and cost rebalancing aligned with the Group's strategic priorities.

We continue to see permanent recruitment remaining subdued, in line with our peers, and our focus remains on contractor growth, which takes longer to reflect in NFI. As such we expect profitability will be weighted to the second half of the year. Strong contract pipelines in Defence and Mobility sectors, combined with increasing customer demand for Statement of Work contracts, underpin the Group's Net Fee Income expectations for the second half of FY24 and beyond.

A key assumption in preparing the cash flow forecasts is the continued availability of Group's invoice financing facility throughout the forecast period. The unutilised facility headroom at 31 January 2024 was £22.9m. The current £50m facility has no contractual renewal date; the Directors remain confident that the facility will remain available.

The output of the base case forecasting process has been used to perform sensitivity analysis on the Group's cash flows to the potential effects should principal risks actually occur. The sensitivity analysis modelled a severe but plausible scenario including:
- Reduced NFI growth, including nil growth beyond the end of the current financial year;
- Increased operating costs by between 5% and 10%; and
- Customer payment terms extended by five days.

The effects of commercial mitigating actions that the Directors would implement in response to adverse changes in the Group's profitability and liquidity were excluded.

The sensitised forecasts illustrate that the Group's liquidity is resilient to adverse changes in profitability and customer payment terms. The sensitised forecasts show a 44% reduction in net cash at 31 July 2025, to £10.0m, compared with the base case. The sensitised forecasts confirm management's expectation that the Group will remain in a positive net cash position for at least the next 12 months.

After making appropriate enquiries and considering key judgements and assumptions described above, the Directors have a reasonable expectation at the time of approving these interim financial statements that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Following careful consideration the Directors do not consider there to be a material uncertainty with regards to going concern and consider it is appropriate to adopt the going concern basis in preparing these financial statements.

1.4 Accounting estimates and judgements

Preparation of the interim financial statements requires the Directors to make assumptions and estimates that affect the application of accounting policies. The critical accounting judgements and key assumptions and sources of estimation uncertainty identified by the Directors were consistent with those identified in the Group's Annual Report and Accounts for the year ended 31 July 2023.

1.5 Prior period restatement

Whilst reviewing the Group's revenue cut-off policy during the 2023 year end, management identified a revenue cut-off error affecting the prior financial year. Data relating to late timesheet approvals and permanent placements was, due to human error, incorrectly extracted from the Group's ERP system during the July 2022 year end close process. This resulted in a £204,000 understatement of Net Fee Income (NFI) in the Income Statement for the year ended 31 July 2022, comprising an understatement of accrued income of £1,668,000 and associated accrued costs of £1,464,000. The Group's financial position at 31 July 2022 and the results and cash flows for the year then ended have been restated for correction of this error. Reversal of the revenue cut-off error has impacted results previously reported for the six-month period ended 31 January 2023.

Identification of this error led management to reassess how accrued revenue and accrued cost balances have been calculated at each period end. The Group's upgraded ERP system, implemented during 2021 allowed for a more accurate assessment of the Group's revenue and contractor cost cut-off position. On this basis, management concluded that it would have been appropriate to have extended the cut-off period for late receipt of approved timesheets.

In line with the treatment prescribed in IAS 8 and IAS 1, this change has been applied retrospectively, restating the Group's opening reserves at 1 August 2022, its financial position as at 31 January 2023, and the results and cash flows of the Group for the six-month period year then ended. The impact of the change as at 31 January 2023 is to increase Group net assets and retained earnings by £297,000, increase accrued income (trade and other receivables) by £1,522,000 and increase contractor wages payable (trade and other payables) by £1,247,000. The combined impact of these changes is detailed below.

Condensed Consolidated Income Statement
For the period ended 31 January 2023

	As previously reported £'000	Extension of cut-off period assessment £'000	Adjustment due to incorrect FY22 cut-off data £'000	As restated £'000
Revenue	194,742	(288)	(1,668)	192,786
Cost of sales	(172,009)	302	1,464	(170,243)
Gross profit	22,733	14	(204)	22,543
Profit before taxation from continuing operations	792	14	(204)	602
Taxation	(242)	(4)	53	(193)
Profit after taxation from continuing operations	550	10	(151)	409
Profit for the year	351	10	(151)	210

Condensed Consolidated Statement of Changes in Equity

	As previously reported £'000	Extension of cut-off period assessment £'000	Adjustment due to incorrect FY22 cut-off data £'000	As restated £'000
Total equity at 1 August 2022	29,997	283	173	30,453
Profit for the period	351	10	(151)	210
Balance at 31 January 2023	30,070	293	22	30,384

Condensed Consolidated Statement of Financial Position

	As previously reported	Extension	Adjustment due to	As restated

	31 January 2023	of cut-off period assessment	incorrect FY22 cut-off data	31 January 2023
	£'000	£'000	£'000	£'000
Non-current assets				
Deferred tax assets	474	(31)	22	465
Total non-current assets	**6,115**	**(31)**	**22**	**6,106**
Current assets				
Trade and other receivables	47,721	1,522	-	49,243
Total current assets	**73,158**	**1,522**	**-**	**74,680**
Total assets	**79,273**	**1,491**	**22**	**80,786**
Current liabilities				
Trade and other payables	(43,743)	(1,257)	-	(45,090)
Current tax liabilities	(336)	49	-	(287)
Total current liabilities	**(46,647)**	**(1,198)**	**-**	**(47,845)**
Total liabilities	**(49,203)**	**(1,198)**	**-**	**(50,401)**
Net assets	**30,070**	**293**	**22**	**30,385**
Equity				
Retained earnings	19,831	293	22	20,146
Total equity	**30,070**	**293**	**22**	**30,385**

2 Segmental Information

An operating segment, as defined by IFRS 8 'Operating segments', is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Gattaca plc group defines its operating segments by reference to the sectors in which it operates. Segmentation of the Group's activities by sector is consistent with the segmentation of information provided internally to the chief operating decision maker, being the Board of Directors of Gattaca plc. Reportable segments are identified by reference to quantitative and qualitative thresholds prescribed in IFRS 8. There were no operating segments that met the criteria for aggregation with other operating segments.

6 months to 31 January 2024 *unaudited*

All amounts in £'000	Mobility	Energy	Defence	Technology, Media & Telecoms	Infra-structure	Gattaca Projects	Inter-national[1]	Other	Continuing underlying operations
Revenue (Note 3)	**16,404**	**18,874**	**44,452**	**14,455**	**72,874**	**4,386**	**2,633**	**14,365**	**188,443**
Gross profit	**2,224**	**1,786**	**3,633**	**1,360**	**6,516**	**1,164**	**560**	**2,420**	**19,663**
Operating contribution	**951**	**1,036**	**2,080**	**265**	**2,919**	**757**	**(502)**	**652**	**8,158**
Depreciation and amortisation	**(67)**	**(77)**	**(181)**	**(59)**	**(295)**	**(18)**	**(11)**	**(58)**	**(766)**
Central overheads	**(916)**	**(381)**	**(1,039)**	**(645)**	**(2,022)**	**(214)**	**(606)**	**(1,195)**	**(7,018)**
Profit/(loss) from operations	**(32)**	**578**	**860**	**(439)**	**602**	**525**	**(1,119)**	**(601)**	**374**
Finance income, net									**443**
Profit before tax									**817**

All amounts in £'000	Continuing underlying operations	Non-recurring items and amortisation of acquired intangibles	Discontinued	Total Group
Revenue (Note 3)	**188,443**	**-**	**-**	**188,443**
Gross profit	**19,663**	**-**	**-**	**19,663**
Operating contribution	**8,158**	**-**	**-**	**8,158**
Depreciation and amortisation	**(766)**	**(32)**	**-**	**(798)**
Central overheads	**(7,018)**	**(480)**	**-**	**(7,498)**
Profit/(loss) from operations	**374**	**(512)**	**-**	**(138)**
Finance income, net	**443**	**202**	**-**	**645**
Profit before tax	**817**	**(310)**	**-**	**507**

6 months to 31 January 2023 restated[2] *unaudited*

All amounts in £'000	Mobility	Energy	Defence	Technology, Media & Telecoms	Infra-structure	Gattaca Projects	Inter-national[1]	Other	Continuing underlying operations
Revenue (Note 3)	21,081	20,767	38,530	13,843	73,919	2,538	3,800	18,308	192,786
Gross profit	2,211	2,105	4,151	1,239	7,146	1,020	1,279	3,392	22,543
Operating contribution	1,058	1,422	2,337	179	2,847	639	(484)	908	8,906
Depreciation and amortisation	(80)	(79)	(147)	(53)	(281)	(10)	(14)	(70)	(734)
Central overheads	(768)	(355)	(1,097)	(629)	(2,350)	(185)	(744)	(1,288)	(7,416)
Profit/(loss) from operations	210	988	1,093	(503)	216	444	(1,242)	(450)	756
Finance (costs)/income, net									(10)
Profit before tax									746

All amounts in £'000	Continuing underlying operations	Non-recurring items and amortisation of acquired intangibles	Discontinued	Total Group
Revenue (Note 3)	192,786	-	-	192,786
Gross profit	22,543	-	-	22,543
Operating contribution	8,906	-	-	8,906
Depreciation and amortisation	(734)	(35)	-	(769)
Central overheads	(7,416)	(300)	(208)	(7,924)
Profit/(loss) from operations	756	(335)	(208)	213
Finance (costs)/income, net	(10)	191	4	185
Profit before tax	746	(144)	(204)	398

12 months to 31 July 2023

All amounts in £'000	Mobility	Energy	Defence	Technology, Media & Telecoms	Infra-structure	Gattaca Projects	Inter-national[1]	Other	Continuing underlying operations
Revenue (Note 3)	40,387	40,605	80,652	27,660	148,843	5,512	6,543	34,972	385,174
Gross profit	4,536	4,119	8,003	2,569	14,094	2,091	2,165	5,824	43,401
Operating contribution	2,227	2,624	4,768	580	5,776	1,364	(994)	1,580	17,925
Depreciation and amortisation	(155)	(155)	(309)	(106)	(570)	(21)	(25)	(134)	(1,475)
Central overheads	(1,588)	(685)	(2,018)	(1,160)	(4,473)	(346)	(1,424)	(2,429)	(14,123)
Profit/(loss) from operations	484	1,784	2,441	(686)	733	997	(2,443)	(983)	2,327
Finance (costs)/income, net									241
Profit before tax									2,568

All amounts in £'000	Continuing underlying operations	Non-recurring items and amortisation of acquired intangibles	Discontinued	Total Group
Revenue (Note 3)	385,174	-	-	385,174
Gross profit	43,401	-	-	43,401
Operating contribution	17,925	-	-	17,925
Depreciation and amortisation	(1,475)	(68)	-	(1,543)
Central overheads	(14,123)	175	(186)	(14,134)
Profit/(loss) from operations	2,327	107	(186)	2,248
Finance (costs)/income, net	241	80	(333)	(12)
Profit before tax	2,568	187	(519)	2,236

A segmental analysis of total assets has not been included as this information is not used by the Board; the majority of assets are centrally held and are not allocated across the reportable segments.

[1] International segment revenue and gross profit is generated from the location of the commission-earning sales consultant, as opposed to the domicile of the respective subsidiary by which they are employed.

[2] HY23 results have been restated as explained further in Note 1.5.

Geographical information

All amounts in £'000	Total Group revenue 6 months to 31/01/2024 *unaudited*	Restated[1] 6 months to 31/01/2023 *unaudited*	12 months to 31/07/2023	Non-current assets 6 months to 31/01/2024 *unaudited*	Restated[1] 6 months to 31/01/2023 *unaudited*	12 months to 31/07/2023
UK	**184,660**	187,445	375,436	**4,808**	5,847	5,173
Rest of Europe	**369**	404	775	**2**	1	2
Middle East and Africa	**-**	-	-	**16**	34	24
Americas	**3,414**	4,937	8,963	**61**	224	100
Total	**188,443**	192,786	385,174	**4,887**	6,106	5,299

[1] HY23 results have been restated as explained further in Note 1.5.

Revenue and non-current assets are allocated to the geographic market based on the domicile of the respective subsidiary.

3 Revenue from Contracts with Customers

Revenue from contracts with customers is disaggregated by major service line and operating segment, as well as timing of revenue recognition as follows:

Major service lines – continuing underlying operations

6 months to 31 January 2024 *unaudited*	Mobility £'000	Energy £'000	Defence £'000	Technology, Media & Telecoms £'000	Infra-structure £'000	Gattaca Projects £'000	Inter-national £'000	Other £'000	Continuing underlying operations £'000
Temporary placements	**15,350**	**18,789**	**43,631**	**13,997**	**72,146**	**1,981**	**2,323**	**13,175**	**181,392**
Permanent placements	**995**	**43**	**589**	**458**	**700**	**-**	**268**	**1,190**	**4,243**
Other	**59**	**42**	**232**	**-**	**28**	**2,405**	**42**	**-**	**2,808**
Total	**16,404**	**18,874**	**44,452**	**14,455**	**72,874**	**4,386**	**2,633**	**14,365**	**188,443**

6 months to 31 January 2023 *unaudited restated* [1]	Mobility £'000	Energy £'000	Defence £'000	Technology, Media & Telecoms £'000	Infra-structure £'000	Gattaca Projects £'000	Inter-national £'000	Other £'000	Continuing underlying operations £'000
Temporary placements	20,142	20,560	36,863	13,436	72,525	1,099	2,966	16,402	183,993
Permanent placements	806	175	1,524	423	1,177	-	671	1,875	6,651
Other	133	32	143	(16)	217	1,439	163	31	2,142
Total	21,081	20,767	38,530	13,843	73,919	2,538	3,800	18,308	192,786

Year to 31 July 2023	Mobility £'000	Energy £'000	Defence £'000	Technology, Media & Telecoms £'000	Infra-structure £'000	Gattaca Projects £'000	Inter-national £'000	Other £'000	Continuing underlying operations £'000
Temporary placements	38,426	40,155	77,916	26,660	146,584	2,572	5,353	31,896	369,562
Permanent placements	1,771	268	2,427	778	1,978	-	1,190	3,037	11,449
Other	190	182	309	222	281	2,940	-	39	4,163
Total	40,387	40,605	80,652	27,660	148,843	5,512	6,543	34,972	385,174

Timing of revenue recognition – continuing underlying operations

6 months to 31 January 2024 *unaudited*	Mobility £'000	Energy £'000	Defence £'000	Technology, Media & Telecoms £'000	Infra-structure £'000	Gattaca Projects £'000	Inter-national £'000	Other £'000	Continuing underlying operations £'000
Point in time	**16,404**	**18,874**	**44,452**	**14,455**	**72,874**	**1,981**	**2,633**	**14,365**	**186,038**
Over time	**-**	**-**	**-**	**-**	**-**	**2,405**	**-**	**-**	**2,405**
Total	**16,404**	**18,874**	**44,452**	**14,455**	**72,874**	**4,386**	**2,633**	**14,365**	**188,443**

6 months to 31 January 2023 *unaudited* restated[1]	Mobility £'000	Energy £'000	Defence £'000	Technology, Media & Telecoms £'000	Infra-structure £'000	Gattaca Projects £'000	Inter-national £'000	Other £'000	Continuing underlying operations £'000
Point in time	21,081	20,767	38,530	13,843	73,919	1,099	3,800	18,308	191,347
Over time	-	-	-	-	-	1,439	-	-	1,439

Total	21,081	20,767	38,530	13,843	73,919	2,538	3,800	18,308	192,786

Year to 31 July 2023	**Mobility £'000**	**Energy £'000**	**Defence £'000**	**Technology, Media & Telecoms £'000**	**Infra-structure £'000**	**Gattaca Projects £'000**	**Inter-national £'000**	**Other £'000**	**Continuing underlying operations £'000**
Point in time	40,387	40,605	80,652	27,660	148,843	2,572	6,543	34,972	382,234
Over time	-	-	-	-	-	2,940	-	-	2,940
Total	40,387	40,605	80,652	27,660	148,843	5,512	6,543	34,972	385,174

[1] HY23 results have been restated as explained further in Note 1.5.

No single customer contributed more than 10% of the Group's revenues (6 months to 31 January 2023 and year ended 31 July 2023: none).

Revenue recognised over time is recognised based on costs incurred to date as a proportion of total forecast costs.

4 Profit/(loss) from Total Operations

	6 months to 31/01/2024 ***unaudited*** **£'000**	**6 months to 31/01/2023** ***unaudited*** **£'000**	**12 months to 31/07/2023** **£'000**
Profit/(loss) from total operations is stated after charging/(crediting):			
Depreciation of property, plant and equipment	**257**	228	489
Depreciation of right-of-use leased assets	**476**	485	952
Amortisation of acquired intangibles	**32**	35	68
Amortisation of software and software licences	**33**	21	34
Release of sales ledger credits[1]	**(31)**	(396)	(538)
Loss on reassessment of lease term	**-**	-	(672)
Net impairment release on trade receivables and accrued income (Note 8)	**(843)**	(393)	(334)
Loss on disposal of property, plant and equipment	**5**	14	17
Loss on disposal of software and software licences	**-**	-	8
Plant and machinery rental expenses for leases out-of-scope of IFRS 16	**40**	-	59
Non-recourse working capital bank facility charges	**293**	243	515
Share-based payment charges/(credits)	**86**	75	(64)

[1] The Group holds unclaimed aged sales ledger credits on the balance sheet that arise in the course of normal trading operations due to the high volume of timesheet invoices and customer receipts. The Group releases any unclaimed sales ledger credits to the Income Statement after all reasonable steps have been taken to return funds to the customer and two years have elapsed since receipt of the funds.

Non-underlying items included within administrative expenses were as follows:

Continuing operations	**6 months to 31/01/2024** ***unaudited*** **£'000**	**6 months to 31/01/2023** ***unaudited*** **£'000**	**12 months to 31/07/2023** **£'000**
Restructuring costs[2]	**452**	172	249
Net costs/(income) associated with exiting properties[3]	**16**	128	(614)
Write down of acquired working capital balances[4]	**-**	-	190
Reversal of impairment of right-of-use leased assets[5]	**(42)**	-	-
Cost relating to ongoing closure of group undertakings[6]	**54**	-	-
Non-underlying items included in profit/(loss) from continuing operations	**480**	300	(175)
Discontinuing operations	**£'000**	**£'000**	**£'000**
Cost relating to discontinuation of group undertakings[6]	**-**	207	184
Advisory fees[7]	**-**	1	2
Non-underlying items included in loss from discontinued operations	**-**	208	186
Total non-underlying items	**408**	508	11

[2] Restructuring costs were recognised in connection with personnel re-organisations throughout the business.

[3] Costs have been recognised in relation to the exit of a number of UK office buildings that are no longer in use by the business. During the year ended 31 July 2023, the net gain includes £672,000 profit on reassessment of lease term resulted from the exercise of a break clause on a property that had previously been fully impaired.

[4] Write down of unsupportable and uncollectable working capital balances in subsidiaries acquired during previous years' business combinations.

[5] A gain of £42,000 was recognised on partial reversal of the impairment of a right-of-use leased property asset following its sublease. The impairment was initially recognised in during the year ended 31 July 2022 and was included in non-underlying items.

[6] Ongoing costs relating to closure of entities affected by the closure of the contract Telecoms Infrastructure business in 2018 as well as the closure of the Group's operations in Russia, South Africa, including late filing penalties in Qatar. Presented in discontinued operations in prior periods, the Group has presented these costs as continuing items for the period ended 31 January 2024, as discussed further in Note 6.

[7] Legal fees incurred in previous periods relating to the Group's co-operation with certain voluntary enquiries from the US Department of Justice, as discussed in further detail in Note 14.

5 Taxation

Analysis of tax charge in the period	**6 months to 31/01/2024 *unaudited* £'000**	**Restated[1] 6 months to 31/01/2023 *unaudited* £'000**	**12 months to 31/07/2023 £'000**
Profit before tax from continuing operations	**507**	602	2,755
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25.0% (31 January 2023 and 31 July 2023: 21.0%)	**128**	126	579
Expenses not deductible for tax purposes	**73**	26	145
Income not taxable	**(8)**	(28)	(182)
Effect of share-based payments	**(1)**	(1)	(1)
Irrecoverable withholding tax	**-**	1	2
Overseas losses not recognised as deferred tax assets	**84**	82	563
Difference between UK and overseas tax rates	**11**	2	(45)
Adjustment to tax charge in respect of prior periods	**-**	(27)	(41)
Changes in tax rate	**(7)**	13	(16)
Total taxation charge for the period for continuing operations	**280**	194	1,004
Total taxation (credit)/charge for the period for discontinued operations	**-**	(5)	3

[1] HY23 results have been restated as explained further in Note 1.5.

The forecast average annual tax rate for continuing operations for the year to 31 July 2024 used to estimate the tax charge for the period to 31 January 2024 is 41.0% (period to 31 January 2023: forecast average annual tax rate of 28.9%, year to 31 July 2023: actual tax rate of 36.5%). The increase in the effective tax rate for the period to 31 January 2024 is primarily driven by the increase in the UK tax rate and an increase in non-deductible costs.

6 Discontinued Operations

During the period, the Group has incurred ongoing closure costs associated with discontinued businesses, including its contract Telecomm Infrastructure business (closed in 2018) and operations in Malaysia, Singapore and the Middle East (closed in 2018), China (closed in 2020), and Mexico closure and South African sub-group sale (closed in 2021). No new operations have been discontinued in the current period or prior year.

No trading activities remain for the discontinued businesses, however the Group continues to incur costs associated with closure of the subsidiary statutory entities. The Group has considered the nature and amount of these costs in the current period and has classified all as continuing operations. Costs associated with closure of discontinued businesses are reported within non-underlying items in line with the Group's accounting policy.

Financial performance

	6 months to 31/01/2024 *unaudited* £'000	**6 months to 31/01/2023 *unaudited* £'000**	**12 months to 31/07/23 £'000**
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Administrative expenses[1]	-	(208)	(186)
Loss from operations	-	(208)	(186)
Finance income	-	-	-
Finance costs	-	-	-
Exchange gains/(losses)	-	4	(333)
Loss before taxation	-	(204)	(519)
Taxation	-	5	(3)
Loss for the period after taxation from discontinued operations	-	(199)	(522)

Exchange differences on translation of discontinued operations	**-**	15	(200)
Other comprehensive loss from discontinued operations	**-**	(184)	(722)

[1] For the periods ending 31 January 2023 and 31 July 2023, all administrative expenses from discontinued operations are presented as non-underlying items, as detailed in Note 4.

Cash flows from discontinued operations

	6 months to 31/01/2024 ***unaudited*** **£'000**	**6 months to 31/01/2023** ***unaudited*** **£'000**	**12 months to 31/07/23** **£'000**
Net cash outflow from operating activities	**-**	(116)	(281)
Net cash outflow from investing activities	**-**	-	-
Net cash outflow from financing activities	**-**	-	-
Effect of exchange rates on cash and cash equivalents	**-**	(137)	-
Net cash used by discontinued operations	**-**	(253)	(281)

7 Earnings Per Share

Earnings per share (EPS) has been calculated by dividing the consolidated profit or loss after taxation attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares has been added to the denominator. The Group's potential ordinary shares, being the Long Term Incentive Plan Options, are deemed outstanding and included in the dilution assessment when, at the reporting date, they would be issuable had the performance period ended at that date.

The effect of potential ordinary shares is reflected in diluted EPS only when they are dilutive. Potential ordinary shares are considered to be dilutive when the monetary value of the subscription rights attached to the outstanding share options is less than the average market share price of the Company's shares during the period. Furthermore, potential ordinary shares are only considered dilutive when their inclusion in the calculation would decrease earnings per share, or increase loss per share, in accordance with IAS 33. There are no changes to the profit numerator as a result of the dilution calculation.

The earnings per share information has been calculated as follows:

Total earnings		**6 months to 31/01/2024** ***unaudited*** **£'000**	**Restated[1]** **6 months to 31/01/2023** ***unaudited*** **£'000**	**12 months to 31/07/2023** **£'000**
Total profit attributable to ordinary shareholders		**227**	209	1,229
Number of shares		**000's**	**000's**	**000's**
Basic weighted average number of ordinary shares in issue		**31,649**	32,294	32,196
Dilutive potential ordinary shares		**565**	348	487
Diluted weighted average number of shares		**32,214**	32,642	32,683
Total earnings per share		**pence**	**Restated[1]** **pence**	**pence**
Earnings per ordinary share	- Basic	**0.7**	0.6	3.8
	- Diluted	**0.7**	0.6	3.8
Earnings from continuing operations		**£'000**	**Restated[1]** **£'000**	**£'000**
Total profit for the period from continuing operations		**227**	408	1,751
Total earnings per share for continuing operations		**pence**	**Restated[1]** **pence**	**pence**
Earnings per ordinary share from continuing operations	- Basic	**0.7**	1.3	5.4
	- Diluted	**0.7**	1.3	5.4
Earnings from discontinued operations		**£'000**	**Restated[1]** **£'000**	**£'000**
Total loss for the period from discontinued operations		-	(199)	(522)
Total earnings per share for discontinued operations		**pence**	**Restated[1]** **pence**	**pence**
Loss per ordinary share from discontinued operations	- Basic	-	(0.6)	(1.6)

	- Diluted	-	(0.6)	(1.6)

Earnings from continuing underlying operations	**£'000**	**Restated[1] £'000**	**£'000**
Total profit for the period from continuing underlying operations	**514**	524	1,472

Total earnings per share from continuing underlying operations		**pence**	**Restated[1] pence**	**pence**
Earnings per ordinary share from continuing underlying operations	- Basic	**1.6**	1.6	4.6
	- Diluted	**1.6**	1.6	4.5

[1] HY23 results have been restated as explained further in Note 1.5.

8 Goodwill and Intangible Assets

Impairment Testing

Goodwill and intangible assets are reviewed and tested for impairment on an annual basis or more frequently if it is determined that there is an indication of impairment. For the purpose of impairment testing, the recoverable amount of the cash generating unit (CGU), including goodwill, intangible assets and right-of-use assets, is determined as the higher of its value in use or fair value less costs to sell.

Trading results for the Energy CGU in H1 2024, in line with other areas of the business, have been adversely affected by softening of the permanent recruitment market, resulting in management's trading forecasts now being lower than previously expected. This was considered an indication of impairment, so an impairment test has been performed at the half-year.

At 31 January 2024, the recoverable amount of the Energy CGU's non-current assets was £3,173,000, an excess of £1,004,000 above the carrying amount. The Directors have therefore concluded that the CGU's non-current assets are not impaired.

The key assumptions and estimates used when calculating a CGU's value-in-use are as follows:

Cash flows from operations

Discounted cash flows from operations were prepared based on the Group's Board-approved business plan for FY24-FY26, starting with management's FY24 forecast and applying over-arching NFI and cost growth rates in FY27 and FY28. The Group prepares cash flow forecasts adjusted for allocations of group overhead costs, and extrapolates cash flows into perpetuity based on long-term growth rates. The Group's working capital requirement is expected to increase proportionately with revenue growth.

Discount rates

The pre-tax rate used to discount the forecast cash flows was 18.7% (FY23: 18.7%) reflecting the Group's weighted average cost of capital, adjusted for specific risks associated with the asset's estimated cash flows. The nominal discount rate is based on the weighted average cost of capital (WACC). The risk-free rate, based on UK Government bond rates, is adjusted for equity and industry risk premiums, reflecting the increased risk compared to an investor who is investing the market as a whole. Net present values are calculated using pre-tax discount rates derived from the Group's post-tax WACC of 14.1% (FY23: 14.1%).

Growth rates

The medium-term growth rates are based on management forecasts, reflecting past experience and the economic environment. Long-term growth rates are based on external sources of an average estimated growth rate of 2.0% (FY23: 2.0%), using a weighted average of operating country real growth expectations.

Sensitivity analysis

The Directors have considered and assessed reasonably possible changes in the key assumptions and have performed sensitivity analysis on the estimates of recoverable amount.

Cash flows from operations for value-in-use are influenced by the forecast level of operating contribution (NFI and direct operating costs) of the CGU across the 5-year forecast period. Scenarios modelled by management illustrate a range of outcomes, some of which indicated a possible impairment, include a 12-month delayed return to overall NFI growth or a sustained period of subdued NFI growth and operating cost growth. The latter, a reduction of expected NFI growth (75% down in FY25, 50% down in FY26-FY28) and operating cost growth (50% down in FY25, 33% down in FY26-FY28), resulted in possible impairment of the CGU's non-current assets of £551,000 at 31 January 2024.

The following changes in other key assumptions, when considered individually or in aggregate, do not indicate a possible impairment of the non-current assets of the CGU:
- 200 basis points increase in the pre-tax discount rate; and
- 20 basis points decrease in the long-term growth rate.

9 Trade and Other Receivables

	31/01/2024 *unaudited* **£'000**	**Restated[1] 31/01/2023** *unaudited* **£'000**	**31/07/2023** **£'000**

Trade receivables from contracts with customers, net of loss allowance	**27,442**	28,589	31,905
Other receivables	**1,196**	2,195	3,714
Finance lease receivables	**113**	160	95
Prepayments	**1,392**	1,376	1,145
Accrued income	**16,615**	16,923	15,309
Total	**46,758**	49,243	52,168

[1] HY23 results have been restated as explained further in Note 1.5.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value

Other receivables includes retentions of £494,000 (31 January 2023: £835,000, 31 July 2023: £2,838,000) on trade receivable balances assigned to HSBC under the non-recourse invoice financing facility.

Accrued income relates to the Group's right to consideration for temporary and permanent placement made but not billed at the period end. These transfer to trade receivables once billing occurs.

Impairment of trade receivables from contracts with customers

	31/01/2024 *unaudited* £'000	31/01/2023 *unaudited* £'000	31/07/2023 £'000
Trade receivables from contracts with customers, gross amounts	**28,315**	30,247	33,538
Loss allowance	**(873)**	(1,658)	(1,633)
Trade receivables from contracts with customers, net of loss allowance	**27,442**	28,589	31,905

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally settled within 30-60 days and are therefore all classified as current.

The Group uses a third party credit scoring system to assess the creditworthiness of potential new customers before accepting them. Credit limits are defined by customer based on this information. All customer accounts are subject to review on a regular basis by senior management and actions are taken to address debt ageing issues.

Trade receivables are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics by geographical region or customer industry.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the relevant period end and the corresponding historical credit losses experienced within this period. The historic loss rates are adjusted to reflect any relevant current and forward-looking information expected to affect the ability of customers to settle the receivables. Additionally, external economic forecasts along with other macroeconomic factors have been taken into account when assessing the credit risk profiles for specific industries and geographies.

During the period ending 31 January 2024, the Group reduced its general expected loss rates to reflect a lower historical credit loss rate, supported by economic forecasts. The reduction in general expected loss rates gave rise to credits to the Income Statement on release of loss allowances of £386,000 for trade receivables and £87,000 for accrued income.

The loss allowance for trade receivables was determined as follows:

31 January 2024 ***unaudited***	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	**2.0%**	**3.1%**	**6.9%**	**94.7%**	
Gross carrying amount – trade receivables (£'000)	**27,555**	**350**	**87**	**323**	**28,315**
Loss allowance (£'000)	**550**	**11**	**6**	**306**	**873**

31 January 2023 ***unaudited***	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	3.8%	5.5%	5.5%	61.2%	
Gross carrying amount – trade receivables (£'000)	28,283	659	457	848	30,247
Loss allowance (£'000)	1,078	36	25	519	1,658

31 July 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	3.6%	3.7%	15.4%	69.5%	
Gross carrying amount – trade receivables (£'000)	31,973	903	13	649	33,538
Loss allowance (£'000)	1,147	33	2	451	1,633

The loss allowance for trade receivables at the period end reconciles to the opening loss allowance as follows:

	6 months to 31/01/2024 *unaudited*	6 months to 31/01/2023 *unaudited*	12 months to 31/07/2023
	£'000	**£'000**	**£'000**
Opening loss allowance	**1,633**	2,077	2,077
Decrease in loss allowance recognised in profit and loss during the period[1]	**(680)**	(290)	(156)
Receivables written off during the period as uncollectible	**(80)**	(129)	(288)
Closing loss allowance	**873**	1,658	1,633

[1] Includes a credit of £386,000 relating to the reduction of general expected loss rates.

Impairment of accrued income

	31/01/2024 *unaudited*	Restated[1] 31/01/2023 *unaudited*	31/07/2023
	£'000	**£'000**	**£'000**
Gross accrued income	**16,956**	17,502	15,813
Loss allowance	**(341)**	(579)	(504)
Accrued income, net of loss allowance	**16,615**	16,923	15,309

The loss allowance for accrued income was determined as follows:

31 January 2024 ***unaudited***	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	**1.9%**	**1.7%**	**0.0%**	**58.6%**	
Gross carrying amount – accrued income (£'000)	**16,803**	**115**	**9**	**29**	**16,956**
Loss allowance (£'000)	**322**	**2**	**-**	**17**	**341**

31 January 2023 ***unaudited*** **restated[1]**	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	2.3%	2.5%	2.5%	33.1%	
Gross carrying amount – accrued income (£'000)	15,840	867	239	556	17,502
Loss allowance (£'000)	367	22	6	184	579

31 July 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	2.3%	2.8%	18.3%	98.5%	
Gross carrying amount – accrued income (£'000)	15,476	143	60	134	15,813
Loss allowance (£'000)	357	4	11	132	504

[1] HY23 results have been restated as explained further in Note 1.5.

The loss allowance for accrued income at the period end reconciles to the opening loss allowance as follows:

	6 months to 31/01/2024 *unaudited*	6 months to 31/01/2023 *unaudited*	12 months to 31/07/2023
	£'000	**£'000**	**£'000**
Opening loss allowance	**504**	682	682
Decrease in loss allowance recognised in profit and loss during the period[1]	**(163)**	(103)	(178)
Closing loss allowance	**341**	579	504

[1] Includes a credit of a £87,000 relating to the reduction of general expected loss rates.

10 Provisions

6 months to 31 January 2024 ***unaudited***	Dilapidations £'000	Other Provisions £'000	Total £'000
Balance at the start of the period	**677**	**735**	**1,412**
Provisions made in the period	**5**	**281**	**286**
Provisions utilised	**(55)**	**(98)**	**(153)**
Provisions released	**-**	**(340)**	**(340)**
Effect of movements in exchange rates	**-**	**-**	**-**

Balance at the end of the period	**627**	**578**	**1,205**

As at 31 January 2024 *unaudited*	**Dilapidations £'000**	**Other Provisions £'000**	**Total £'000**
Non-current	**352**	**37**	**389**
Current	**275**	**541**	**816**
Total	**627**	**578**	**1,205**

6 months to 31 January 2023 *unaudited*	**Dilapidations £'000**	**Other Provisions £'000**	**Total £'000**
Balance at the start of the period	880	824	1,704
Provisions made in the period	154	141	295
Provisions utilised	(353)	(30)	(383)
Provisions released	(1)	-	(1)
Effect of movements in exchange rates	(1)	(2)	(3)
Balance at the end of the period	679	933	1,612

As at 31 January 2023 *unaudited*	**Dilapidations £'000**	**Other Provisions £'000**	**Total £'000**
Non-current	661	-	661
Current	18	933	951
Total	679	933	1,612

12 months to 31 July 2023	**Dilapidations £'000**	**Other Provisions £'000**	**Total £'000**
Balance at the start of the period	880	824	1,704
Provisions made in the period	187	194	381
Provisions utilised	(353)	(79)	(432)
Provisions released	(35)	(199)	(234)
Effect of movements in exchange rates	(2)	(5)	(7)
Balance at the end of the period	677	735	1,412

As at 31 July 2023	**Dilapidations £'000**	**Other Provisions £'000**	**Total £'000**
Non-current	347	19	366
Current	330	716	1,046
Total	677	735	1,412

Dilapidation provisions are held in respect of the Group's office properties where lease obligations include contractual obligations to return the property to its original condition at the end of the lease term, ranging between one and four years.

Other provisions made during the period ending 31 January 2024 relate primarily to restructuring activities for both UK and US operations, as discussed further in Note 4. In addition to the restructuring provisions raised during the period, other provisions held as at 31 January 2024 relate to claims for certain legal and tax matters.

11 Share capital

Authorised share capital	**31/01/2024 *unaudited* £'000**	**31/01/2023 *unaudited* £'000**	**31/07/2023 £'000**
40,000,000 Ordinary shares of £0.01 each	**400**	400	400

Allotted, called up, and fully paid	**31/01/2024 *unaudited* £'000**	**31/01/2023 *unaudited* £'000**	**31/07/2023 £'000**
31,525,525 Ordinary shares of £0.01 each (31 January 2023: 32,303,612, 31 July 2023: 31,856,612)	**316**	323	319

The movement in the number of shares in issue is shown below:

	31/01/2024 *unaudited*	**31/01/2023 *unaudited***	**31/07/2023**

	'000	'000	'000
In issue at the start of the period	**31,857**	32,290	32,290
Exercise of LTIP share options	**91**	14	14
Shares cancelled	**(423)**	-	(447)
In issue at the end of the period	**31,525**	**32,304**	31,857

The Company has one class of ordinary shares. Each share is entitled to one vote in the event of a poll at a general meeting of the Company. Each share is entitled to participate in dividend distributions.

Share buyback and cancellation

During the period the Company made market purchases of and subsequently cancelled 422,586 of its own ordinary shares as part of a public share buyback. The buyback and cancellation were approved by shareholders at the Annual General Meeting held in December 2022. The shares were acquired at an average price per share of £1.18, with prices ranging from £1.05 to £1.29. The total cost of the share buyback, financed from the Group's cash reserves, was £503,000 which has been deducted from retained earnings. On cancellation of the shares, the aggregate nominal value of shares was transferred out of share capital to a capital redemption reserve.

Share options

During the period the Group granted share options under the Long-Term Incentive Plan ("LTIP") for Executive Directors and senior management. 643,305 share options with an exercise price of £0.01 each were granted on 6 December 2023 to members of staff to be held over a three-year vesting period and are subject to various performance conditions. All share options have a life of 10 years from grant date and are equity settled on exercise.

12 Net Cash

Net cash is the total amount of cash and cash equivalents less interest-bearing loans and borrowings, including lease liabilities.

Net cash flows include the net drawdown of loans and borrowings and cash interest paid relating to loans and borrowings.

31 January 2024 *unaudited*	**01/08/2023 £'000**	**Net cash flows £'000**	**Non-cash movements £'000**	**31/01/2024 £'000**
Cash and cash equivalents	**23,375**	**474**	**44**	**23,893**
Working capital facilities	**-**	**-**	**-**	**-**
Lease liabilities	**(1,821)**	**557**	**(355)**	**(1,619)**
Total net cash	**21,554**	**1,031**	**(311)**	**22,274**

31 January 2023 *unaudited*	**01/08/2022 £'000**	**Net cash flows £'000**	**Non-cash movements £'000**	**31/01/2023 £'000**
Cash and cash equivalents	17,768	6,604	(68)	24,304
Working capital facilities	(1,801)	1,459	-	(342)
Lease liabilities	(3,625)	614	(50)	(3,061)
Total net cash/(debt)	12,342	8,677	(118)	20,901

31 July 2023	**01/08/2022 £'000**	**Net cash flows £'000**	**Non-cash movements £'000**	**31/07/2023 £'000**
Cash and cash equivalents	17,768	5,809	(202)	23,375
Working capital facilities	(1,801)	1,801	-	-
Lease liabilities	(3,625)	1,200	604	(1,821)
Total net cash	12,342	8,810	402	21,554

Restricted cash

Included in cash and cash equivalents is the following restricted cash which meets the definition of cash and cash equivalents but is not available for use by the Group:

	31/01/2024 *unaudited* £'000	**31/01/2023 *unaudited* £'000**	**31/07/2023 £'000**
Balances arising from the Group's non-recourse working capital arrangements	**196**	1,173	253
Cash on deposit in accounts controlled by the Group but not available for immediate drawdown	**1,103**	1,370	1,101
Total restricted cash	**1,299**	2,543	1,354

Included within restricted cash is £382,000 (31 January 2023: £508,000, 31 July 2023: £391,000) held on deposit in a Russian bank account, to which the Group currently has no access. Following legal consultation, the Directors have implemented a plan to regain access to this account with a view to repatriating the cash to the UK at the earliest opportunity.

13 Transactions with Related Parties

There were no related party transactions during the period with entities outside of the Group (6 months to 31 January 2023 and year ended 31 July 2023: none) and no related party balances at 31 January 2024 (31 January 2023 and 31 July 2023: none).

During the period, Matchtech Group (Holdings) Limited purchased 1 ordinary share of Matchtech Group (UK) Limited, being the entire minority interest in the subsidiary, from George Materna, a then-director of Gattaca plc (resigned 6 December 2023). The share purchase was made at market value.

14 Contingent Liabilities

We continue our cooperation with the United States Department of Justice and in the 6 month period to 31 January 2024 no costs were incurred (6 months to 31 January 2023: £1,000, and year to 31 July 2023: £2,000) in advisory fees on this matter. The Group is not currently in a position to know what the outcome of these enquiries may be and therefore we are unable to quantify the likely outcome for the Group.

The Directors are aware of other potential claims against the Group from a client which may result in a future liability. The Group considers that at the date of approval of these financial statements, the likelihood of a future material economic outflow is not probable and an estimate of any future economic outflow cannot be measured reliably, therefore no provision is being made.

15 Statement of Directors' Responsibilities

The Directors' confirm that these condensed interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and that the interim management report includes a fair view of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.