Company number 05935923

Jaywing plc
Annual Report and Accounts
For the year ended 31 March 2024

Contents

Overview

Jaywing is a Data Science and Marketing business, with operations in the UK and Australia. Jaywing is home to over 200 of the best thinkers across creative and brand strategy, performance marketing, risk consulting and data science. Every day, handpicked teams collaborate to respond to diverse challenges across a range of sectors and businesses to connect powerful ideas, rich data and new technologies to provide winning solutions for our clients. With large, specialist technical and creative power and over 50 experienced data scientists, Jaywing is particularly skilled at turning data into value, fuelling brands, connecting on customers' terms and reimagining businesses. Jaywing's clients include a number of blue-chip companies such as First Direct, Castrol, Euro Car Parts, ADT, HSBC, Yorkshire Water and Virgin Media O2.

Clients

Jaywing helps its clients find smart solutions to deliver profitable growth and build brand value. It uses its science-based expertise to create compelling insights from complex customer behaviour and builds these into effective digital marketing, customer engagement and portfolio management activities.

Client concentration risk is low, with 150 active clients at the year end and with the largest client of the Group accounting for around 9% of annual revenue.

Revenue from the Group's operations in Australia accounted for 31% of revenue (2023: 26%), and we continue to benefit from close collaboration between Australia and the UK both on specific clients and development of new capabilities.

People

Our people comprise a diverse mix of specialists, many with scarce skill sets. They include:

- Award-winning creative teams
- Experts in brand strategy, client management, PR and performance marketing
- Highly experienced fraud and credit risk modellers
- PhD mathematicians
- Analysts and econometric modellers
- Highly skilled AI practitioners

These skills can be applied to a wide spectrum of challenges, ranging from credit risk modelling through to brand advertising and a key strength is our ability to harness cross-functional teams to collaborate on client solutions.

Financial highlights

	2024 £'000	2023 £'000	Change %
Revenue	21,454	22,062	(2.8%)
Adjusted EBITDA(1)	2,161	1,908	13.3%
Operating Loss	(459)	(11,340)	
Loss before Tax	(2,376)	(12,535)	
Cash Generated from Operations	387	1,293	
Net Debt pre IFRS 16(2)	(12,962)	(10,346)	
Loss per share	(2.52p)	(13.73p)	

Reconciliation of Operating Loss with Adjusted EBITDA

	2024 £'000	2023 £'000
Operating Loss	**(459)**	**(11,340)**
Add Back:		
Impairment of Goodwill	-	12,095
Depreciation of property, plant & equipment	237	245
Depreciation and impairment of right of use assets	626	641
Amortisation of intangibles	466	320
EBITDA	**870**	**1,961**
Acquisition & related costs	-	259
Restructuring costs	1,668	190
Share based payment charge	25	-
Fair value adjustment on contingent consideration	(402)	-
Legal income	-	(502)
Adjusted EBITDA(1)	**2,161**	**1,908**
Adjusted EBITDA(1) margin	10.1%	8.6%

Revenue, Contribution and Adjusted EBITDA by operating segment

	2024 £'000	2023 £'000	Change %	Change % at constant exchange rates* %
Revenue				
United Kingdom	14,759	16,380	(9.9%)	(9.9%)
Australia	6,695	5,682	17.8%	28.1%
Group total	**21,454**	**22,062**	**(2.8%)**	**(0.1%)**
Contribution(3)				
United Kingdom	4,286	4,886	(12.3%)	(12.3%)
Australia	2,369	2,142	10.6%	20.4%
Group total	**6,655**	**7,028**	**(5.3%)**	**(2.3%)**
Contribution margin	**31.0%**	**31.9%**		
Adjusted EBITDA(1)				
United Kingdom	1,149	1,380	(16.7%)	(16.7%)
Australia	1,012	528	91.7%	107.6%
Group total	**2,161**	**1,908**	**13.3%**	**17.7%**

(1) Adjusted EBITDA represents Earnings Before Interest Tax, Depreciation & Amortisation ('EBITDA') before restructuring costs, acquisition & related costs, share based payment charge, fair value adjustments on contingent consideration and exceptional other operating income
(2) Including accrued interest
(3) Contribution is defined as Revenue less Direct Costs comprising of staff and other costs directly attributable to the revenues of the respective operating segments
* At constant exchange rates applicable to the 12 months ended 31 March 2023.

Chairman's Statement

Introduction

The Group has been undergoing a period of significant change and recovery that started in the financial year ended 31 March 2024 (FY24) and has continued since. The results for FY24 reflect some of the early progress made, although the full impact of the actions taken to reduce the cost base will not be felt until the current financial year.

The changes at Board level that have been undertaken since the year end; the strong management teams in place within the operating business; and the high-quality individual members of staff employed throughout the Group all give us confidence in the future and our ability to grow the business. As the relatively newly appointed Executive Chairman I would like to record my thanks for the hard work and dedication of all our employees.

Results

In the first quarter of FY24 the Group carried out a significant restructuring of the UK division to improve margin efficiency through cost reduction. The work on cost reductions continued throughout the year and has allowed the Group to report a 13.3% increase in Adjusted EBITDA despite a 2.8% reduction in Group revenues.

Revenues for the Group for FY24 of £21.5m (2023: £22.1m), were 2.8% down on FY23. The decrease in revenue in FY24 comprises a fall of 9.9% in UK revenues (2023: fall of 9.5%) and a rise of 17.8% in Australia revenues (2023: increase of 8.8%) The Australian revenue growth in FY24 in local currency was 28.1%. The UK's revenues were affected by weaker markets whilst Australia's revenue growth accelerated. Further detail on the Group's results is contained in the Operational and Financial Report which follows.

Strategy

The Group is a data science led marketing and consultancy business; its people are its most important assets. Whilst the difficult market conditions in FY24, especially in the Group's UK market, have necessitated headcount reductions, a priority has been placed on retaining the core skills and talent that mark Jaywing out from its competition. The Group is dependent on the strength of its relationships with its customers and the excellence of the work it undertakes on their behalf. The Group will continue to invest in the talented people that ensure its success in client service and delivery.

In a rapidly changing and increasingly technologically advanced market the Group's expertise in data science, its long experience of Artificial Intelligence tools and applications and its ability to convert data insights into compelling marketing campaigns are core strengths. The Group aims to maintain its lead in these core areas and use them to differentiate itself from its competition.

The Group enjoys a diverse portfolio of world leading brands as clients. Our sales and marketing strategy has been developed and enhanced to allow us to continue to attract and win new business from brands for which we can deliver excellent results.

The Group operates in two principal markets: the UK and Australia. The Australian business has grown significantly in the last two years and has started to expand its client base from within the wider APAC markets. Geopolitical and economic changes make Australia an increasingly attractive base from which to serve the APAC region and the strength of our Australian team allows us to target further growth from region wide clients.

Funding

The Group has benefitted from the support of the holders of its secured debt, who have helped fund the business through some challenging years. The Group aims to continue its recovery and return to a more stable cash position in the second half of the current financial year.

Board and senior management

In March 2024 we announced that Philip Hanson had stepped down as a Non-Executive Director.

In April 2024 Henry Turcan and I joined the Company's board of directors as Non-Executive Directors. Andrew Fryatt stepped down as the Chief Executive Officer in May 2024 and Christopher Hughes, the Company's Chief Financial Officer, role was expanded to include operations and he joined the Board. The Board asked me to step up into the Executive Chairman role at that time. I would like to thank the departing Directors for their contribution and also Ian Robinson for his long service as Chairman, he remains on the Board as a Non-Executive Director.

Outlook

The Australian division is expected to continue to benefit from a strong market and new business pipeline, with revenue growth expected in the current financial year. UK market conditions remain challenging but the UK operation is now leaner, more efficient and able to convert more of its future revenue growth into profit and cash. Changes to our leadership teams and a greater focus on marketing of the Group's data and creative skills alongside investments made in client growth, are beginning to make a difference to operational performance. Cash however remains very tight and a key focus for management. As the cash savings from recent cost reduction initiatives, combined with the benefit of recent new business wins, begin to impact our P&L we anticipate reaching a more stable cash position in the second half of the current year.

David Beck
Executive Chairman
Jaywing plc
29 August 2024

Operational and Financial Report

Operational Highlights

- Group Adjusted EBITDA for FY24 up by 13.3% at £2,161k against prior period, on 2.8% lower revenues.
- Australia profitability improved with FY24 Adjusted EBITDA up 91.7% % (107.6% at constant exchange rates) due to strong Australia revenue growth of 17.8% (28.1% at constant exchange rates).
- AUD:GBP FX rate adversely impacted Group results. Under constant exchange rates FY24 Group revenues were static compared to the prior year, with Group Adjusted EBITDA up 17.7%.
- UK Adjusted EBITDA for FY24 down 16.7%, due to the difficult economic conditions for the UK marketing sector.
- New business pipeline remains strong in both the UK and Australia divisions.
- Decision (our AI-based PPC automation tool) is performing well with 16 clients now on Decision, including 2 clients in Australia.

Business review

Jaywing is a Data Science and Marketing business, with operations in the UK and Australia. Our focus is providing an integrated marketing, data and risk consulting proposition, enabled by data science, to our existing and potential clients. The parent company acts as a holding company providing management services to its subsidiaries.

The Group's adjusted EBITDA of £2.16m in FY24, an increase of 13.3% against the prior period, was achieved despite 2.8% lower revenues. The Group's Operating Loss was reduced to £0.5m from £11.3m in the prior year, and the Loss before Tax came down to £2.4m from £12.6m.

Cash Generated from Operations decreased to £0.4m from £1.3m. Net debt (pre IFRS 16) increased to £13.0m from £10.3m.

Challenging economic conditions, higher interest rates and falling consumer confidence all contributed to a difficult trading period in the UK. Market conditions in Australia were more favourable and helped our business there to grow both revenue and profitability. UK revenue was 9.9% lower at £14.8m whilst Australian revenue increased by 17.8% to £6.7m, at constant exchange rates Australian revenue growth was an even more impressive 28.1%.

Market conditions were difficult for the whole of FY24 and although there have been some significant new business wins at the end of the financial year, trading conditions remain challenging going into FY25.

Jaywing UK

The Jaywing UK business is made up of our data led performance marketing agency, our data and risk consultancy offering, and our AI driven digital advertising tool, Decision.

Overall, the UK division saw a 9.9% reduction in revenue in the year ended 31 March 2024. This is predominantly from our UK agency division which experienced a challenging year due to several sector macro-economic headwinds, but benefited from our early action of headcount to ensure that we reduced our FTE cost base by an annualised £1.6m. This allowed us to maintain an Adjusted EBITDA margin of c. 8%, with the full benefit flowing into the new financial year. The year ended positively with several client wins, most notably becoming digital partner to Yorkshire Tea and winning the Online Education Services contract in the UK.

Our data and risk consultancy business traded strongly for much of the year ended 31 March 2024 following several good client wins, but had an unexpectedly weak last quarter as scheduled work with a major customer did not materialise with this trend continuing into the current year.

Decision is our award-winning Artificial Intelligence solution for online marketing activity that Jaywing currently sells to clients which enables them to automate Pay-Per-Click advertising management. Focus remains on continuing to build the pipeline and conversion of opportunities.

The costs of running Decision are relatively fixed and the planned further growth of Decision sales to existing and new customers is expected to help improve Jaywing's overall margins as well as increase its recurring revenues.

Jaywing Australia

Jaywing Australia continued their pleasing revenue growth with 28.1% local currency growth in the year, stemmed from strong new business, most notably OES, Crocs and New Balance which all ramped up during the year.

Pleasingly the growth in revenue flowed to Adjusted EBITDA that doubled under constant currency in the year with the Adjusted EBITDA margin growing to 15% EBITDA margin for the year ended 31 March 2024, up from 9% EBITDA margin in the previous financial year.

Jaywing Australia was recognised externally for their work by winning the Best Large Integrated Agency of the Year 2024 APAC Search Awards and Performance Agency of the Year 2023 at the B&T Awards.

Technology research and development

We successfully completed our automation reporting project that is driving greater efficiency and continue to build further Decision functionality to increase scope of delivery as well as further developments to ensure we continue to operate at the front of AI / Data Science. Progress has been pleasing and we can already see the benefits from this work. Focus will continue on increased automation to drive efficiency within delivery as well as bringing additional benefits to our clients through our proprietary tools.

Employees

We recognise that our people are our most important asset. Jaywing prioritises our people's health and wellbeing, a commitment solidified through significant organisational changes over the past three years. Our guiding principles of critical thinking, collaboration, and conviction shape our identity and actions, integrating employee welfare as a core pillar of our ethos and focusing on mental, physical, social, and financial wellbeing.

The Group's strategic initiatives include providing comprehensive support programs like the My Health Advantage App, Bright TV for mental health awareness. Additionally, Jaywing fosters a vibrant social culture with monthly events, offers an Employee Support Fund for financial assistance, and ensures work-life balance through its leave policies. The emphasis on diversity and inclusion, coupled with a continued investment in wellbeing, underpins Jaywing's supportive and inclusive workplace culture, resulting in enhanced employee engagement and retention.

The great work our people have done to embed our culture has been recognised by achieving Great Places to Work status in the UK. 79% of employees believe Jaywing in the UK is a great place to work and 93% feel that people care about each other. Furthermore, 98% believe that people are fairly treated regardless of sexual orientation or race. Our diverse workforce includes 8% LGBTQ+ employees, a gender representation of 55% male and 45% female, and 12% of employees with a disability. This diversity, coupled with a balanced age distribution, underscores our inclusive culture.

I would like to thank all our colleagues in both the Australian and UK businesses for their continuing outstanding contribution over the last 12 months.

Non-IFRS measures

The financial statements contain all the information and disclosures required by the relevant accounting standards and regulatory obligations that apply to the Group. The annual report and financial statements also include measures which are not defined by generally accepted accounting principles such as IFRS. We believe this information, along with comparable IFRS measures, is useful as it provides investors with a basis for measuring the underlying performance of the Group on a comparable basis. The Board and its executive management use these financial measures to evaluate the Group's underlying operating performance. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Similarly, non-IFRS measures as reported by us may not be comparable with similar measures reported by other companies.

Key performance indicators used by the Board and executive managers include:

Group	**2024** **£'000**	2023 £'000
Revenue	21,454	22,062
Adjusted EBITDA(1)	2,161	1,908
Adjusted EBITDA %	10.1%	8.6%
Operating Loss	(459)	(11,340)
Loss before Tax	(2,376)	(12,535)
Net Debt pre IFRS16(2)	(12,962)	(10,346)
Loss per share	(2.52p)	(13.73p)
Average headcount	266	285
Revenue per head	80.7	77.4
Cash generated from operations	387	1,293

(1) Adjusted EBITDA represents Earnings Before Interest Tax, Depreciation & Amortisation ('EBITDA') before restructuring costs, acquisition & related costs, share based payment charge, fair value adjustments on contingent consideration and exceptional other operating income
(2) Including accrued interest

Revenue for FY24 was £21.5m (2023: £22.1m), a drop of 3% on FY23, as a result of the tough UK economic conditions.

Adjusted EBITDA was £2,161k (2023: £1,908k), a £253k improvement in the Adjusted EBITDA. The result was achieved through strong cost control and the restructuring of UK agency including headcount reduction.

The statutory operating loss was £459k (2023: loss of £11,340k) and the statutory loss before taxation was £2,376k (2023: loss of £12,535k) following an impairment to Goodwill of £nil (2023: £12.1m).

Cash from operations was £387k (2023: £1,293k) reflecting tight cost control across the group, offset by the cost of the restructuring. The Cash Flow statement shows the movement in the cash position of the business.

Net Debt

At 31 March 2024, Net Debt including accrued interest (pre IFRS16) was £13.0m (2023: £10.3m), representing gross debt of £13.4m (2023: £11.4m) net of cash of £0.5m (2023: £1.1m). The Company's gross debt is represented by an amount of £9.8m (2023: £9.2m) drawn down from the secured debt funding provided by the "Jaywing Facility" together with £2.9m (2023: £1.8m) of accrued and unpaid interest on the Jaywing Facility and £0.7m of withholding tax on the interest expense (2023: £0.4m). The Jaywing Facility is fully described in Note 18 and Note 30 to the Financial Statements.

On 4 March 2024 the Jaywing Facility was increased by £0.6m to £9.8m. The Jaywing Facility has continued to be provided to the Company on the same terms as the original secured loan facility acquired on 2 October 2019, see Going Concern in Principal Accounting Policies.

Post year end, on the 28 May 2024 Jaywing announced that it had increased its existing loan facility by £1,030,000. The additional capital being lent by the two lenders is being provided on the same terms as the existing Loan Facility.

Impairment

As required by IAS 36, the Group has carried out an impairment review of the carrying value of its intangible assets and goodwill. The weighted average cost of capital ("WACC") was calculated with reference to long-term market costs of debt and equity and the Company's own cost of debt and equity, adjusted for the size of the business and risk premiums. The calculated WACC rate used for the impairment review was 14.8% for Australia and 15.1% in the UK (2023: 16.4% for Australia and 16.6% in the UK). This was applied to cash flows for each of the cash generating units using estimated growth rates in each business unit. The impairment review was based on two cash generating units being the UK and Australia. As part of the review, a number of scenarios were calculated using the impairment model. These looked at what effect changes in the WACC rates and movements in Revenue and Costs would have to the outcome.

In the prior year the Group impaired former acquisition goodwill by £12.1m. No impairment is considered necessary in the current year.

Going Concern

The Group financial statements have been prepared on a going concern basis in accordance with UK Adopted International accounting standards. In coming to their conclusion, the Directors have considered the Group's profit and cash flow forecasts for a period of at least 12 months from the date these financial statements were approved.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the Group, the Directors have considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2026. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period. The Directors have noted the very tight cash position in the UK division which has led to the Group's very tight cash position as a whole, which is expected to continue in the near term. However, based on current forecast cash flows of the Group, which includes forecast cash receipts from recent new business wins in the UK, the Directors expect that the Group's cash headroom will steadily improve in the second half of FY25 and provide a more stable cash position.

In considering their position the Directors have also had regard to:

- Letters of support in respect of the secured debt which have received from each of the holders of that debt which include confirmation that it is intended to provide financial support for the period until at least 31 March 2026 by not making demand for repayment of the debt, should doing so prevent the Group from meeting its debts as and when they fall due. The lenders have also confirmed that they are open to providing short-term financial support to Jaywing if required to support its restructuring of the existing facility with them. Details of this debt are contained in Note 18 and Note 30.

- Near term support to the UK division by way of remittances from the Australia division.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Signed by:
Christopher Hughes
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Christopher Hughes
Chief Financial & Operating Officer
Jaywing plc
29 August 2024

Principal Risks and Uncertainties

The evaluation of the Company's risk management process is the responsibility of the Board. Jaywing has developed its risk reporting framework in conjunction with the business leadership team who take an active and responsible role in this process. Below is a summary of the current key risks.

Risk	Mitigation
1. Economic and Political Uncertainty There continues to be political and economic uncertainty which impact the level of discretionary spend available with our customers.	The Directors monitor emerging news and trends and remain alert to any potential impact on the trading of the Company. Regular forecasting and review of pricing are undertaken to ensure we are responding to changes in the economic environment. The directors also maintain a close control on costs, reducing these to meet revenue where appropriate.
2. Loss of key staff Jaywing is dependent on its ability to recruit and retain staff with adequate experience and technical expertise to service its clients.	The expertise of Jaywing's people is a key source of competitive advantage and the Company's remuneration and incentive packages are reviewed regularly to retain and incentivise key staff. The Company also provides an attractive, diverse, inclusive and collaborative working environment and culture.
3. Loss of business from clients and adverse economic environment Loss of business from clients, whether due to the adverse economic environment or other reasons could lead to a reduction in overall revenue and profitability.	The Company aims to minimise such losses by continuing to focus on providing a high quality service to its clients at all times as well as offering a wide range of services to existing clients and adding new clients through its new business activities. Jaywing has restructured its main business sectors based on clients and markets with the aim of getting closer to each client with Jaywing's full range of services tailored to their needs and the markets they operate in. This has strengthened our ability to use our full range of services to offer them relevant and effective solutions. Jaywing's client concentration risk is low. The impact of revenue losses due to an adverse economic environment, on profitability, is mitigated by ensuring that the Company's cost base is efficiently aligned with its revenues. Inflation is monitored closely by the directors.
4. Changes in technology The digital marketing industry is characterised by constant developments in technology, online media and data science. In this environment, it is vital to be at the forefront of this change, to ensure Jaywing can provide the benefits of these changes in technology to its clients and remain competitive.	Jaywing is committed to innovation in data science led products and services and has dedicated resources to this. The Company has close relationships with online media owners (e.g. Google) and has early access to new product developments as a consequence of the significant online media budgets that it manages on behalf of its clients. Artificial intelligence continues to grow and the directors monitor the opportunities that this creates as well as any potential changes required to our business model. Jaywing also has a specialist team focused on the use of technology whose brief is to keep themselves abreast of new developments through their own research and through their relationships with technology providers.
5. Liquidity Poor trading and cash flow performance could lead to a lack of ongoing support from its lenders and an inability to raise equity to meet the needs of the business.	Jaywing's key financial measures are focussed on cash generation and net debt. The Company monitors its trading and cash flow performance closely and takes prompt action to mitigate any adverse trends. See commentary included in the Strategic Report.
6. Compliance with regulations and changes in legislation Failure to comply with regulations such as GDPR and changes in legislation could lead to reputational damage for Jaywing and its clients as well as fines and loss of business.	Jaywing engages advisers in relevant specialisations to assist with compliance in areas such as GDPR. Experts in Jaywing's business areas can ensure client initiatives are all compliant, alongside external input where appropriate.

Section 172 statement

In making decisions over the year, the Directors have considered what would be most likely to promote the success of the Company for the benefit of all stakeholders and have had regard for the following:

- the likely long-term consequences of any decision;
- the interests of the Group’s employees;
- the need to foster the Group’s business relationships with suppliers, customers and others;
- the impact of the Company’s operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders of the Company.
- the needs to act fairly as between members of the Group.

In 2019 the Company adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies from the Quoted Companies Alliance (the “QCA Code”). The Board considers the QCA Code is an appropriate code of conduct for the Company. There are details of how the Company applies the ten principles of the QCA Code on the Company’s investor website; https://www.jaywing.com/investors/governance/. The Corporate Governance Statement forms part of this report.

The Chairman’s Statement and Operational and Financial Report describe the Group’s activities, strategy and future prospects, including the considerations for long term decision making.

The Company considers that its major stakeholders are its employees, clients, lenders and shareholders. When making decisions, the interests of these stakeholders are considered informally as part of the Board’s group discussions.

The Company is committed to being a responsible employer and strives to create a working environment where its employees are actively engaged and can contribute to its success.

The Company understands the value of maintaining and developing relationships with its clients and suppliers, to support its potential for future growth.

The Board does not believe that the Group has a significant impact on the environments within which it operates. The Board recognises that the Group has a duty to be responsible and is conscious that its business processes minimise harm to the environment, and that it contributes as far as is practicable to the local communities in which it operates. The Group’s Corporate and Social Responsibility Policy is available on the Group’s investor website and the SECR report for the Group is included in the Directors Report.

The Board recognises the importance of maintaining high standards of business conduct. The Group operates appropriate policies on business ethics and provides mechanisms for whistle blowing and complaints which all employees are aware of. These are maintained by the Policy Steering Committee.

The Board aims to maintain good relationships with its shareholders and treats them equally.

By Order of the Board

Signed by:

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David Beck
Executive Chairman
Jaywing plc
29 August 2024

Directors' Report

The Directors submit their Annual Report on the affairs of the Group and the Company and the audited Financial Statements for the year ended 31 March 2024.

Board of Directors

David Beck, Executive Chairman (appointed 3 April 2024 as Non-Executive Director, appointed Executive Chairman 13 May 2024)
Member of Nomination Committee

David was Chief Executive of Merit Group Plc, the data and intelligence business, until 31 January 2024, where he led a successful restructuring and turnaround of the business. Previously David spent over thirty years working in the marketing communications industry advising large corporates on strategic reviews and transactions. David was appointed to the Board as a Non-Executive Director as a representative of DSC Investment Holdings Limited ("DSC"), a Company owned and controlled by Lord Ashcroft, which holds 50% of the Company's outstanding Loan Facility. Following the departure of Andrew Fryatt, the Group's CEO, the Board asked David to take on the role of Executive Chairman.

Ian Robinson, Non-Executive Director
Chair of Audit & Risk Committee and member of Remuneration and Nomination Committees

Ian is a Non-Executive Director and Chairman of the Audit Committee of Gusbourne plc, an AIM listed English sparkling-wine business. He is also a nonexecutive Director of a number of other privately-owned businesses. He is a Fellow of the Institute of Chartered Accountants in England & Wales and holds an honours degree in Economics from the University of Nottingham.

Henry Turcan, Non-Executive Director (appointed 3 April 2024)
Chair of Remuneration and Nomination Committees

Henry is a fund manager at Lombard Odier Asset Management (Europe) Limited. He has been advising and investing in UK smaller companies for over 20 years and has extensive experience of assisting public companies in creating value for all stakeholders. Henry was appointed as a representative of Lombard Odier Asset Management (Europe) Limited, acting in its capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by it which in aggregate hold 18.86% of the Company's issued share capital and 50% of the Company's outstanding Loan Facility.

Mark Carrington, Non-Executive Director
Member of Audit & Risk Committee

Mark is a Fellow of the Association of Chartered Certified Accountants. He is a Non-Executive Director of a number of privately-owned businesses both in the UK and Overseas. He is also involved in the provision of management services to a number of other privately-owned and AIM listed businesses.

Christopher Hughes, Chief Financial Officer (appointed 13 May 2024)

Christopher has extensive experience in financial roles having spent nearly nine years at PwC, focusing on audit and four years at Lowell in various finance roles, playing a key role in optimising financial processes and driving business performance. Christopher is a member of the Institute of Chartered Accountants in England and Wales and holds an honours degree in Business Studies from Lancaster University.

Principal activity
The principal activity of the Group during the year under review is providing agency and consulting services in the areas of creative and brand strategy, performance marketing, data science and risk. The Company is a holding entity for the Group.

Results and dividend
The Group's loss after taxation for the year ended 31 March 2024 was £2.4m (2023: loss of £12.8m). The Directors do not propose to pay a dividend.

Net liabilities at 31 March 2024 were £3.7m (2023 Net liabilities £1.2m).

Future developments
The future developments of the Group are referred to in the Operational and Financial Report.

Political and charitable donations
The Group made charitable donations of £3k (2023: £3k) and no political donations during the current or prior year.

Directors' interests, appointments and resignations
The present membership of the Board, together with biographies on each, is set out on page 12. The Directors' interests in shares in the Company are set out in the Directors' remuneration report. A list of all Directors that served throughout the year and after the period end is set out below:

David Beck (appointed 3 April 2024)
Ian Robinson
Henry Turcan (appointed 3 April 2024)
Mark Carrington
Christopher Hughes (appointed 13 May 2024)
Andrew Fryatt (resigned 13 May 2024)
Phillip Hanson (resigned 4 March 2024)

Directors' third-party indemnity provisions
The Group maintains appropriate insurance to cover Directors' and Officers' liability. The Group provides an indemnity in respect of all the Group's Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

Employees
The Group is an Equal Opportunities Employer and no job applicant or employee receives more or less favourable treatment on the grounds of age, gender, marital status, sexual orientation, race, colour, religion or belief.

It is the policy of the Group that individuals with disabilities, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

Employees of the Group are regularly consulted by local managers and kept informed of matters affecting them and the overall development of the Group.

The Group is committed to maintaining high standards of Health and Safety for its employees, customers, visitors, contractors and anyone affected by its business activities. Health and Safety is on the agenda for all regularly scheduled Board meetings.

Financial instruments
Details of the financial risk management objectives and policies of the Group, including hedging policies, are given in Note 32 to the Consolidated Financial Statements.

Share Capital
Details of the Company's Share Capital, including rights and obligations attaching to each class of share, are set out in Note 22 of the Consolidated Financial Statements.

There are no restrictions on the transfer of ordinary shares in the capital of the Company, other than customary restrictions contained within the Company's Articles of Association and certain restrictions which may be required from time-to-time by law, for example, insider trading law. In accordance with the Model Code, which forms part of the Listing Rules of the Financial Conduct Authority, certain Directors and employees are required to seek the prior approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights. The Company's Articles of Association contain limited restrictions on the exercise of voting rights.

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders.

Stakeholder engagement
Jaywing's stakeholders are an integral part of the business, they consist of customers, suppliers, employees, shareholders and advisors.

Details of how the Directors have engaged with these stakeholders are included within the Corporate Governance Statement.

Streamlined Energy and Carbon Reporting (SECR)
We have disclosed our UK energy use and associated greenhouse gas (GHG) emissions. Specifically, and as a minimum, we are required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the Streamlined Energy and Carbon Reporting (SECR) Regulations.

To ensure we achieve the transparency required, and deliver effective emissions management, we implement and utilise robust and accepted methods. Accordingly, whilst the Regulations provide no prescribed methodology, we collate our GHG data annually and complete the calculation of our carbon footprint using the latest Defra (Department for Environment, Food and Rural Affairs)/BEIS (Department for Business, Energy & Industrial Strategy) emissions factors.

The period covered for the purposes of the SECR section is 1 April 2023 to 31 March 2024 and our calculations are for the following scope:

- Buildings- related energy – natural gas (Scope 1) and electricity (Scope 2) and
- Employee owned vehicles (grey fleet) (Scope 3)

Calculation Methodology
The Jaywing GHG emissions were assessed in accordance with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements' and use the 2023 emission factors developed by Defra and BEIS.

Results

Element	**2023/24 (tCO2e)**	**2022/23 (tCO2e)**
Direct emissions (Scope 1) – natural gas and LPG	28	36
Indirect emissions (Scope 2) – from purchases electricity	37	42
Total tCO2e (Scope 1 & 2)	**65**	**78**
Other indirect emissions (Scope 3) – grey fleet travel	20	18
Gross Total Emissions	**85**	**96**
Intensity metric (Gross Emissions): Tonnes of CO2e per employee	**0.32**	**0.34**
Total energy consumption (kWh)	**330,746**	**394,941**

Energy Efficiency
As an office-based business, our environmental impact is low and our Corporate Social Responsibility covers our approach to the environment and sustainability.

At Jaywing, we
- encourage the use of public transport wherever possible, both through our environmental policy and expenses policy, and where not possible, encourage car sharing or environmentally friendly alternatives. We discourage, where possible, the use of domestic flights
- operate a cycle to work scheme
- designed our head office to be as energy efficient as possible, with measures such as passive-stack ventilation and a large amount of secure cycle storage plus showering facilities to encourage cycling
- have switch off policies, including PIR activated lighting in some buildings, as well as trying to use energy as efficiently as possible
- have a clear policy on the use of plastics, with particular attention paid to single use plastics
- aim to recycle all waste material that can be recycled and use local facilities to reduce the transportation of waste materials
- aim to purchase energy efficient, environmentally and ecologically friendly products
- monitor our energy usage within our buildings.

All policies, including our environmental policy, are reviewed annually.

Going Concern

The Group financial statements have been prepared on a going concern basis in accordance with UK Adopted International accounting standards. In coming to their conclusion, the Directors have considered the Group's profit and cash flow forecasts for period of at least 12 months from the date these financial statements were approved.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the Group, the Directors have considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2026. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period. The Directors have noted the very tight cash position in the UK division which has led to the Group's very tight cash position as a whole, which is expected to continue in the near term. However, based on current forecast cash flows of the Group, which includes forecast cash receipts from recent new business wins in the UK, the Directors expect that the Group's cash headroom will steadily improve in the second half of FY25 and provide a more stable cash position.

In considering their position the Directors have also had regard to:

- Letters of support in respect of the secured debt which have received from each of the holders of that debt which include confirmation that it is intended to provide financial support for the period until at least 31 March 2026 by not making demand for repayment of the debt, should doing so prevent the Group from meeting its debts as and when they fall due. The lenders have also confirmed that they are open to providing short-term financial support to Jaywing if required to support its restructuring of the existing facility with them. Details of this debt are contained in Note 18 and Note 30.

- Near term support to the UK division by way of remittances from the Australia division.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Major interests in shares
As at 31 March 2024, the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as shareholder of the Company:

		2024	2023
	Number of voting rights	**%**	%
Lord Michael Ashcroft KCMG PC	27,919,737	29.9	29.9
Lombard Odier Investment Managers Group	17,600,709	18.9	18.9
J & K Riddell	5,372,638	5.8	5.8
A Gardner	5,037,470	5.4	5.4
Bailey Family	4,687,500	5.0	5.0
Canaccord Genuity Group Inc	3,805,000	4.1	4.1
H & J Spinks	3,508,772	3.8	3.8
Miton UK Microcap Trust plc	2,771,035	3.0	3.0
M Boddy	2,701,667	2.9	3.6

The latest version of the above table is available at https://investors.jaywing.com.

Corporate Social Responsibility
The Board recognises the importance of social, environmental and ethical matters and it endeavours to take account of the interests of the Group's stakeholders, including its investors, employees, clients, suppliers and business partners when operating the business.

General Meeting
Your attention is drawn to the Notice of Meeting either enclosed with this Annual Report or online at https://investors.jaywing.com, which sets out the resolutions to be proposed at the forthcoming General Meeting.

Auditor
The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- the Directors have taken all the steps that they ought to have taken as Directors, in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Cooper Parry Group Limited was appointed during the period and has indicated its willingness to remain in office, and a resolution that it be re-appointed will be proposed at the General Meeting.

By Order of the Board

Signed by:

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David Beck
Director
Dated: 29 August 2024

Directors' Remuneration Report

In preparing this report, we have followed the QCA's Corporate Code of Governance and drawn on best practice available.

The Remuneration Committee
During the year the Remuneration Committee comprised:

Philip Hanson (resigned 4 March 2024)
Ian Robinson
Mark Carrington

The Committee met twice during the year.

Post year end, Henry Turcan became a Non-Executive Director of the Company and Chairman of the Remuneration Committee which now comprises:

Henry Turcan – Chairman (appointed 3 April 2024)
Ian Robinson

The Committee seeks input from the Company Secretary. The Committee makes reference to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Remuneration policy
The Group's policy on remuneration for the current year and, so far as is practicable, for subsequent years, is set out below. However, the Remuneration Committee believes that it should retain the flexibility to adjust the remuneration policy in accordance with the changing needs of the business. Any changes in policy in subsequent years will be detailed in future reports on remuneration. The Group must ensure that its remuneration arrangements attract and retain people of the right calibre in order to ensure corporate success and to enhance shareholder value. Its overall approach is to attract, develop, motivate and retain talented people at all levels, by paying competitive salaries and benefits to all its staff. Pay levels are set to take account of contribution and individual performance, wage levels elsewhere in the Group, and with reference to relevant market information. The Group seeks to reward its employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual performance targets. Executive Directors are rewarded on the basis of individual responsibility, competence and contribution, and salary increases also consider pay awards made elsewhere in the Group as well as external market benchmarking.

During the year to 31 March 2024 there was one Executive Director on the Board as follows:

Andrew Fryatt (Chief Executive) – resigned 13 May 2024

Post year end, David Beck became the Executive Chairman and Christopher Hughes became an Executive Director.

The Executive Directors participate in a pension scheme but do not participate in any Group healthcare arrangements.

Non-Executive Directors' fees
Fees for Non-Executive Directors are determined by the Board annually, taking advice as appropriate and reflecting the time commitment and responsibilities of the role. The Chairman received an annual fee of £75,000 (2023: £75,000). Non-Executive Directors' fees currently comprise a basic fee of £30,000 per annum plus a discretionary £10,000 for chairing a committee.

Non-Executive Directors do not participate in the annual bonus plan, pension scheme or healthcare arrangements. The Company reimburses the reasonable expenses they incur in carrying out their duties as Directors.

Remuneration components – Executive Directors
A proportion of each Executive Director's remuneration is performance related.

Basic salary
Basic salary is set by the Remuneration Committee by considering the responsibilities, individual performance and experience of the Executive Directors, as well as the market practice for executives in a similar position and wage levels elsewhere in the Group. Basic salary is reviewed (but not necessarily increased) annually by the Remuneration Committee.

Annual bonus plan
The Executive Directors are eligible to participate in the annual bonus plan. The range of award is based on annual salary.

The performance requirements, for the ability to earn a bonus, are set by the Committee annually.

Long Term Incentive Plan (LTIP) and Company Share Option Plan (CSOP)
On 13 April 2023, the Company granted 1,142,000 LTIP (Long Term Incentive Plan) share options to Andrew Fryatt (CEO) and 4,640,000 CSOP (Company Share Option Plan) options to certain senior employees of the Group. The total number of Shares

that can be acquired pursuant to options granted under the LTIP and CSOP amounts to 5,782,000 Shares. See further details in note 10. Upon Andrew's resignation post year end, his share options have lapsed.

Directors' remuneration

The total amounts of the remuneration of the Directors of the Group for the years ended 31 March 2024 and 2023 are shown below:

31 March	**2024**	2023
	£	£
Aggregate emoluments	**345,000**	341,677
Sums paid to third parties for Directors' services	**30,000**	30,000
	375,000	371,677

The emoluments of the Directors are shown below:

31 March		**2024** **Fees and salary**	2023 Fees and salary	**2024** **Pension contributions**	2023 Pension contributions
		£	£	**£**	£
Andrew Fryatt	Resigned 13 May 2024	**230,000**	226,667	**9,200**	9,067
Ian Robinson		**75,000**	75,000	**-**	-
Philip Hanson	Resigned 4 Mar 2024	**40,000**	40,000	**-**	-
Mark Carrington*		**30,000**	30,000	**-**	-
Total		**375,000**	371,667	**9,200**	9,067

* Fee paid to a third party for the Director's services

The salary of the highest paid Director was 4 times the average salary of all Group employees excluding the Directors in the table above (2023: 4 times).

Pensions

The Group made pension contributions on behalf of the Executive Directors. The amount is shown in the table above.

Directors' service agreements and letters of appointment

Contracts of service are negotiated on an individual basis as part of the overall remuneration package. The contracts of service are not for a fixed period. Details of these service contracts are set out below:

	Date of contract	**Date of appointment**	**Notice period**	**Company with whom contracted**
Andrew Fryatt (resigned 13 May 2024)	26 March 2020	21 April 2020	6 months	Jaywing plc
Christopher Hughes	13 May 2024	13 May 2024	6 months	Jaywing plc
David Beck	13 May 2024	13 May 2024	3 months	Jaywing plc

In the event of termination of their contracts, each Director is entitled to compensation equal to their basic salary and bonus for their notice period.

Non-Executive Directors have letters of appointment, the details of which are as follows:

	Date of contract	Notice period	Company with whom contracted
Ian Robinson	21 May 2014	3 months	Jaywing plc
Philip Hanson (resigned 4 Mar 2024)	27 April 2017	3 months	Jaywing plc
Mark Carrington	21 March 2018	3 months	Jaywing plc
Henry Turcan	4 April 2024	3 months	Jaywing plc

Directors' interests in shares

The Directors' interests in the share capital of the Company are set out below:

31 March	**2024**	2023
	Number of shares	Number of shares
Ian Robinson	470,267	470,267
Philip Hanson (resigned 4 Mar 2024)	109,462	109,462
Andrew Fryatt (resigned 13 May 2024)	120,993	120,993

Other related party transactions

No Director of the Group has, or had, a disclosable interest in any contract of significance subsisting during or at the end of the year.

Disclosable transactions by the Company under IAS 24, Related Party Disclosures, are set out in Note 30. There have been no other disclosable transactions by the Company and its Subsidiaries with Directors of the Company or any of the subsidiary companies and with substantial shareholders since the publication of the last Annual Report.

By Order of the Board

Signed by:

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Henry Turcan

Dated: 29 August 2024

Corporate Governance Statement

This report is prepared by the Board and describes how the principles of corporate governance are applied, to the extent applicable for a company the size of Jaywing plc. The Board has adopted the QCA Corporate Governance Code and considers that the Company complies with each of the principles of the Code. The following should be noted with regard to the independence of the Company's Non-Executive Directors. During the year the Board considered Philip Hanson, a Non-Executive Director, to be independent. The Board notes that Ian Robinson and Mark Carrington are associated with one of the Company's major shareholders which could appear to impair their independence for the purposes of the Code. However, the Board considers that both Ian Robinson and Mark Carrington can bring an independent view to bear on all matters dealt with by the Board and its various Committees. Independence is a Board judgement.

There are details of how the Group applies the ten principles of the QCA Code on the Group's investor website.

The Board

At 31 March 2024, the Board comprised Non-Executive Chairman Ian Robinson and Non-Executive Director Mark Carrington. Andrew Fryatt was appointed to the Board as Chief Executive Officer on 21 April 2020. The Board is responsible to the shareholders for the proper management of the Group and meets at least six times a year to set the overall direction and strategy of the Group. All strategic operational and investment decisions are subject to Board approval.

On 4 March 2024 we announced that Philip Hanson had stepped down as a Non-Executive Director & on 3 April 2024 we announced the appointment of Henry Turcan and David Beck to the Company's board of directors as Non-Executive Directors.

On 13 May 2024 we announced that Andrew Fryatt had stepped down as the Chief Executive Officer, Christopher Hughes, the Company's Chief Financial Officer will expand this role to include operations, and that he had joined the Board with immediate effect. David Beck has stepped into the Executive Chairman role and has taken over the Chairmanship from Ian Robinson, who remains on the Board as a Non-Executive Director.

All Directors are subject to re-election at least every three years.

The Executive Chairman's role is to provide leadership to the Board, plan and conduct Board meetings effectively, ensure the Board focuses on its key tasks, and engage the Board in assessing and improving its performance.

Board committees

Remuneration Committee

During the financial year to 31 March 2024 the Remuneration Committee comprised of Philip Hanson (Chair), Ian Robinson and Mark Carrington. The Remuneration Committee, on behalf of the Board, meets at least once a year and as and when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the Executive Directors and senior management and major remuneration plans for the Group as a whole.

The Remuneration Committee approves the setting of objectives for all the Executive Directors and authorises their annual bonus payments for achievement of objectives. The Remuneration Committee approves remuneration packages sufficient to attract, retain and motivate Executive Directors required to run the Group successfully, but does not aim to pay more than is necessary for this service.

The Committee awarded share options to the Executive Directors during the year. It has not awarded an annual bonus in respect of the year to 31 March 2024. Further details of the Group's policies on remuneration and service contracts are given in the Directors' Remuneration report.

Audit & Risk Committee

During the financial year to 31 March 2024 the Audit & Risk Committee comprised Ian Robinson (Chair), Mark Carrington and Philip Hanson. By invitation, the meetings of the Audit & Risk Committee may be attended by the other Directors and the auditor. The Committee meets not less than two times annually. The Audit & Risk Committee oversees the monitoring of the adequacy and effectiveness of the Group's internal controls, accounting policies and financial reporting and provides a forum for reporting by the Group's external auditor. Its duties include keeping under review the scope and results of the audit and its cost effectiveness, consideration of management's response to any major audit recommendations and the independence and objectivity of the auditor.

The Audit & Risk Committee review the significant estimates, judgements and risks in relation to the annual report and these are outlined in the Strategic Report. The Committee also reviews the risks outlined in the Principal Risks and Uncertainties and challenges the Executive Directors on the controls and processes in place to manage these. The effectiveness of the external audit process has been assessed through discussions with both management and the auditors, and it is proposed that Cooper Parry Group Limited be reappointed as external auditor.

Nomination Committee

During the financial year to 31 March 2024 the Nomination Committee comprised Philip Hanson (Chair), Ian Robinson and Mark Carrington. It is responsible for nominating to the Board candidates for appointment as Directors, having regard for the balance and structure of the Board. The committee meets at least once a year. The terms of reference for all committees are available on the Group's website.

Company Secretary
The Company Secretary is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Company Secretary.

Board performance and evaluation
In addition to the re-election of Directors every three years, the Board has a process for evaluation of its own performance and that of its committees and individual Directors, including the Chairman.

Attendance at Board and Committee meetings
The Directors attended the following Board and Committee meetings during the year ended 31 March 2024:

	Board	Remuneration	Audit & Risk	Nomination
Total meetings held	**12**	**1**	**3**	**1**
Ian Robinson	12	1	3	1
Philip Hanson	11	1	3	1
Mark Carrington	12	1	3	1
Andrew Fryatt	12	0	3	1

Relationships with shareholders
The Board recognises the importance of effective communication with the Company's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Company communicates with investors through Interim Statements, audited Annual Reports, press releases and the Company's website: https://investors.jaywing.com. At the Company's AGM shareholders are given the opportunity to question the Board. The Company obtains feedback from its broker on the views of institutional investors on a non-attributed and attributed basis and any concerns of major shareholders would be communicated to the Board.

Internal controls
The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and will continue to ensure that management keeps these processes under regular review and improves them where appropriate.

Management structure
There is a clearly defined organisational structure throughout the Group with established lines of reporting and delegation of authority based on job responsibilities and experience.

Financial reporting
Monthly management accounts provide relevant, reliable, up-to-date financial and non-financial information to management and the Board. Annual plans, forecasts and performance targets allow management to monitor the key business and financial activities and the progress towards achieving the financial objectives. The annual budget is approved by the Board.

Monitoring of controls
The Audit Committee receives reports from the external auditor and assures itself that the internal control environment of the Group is operating effectively. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records and to safeguard the Group's assets. Significant capital projects and acquisitions and disposals require Board approval.

Corporate Social Responsibility
The Board recognises the importance of social, environmental and ethical matters and it endeavours to take into account the interests of the Group's stakeholders, including its investors, employees, clients, suppliers and business partners when operating the business.

Employment
At a subsidiary level, each individual company has established policies which address key corporate objectives in the management of employee relations, communication and employee involvement, training and personal development and equal opportunity. The Board recognises its legal responsibility to ensure the wellbeing, safety and welfare of its employees and to maintain a safe and healthy working environment for them and for its visitors. Health and Safety is on the agenda for regularly scheduled plc Board and Executive Team meetings.

Environment
By their nature, the Group's regular operations are judged to have a low environmental impact and are not expected to give rise to any significant inherent environmental risks over the next 12 months.

By Order of the Board
David Beck
Dated: 29 August 2024

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, Directors' Report, the Directors' Remuneration 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 to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law, and they have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and 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;
- for the Group financial statement state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent company state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The directors confirm that:

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations.

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

By Order of the Board

Signed by:

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David Beck

Dated: 29 August 2024

Independent auditor's report to the members of Jaywing plc

Opinion

We have audited the financial statements of Jaywing PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, Company Profit and Loss account, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

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

Basis for opinion

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

Our approach to the audit

We adopted a risk-based audit approach. The Group audit was scoped by obtaining an understanding of the Group's business, the environment it operates in including the Group's system of internal control and assessing the risk of material misstatement in the financial statements. We also addressed the risk of management override of financial controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In order to assess the risks identified, and to determine the planned audit responses based on a measure of materiality, the engagement team performed an evaluation of identified components calculated by considering the significance of components as a percentage of the Group's total revenue, loss before taxation and Group's net liabilities.

In establishing the overall approach to the Group audit, we assessed each reporting unit by reference to both its financial significance and other indicators of audit risk, such as the complexity and location of operations and the degree of estimation and judgements in the financial results. We identified three individually significant components.

We performed a statutory audit on the financial statements of the parent company and Jaywing UK Limited performed to materiality for each statutory entity, being less than that of the Group materiality set. We performed full-scope audit procedures over the results of Jaywing Pty Ltd. The operations that were subject to statutory audit or full-scope audit procedures made up 99% of consolidated revenues, 99% of consolidated loss before tax and 99% of consolidated net liabilities. The remaining operations were subject to analytical procedures to the balance sheet and income statement of each of the entities subject to review scope, focussing on risk areas identified, and their significance to the Group's balances. The Group engagement team performed the work over all components.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Revenue recognition

The Group generates revenue from a number of streams as detailed in the revenue accounting policy on page 33. Revenue recognition and management's application of the Group's revenue recognition accounting policies and key estimates represent an area of significant judgement in the financial statements. This is due to the material nature of revenue together with the variety of revenue streams with differing contractual terms. In particular, we consider that the significant risk of fraud arises on the revenue recognition on open projects at year end given the increased judgement surrounding the level of revenue to be recognised within the financial year and therefore there is increased potential for material misstatement due to fraud and error.

Our response to the risk:

We have assessed accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled. In addition, we reviewed for the consistency of application as well as the basis of any recognition estimates.

We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions.

We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle.

We reviewed manual journal entries within the revenue nominal accounts and investigated transactions outside of our expectations including obtaining supporting evidence.

We tested a sample of revenue recognised throughout the period to invoice, contract and payment to ensure occurrence and accuracy of revenue recognised on those transactions sampled within the financial year.

We performed cut-off procedures on all revenue streams, with reference to the sales contract to ensure revenue was recognised in the correct period. Extended procedures were performed on open projects including the review of timesheet data and recalculation of revenue recognised around year end under the input method.

Our procedures did not identify any material misstatements in the revenue recognised during the year.

Impairment of intangible assets

The Group has significant balances in relation to goodwill and other intangible assets. The Group's assessment of carrying values requires significant judgement in forecasting future trading performance of subsidiaries.

Our response to the risk:

We obtained and reviewed the impairment review prepared by management in relation to intangible assets. Our review included testing the mathematical accuracy of the underlying model.

We assessed the key assumptions used in those impairment review calculations, to ensure that they were reasonable, those being;

- Identification of CGUs and the trade relating to them;
- Discount rate applied; and
- Growth assumptions and mitigating cost factors within trading forecasts.

We performed sensitivity analysis to determine whether an impairment would be required if the key assumptions were not achieved.

We were satisfied with the level of disclosure made in the statements and our procedures did not identify any material misstatements in the significant balances noted.

Impairment of investments (Parent company only)

The Company has significant balances in relation to investments. The Company's assessment of carrying values requires significant judgement in forecasting future trading performance of subsidiaries.

Our response to the risk:

We obtained and reviewed the impairment review prepared by management in relation to intangible assets. Our review included testing the mathematical accuracy of the underlying model.

We assessed the key assumptions used in those impairment review calculations, to ensure that they were reasonable, those being;

- Identification of CGUs and the trade relating to them;
- Discount rate applied; and
- Growth assumptions and mitigating cost factors within trading forecasts.

We performed sensitivity analysis to determine whether an impairment would be required if the key assumptions were not achieved.

We were satisfied with the level of disclosure made in the statements and our procedures did not identify any material misstatements in the significant balances noted.

Going concern

The Group and parent company have suffered losses both historically and in the year ended 31 March 2024.The Group and parent company are in a net liability position and have financing facilities of £13,420k due within one year. Accordingly, we consider going concern to represent a key audit matter.

Our response to this key audit matter is discussed below within conclusions relating to going concern.

Our application of materiality

The materiality for the Group financial statements as a whole was set at £214,000. This has been determined with reference to the benchmark of the Group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1% of Group revenue as presented in the Group Statement of Comprehensive Income. In determining the level of testing to be performed during our audit work, we applied performance materiality of £160,000.

The materiality for the parent company financial statements as a whole was set at £171,000, capped at 80% of Group materiality. This has been determined with reference to the parent company's net liabilities, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 1.4% of net liabilities as presented on the face of the parent company's balance sheet. In determining the level of testing to be performed during out audit work, we applied performance materiality of £128,000.

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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's cash flow forecasts for a period of 12 months from the date of approval of these financial statements, including the arithmetical accuracy of the models and forecasts;
- assessing the reasonableness of management's forecasts and assumptions and assessing remaining cash headroom within those forecasts;
- reviewing management's sensitivity analysis and stress tests and assessing the likelihood of assumptions which would mean the going concern basis was not appropriate;
- reviewing results post year end to the date of approval of these financial statements and assessing them against original forecasts;
- assessing the financing facilities which are in place and have been entered into post year end, including obtaining letters of support from the lenders; and
- reviewing the adequacy of related disclosures within the financial statements.

From our work we noted that the forecasts support the directors' assessment that the adoption of the going concern basis appears reasonable.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The 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 included in 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 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.

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 our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:

Our assessment focused on key laws and regulations the Group and parent company have to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, AIM listing rules, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation in the jurisdictions in which the Group operates.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and parent company and how the Group and parent company is complying with that framework by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through review of Board minutes for instances of non-compliance;
- obtaining an understanding of the Group and parent company policies and procedures and how the Group and parent company has complied with these, through discussions and walkthrough testing of controls;
- obtaining an understanding of the Group and parent company's risk assessment process, including the risk of fraud;
- assessing matters reported through the Group's whistleblowing programme and results of evaluation of such matters;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness with a focus on manual journals and those posted directly to the consolidation that increased revenue or that reclassified costs from the statement of comprehensive income to the balance sheet, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- challenging assumptions and judgements made by management in its significant accounting estimates, including stress testing and subsequent review of inputs within impairment models; and

- reviewing a sample of open projects, understanding the rationale for the revenue recognised and assessing the revenue recognised on them with reference to the input method.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Cooper Parry Group Limited
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Melanie Hopwell (Senior Statutory Auditor)
for and on behalf of
Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 29 August 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 March	Note	2024 £'000	2023 £'000
Revenue	1	**21,454**	22,062
Other operating income	2	**33**	507
Operating expenses	3	**(21,946)**	(33,909)
Operating Loss		**(459)**	(11,340)
Finance costs	4	**(1,917)**	(1,195)
Loss before tax		**(2,376)**	(12,535)
Tax credit / (expense)	5	**26**	(291)
Loss for the year		**(2,350)**	(12,826)
Loss for the year is attributable to:			
Non-controlling interests		**-**	-
Owners of the parent		**(2,350)**	(12,826)
		(2,350)	(12,826)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations	27	**(118)**	(368)
Total comprehensive loss for the period		**(2,468)**	(13,194)
Total comprehensive loss is attributable to:			
Non-controlling interests	26	**-**	-
Owners of the Parent		**(2,468)**	(13,194)
		(2,468)	(13,194)
Basic and diluted loss per share			
Loss per share	6	**(2.52p)**	(13.73p)

The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated Balance Sheet

As at 31 March

	Note	2024 £'000	2023 £'000
Non-current assets			
Property, plant and equipment	12	**3,266**	4,023
Goodwill	14	**10,476**	10,602
Deferred tax asset	20	**916**	620
Other intangible assets	15	**1,796**	2,125
		16,454	17,370
Current assets			
Trade and other receivables	16	**3,929**	4,418
Contract assets	17	**330**	352
Cash and cash equivalents	18	**458**	1,089
		4,717	5,859
Total assets		**21,171**	23,229
Current liabilities			
Borrowings	18	**13,420**	11,435
Trade and other payables	19	**5,689**	5,810
Contract liabilities	17	**808**	983
Current lease liabilities	13	**382**	380
Current tax liabilities		**109**	20
		20,408	18,628
Non-current liabilities			
Non-current lease liabilities	13	**2,122**	2,638
Provisions	21	**570**	570
Deferred tax liability	20	**592**	592
Trade and other payables	19	**1,142**	2,021
		4,426	5,821
Total liabilities		**24,834**	24,449
Net liabilities		**(3,663)**	(1,220)
Equity			
Equity attributable to owners of the parent			
Share capital	22	**34,992**	34,992
Share premium	23	**10,088**	10,088
Capital redemption reserve	25	**125**	125
Treasury shares	24	**(25)**	(25)
Foreign currency translation reserve	27	**(368)**	(250)
Share option reserve	10	**25**	-
Retained earnings	28	**(48,500)**	(46,150)
Equity attributable to owners of the parent		**(3,663)**	(1,220)
Non-controlling interest	26	**-**	-
Total equity		**(3,663)**	(1,220)

These Financial Statements were approved by the Board of Directors on 29 August 2024 and were signed on its behalf by:

Signed by:
Christopher Hughes
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Christopher Hughes
Director
Company number: 05935923

The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement

For the year ended 31 March	Note	2024 £'000	2023 £'000
Cash flow from operating activities			
Loss after tax		**(2,350)**	(12,826)
Adjustments for:			
Impairment of goodwill	3	**-**	12,095
Share based payment charges	10	**25**	-
Contingent consideration fair value adjustment	32	**(402)**	-
Depreciation of property, plant & equipment	3	**237**	245
Depreciation and impairment of right of use assets	3	**626**	641
Amortisation of intangibles	3	**466**	320
Financial costs	4	**1,917**	1,195
Taxation (credit)/expense	5	**(26)**	291
Operating cash flow before changes in working capital		**493**	1,961
Decrease/(Increase) in trade and other receivables		**464**	1,986
(Decrease)/Increase in trade and other payables		**(570)**	(2,654)
Cash generated from operations		**387**	1,293
Interest paid		**(138)**	-
Net tax paid		**(142)**	(21)
Net cash flow from operating activities		**107**	1,272
Cash flow from investing activities			
Payment of deferred consideration		**(392)**	(818)
Acquisition of intangibles	15	**(137)**	(400)
Acquisition of property, plant and equipment	12	**(106)**	(483)
Net cash outflow from investing activities		**(635)**	(1,701)
Cash flow from financing activities			
Increase in borrowings	18	**550**	1,500
Repayment of lease liabilities (IFRS16)	18	**(653)**	(696)
Net cash (outflow)/inflow from financing activities		**(103)**	804
Net (decrease)/increase in cash and cash equivalents	18	**(631)**	375
Cash and cash equivalents at beginning of year		**1,089**	714
Cash and cash equivalents at end of year		**458**	1,089
Cash and cash equivalents comprise:			
Cash at bank and in hand		**458**	1,089

The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium Account	Capital Redemption Reserve	Treasury Shares	Foreign Currency Translation Reserve	Share Option Reserve	Retained Earnings	Equity attributable to parent	Non-controllin g Interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	**34,992**	**10,088**	**125**	**(25)**	**118**	**-**	**(33,324)**	**11,974**	**-**	**11,974**
Loss for the period	-	-	-	-	-	-	(12,826)	(12,826)	-	(12,286)
Retranslation of foreign currency	-	-	-	-	(368)	-	-	(368)	-	(368)
Total comprehensive income for the period	-	-	-	-	(368)	-	(12,826)	(13,194)	-	(13,194)
Balance at 31 March 2023	**34,992**	**10,088**	**125**	**(25)**	**(250)**	**-**	**(46,150)**	**(1,220)**	**-**	**(1,220)**
Loss for the period	-	-	-	-	-	-	(2,350)	(2,350)	-	(2,350)
Retranslation of foreign currency	-	-	-	-	(118)	-	-	(118)	-	(118)
Non-cash settled share based incentive plans	-	-	-	-	-	25	-	25	-	25
Total comprehensive income for the period	-	-	-	-	(118)	25	(2,350)	(2,443)	-	(2,443)
Balance at 31 March 2024	**34,992**	**10,088**	**125**	**(25)**	**(368)**	**25**	**(48,500)**	**(3,663)**	**-**	**(3,663)**

The accompanying Notes form part of these Consolidated Financial Statements.

Principal Accounting Policies

Jaywing plc is a Company incorporated in the UK and is AIM listed.

The Consolidated Financial Statements consolidate those of Jaywing plc and its subsidiaries (together referred to as the 'Group').

Statement of compliance

The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK Adopted International accounting standards. The Consolidated Financial Statements have been prepared under the historical cost convention, except for the revaluation of any assets and liabilities carried at fair value.

Items included in both the consolidated and company financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' rounded to the nearest thousand (£'000), which is also the company's functional currency.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year.

Going concern

The Group financial statements have been prepared on a going concern basis in accordance with UK Adopted International accounting standards. In coming to their conclusion, the Directors have considered the Group's profit and cash flow forecasts for period of at least 12 months from the date these financial statements were approved.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the Group, the Directors have considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2026. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period. The Directors have noted the very tight cash position in the UK division which has led to the Group's very tight cash position as a whole, which is expected to continue in the near term. However, based on current forecast cash flows of the Group, which includes forecast cash receipts from recent new business wins in the UK, the Directors expect that the Group's cash headroom will steadily improve in the second half of FY25 and provide a more stable cash position.

In considering their position the Directors have also had regard to:

- Letters of support in respect of the secured debt which have received from each of the holders of that debt which include confirmation that it is intended to provide financial support for the period until at least 31 March 2026 by not making demand for repayment of the debt, should doing so prevent the Group from meeting its debts as and when they fall due. The lenders have also confirmed that they are open to providing short-term financial support to Jaywing if required to support its restructuring of the existing facility with them. Details of this debt are contained in Note 18 and Note 30.

- Near term support to the UK division by way of remittances from the Australia division.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Transactions between subsidiary companies are eliminated on consolidation.

Revenue

Revenue is generated mainly under the following four contractual models:

1. Monthly retainers
2. Project-based
3. Consulting day rates
4. Licences (with and without support)

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when the performance obligations are satisfied

The Group often enters into transactions involving a range of the Group's products and services, for example providing a client with data consultancy and brand development work. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised over time, as the Group satisfies performance obligations by transferring the promised goods or services to its customers in accordance with IFRS15.35 (c).
The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these on the face of the consolidated balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises a receivable in its consolidated balance sheet as a contract asset.

<u>Monthly retainers</u>
A client will sign up to a contract for a period of between six and 18 months, with a fixed fee each month for an agreed amount of work to be performed. Under each contract, there may be more than one service provided to the customer, such as Pay Per Click (PPC) and Search Engine Optimisation (SEO) management. These will have agreed KPIs and are separately identifiable, hence are identified as separate performance obligations. These services will be set out in the contract with revenue amounts associated and the revenue streams will be recognised separately. Most fees are fixed but some fees are variable each month and are based on a ratchet scale calculation.

The transaction price is set out in the contract for each service provided and revenue is allocated to the various performance obligations on this basis. The customer may choose to take additional services for a period of time, which would be subject to a separate agreement. Any performance fees payable under a contract would relate to a specific month and be calculated in line with the provisions set out in the contract.

Revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the services as the service is performed. It is recognised using the output method, on a straight-line basis over the life of the contract as the amount of work required to perform under these contracts does not vary significantly from month to month, therefore the straight-line method provides a faithful depiction of the transfer of goods or services.

<u>Project-based</u>
A client will enter into a framework agreement that covers all work performed by Jaywing and will then issue a brief or work order for a specific piece of work to be performed. This could be the development of a website for a client, or the production of a creative campaign. The work would normally take a period of between one and six months to complete.

Normally, a specific brief or work order is provided for a project under the overall framework agreement. This will detail the services to be provided to the customer, with a price set out against each element as appropriate. The transaction price is set out in the work order for each element of the project. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation.

The customer may choose to vary the scope at any stage, and that would be subject to an updated work order. That work order would still be part of the original contract as those services would not be distinct from those in the original contract, hence this does not create a separate performance obligation.

Revenue is recognised over time, using the input method as Jaywing's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, and the revenue recognised reflects the efforts or inputs Jaywing has made to the satisfaction of the performance obligation.

<u>Consulting day rates</u>
A client will enter into a contract for a piece of work that is quoted as a number of days charged at a rate per day. This work will be either risk, marketing or data based and could involve building models, databases and analysis of data. There may be various elements to the work quoted, however due to the high degree of interdependence between these, they are accounted for as a single performance obligation. Invoices will usually be raised monthly for the number of days of work performed.

A specific piece of work is contracted for, which will normally be a number of days' work charged at a rate per day, with different rates for different levels of seniority. The transaction price is set out in the contract. The customer may choose to vary the scope at any stage, and that would be subject to an updated work schedule. That work order would still be part of the original contract as those services would not be distinct from those in the original contract, hence this does not create a separate performance obligation.

Revenue is recognised over time as the customer simultaneously receives and consumes the benefit of the services as the services are performed. It is recognised using the input method, based on the number of days' work performed during the month.

Licences

A client enters into a contract for a product licence, including support from Jaywing, to run that product and interpret the results from it. The product and support are not separately identifiable because the client is not able to operate the product licence without this support as they do not have the skills or a login to the system. Therefore, they are accounted for together as a single performance obligation. The license price is set out in the contract.

Revenue is recognised over time based on the provision of the licence and support during the month as the customer simultaneously receives and consumes the benefit of the services as the services are provided.

There are no differences in payment terms for each of these categories; the only differences in payments terms are from individual terms agreed with clients which are between 30 and 60 days.

Foreign currency

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Classification of instruments issued by the Group

Instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets, or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Company (or Group); and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments, or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up Share Capital and Share Premium Account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	-	over period of lease
Office equipment	-	3 - 5 years
Buildings (ROU assets)	-	over period of lease

It has been assumed that all assets will be used until the end of their economic life.

Gains or losses arising on the disposal of tangible assets are determined by comparing the disposal proceeds with the carrying amount of the assets and are recognised in the statement of comprehensive income.

Intangible assets and goodwill
All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those that can be sold separately, or that arise from legal or contractual rights, regardless of whether those rights are separable, and are initially recognised at fair value. Development costs incurred in the year, which meet the criteria of IAS 38, are capitalised and amortised on a straight-line basis over their economic life.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Intellectual property acquired in a business combination that qualifies for separate recognition are recognised as intangible assets at their fair values.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.
The estimated useful lives are as follows:

Customer relationships	-	4 to 12 years
Development costs	-	3 to 6 years
Trademarks	-	2 to 20 years
Order books	-	1 year
Intellectual property	-	5 years

Impairment
For goodwill that has an indefinite useful life, the recoverable amount is estimated annually. For other assets, the recoverable amount is only estimated when there is an indication that an impairment may have occurred. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is determined by assessing net present value of the asset based on future cash flows.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in respect of cash-generating units, are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised no longer exists.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets, including contingent consideration. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date (see contingent consideration accounting policy).

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

Employee benefits

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

Share-based payment transactions
The fair value for the share price options was calculated using the Monte Carlo Model for the LTIP scheme and the Black-Scholes model for CSOP scheme. This is charged to the statement of comprehensive income over the vesting period of the award. The charge takes account of the estimated number of shares that will vest. Where the options do not have any market conditions attached, the number expected to vest is reassessed at each reporting period. All share-based remuneration is equity-settled.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Dilapidations provision
Provision is made for expected future dilapidations costs in respect of property held under leases. The estimated costs are capitalised within the right of use asset and depreciated over the remaining lease term based on the present value of expected future cash flows.

Leases
The Company reports using IFRS 16, whereby the Company recognises a lease liability and a right of use asset.

The Group leases three offices and printers. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
• amounts expected to be payable by the group under residual value guarantees;
• the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If the Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect, then when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Net financing costs
Net financing costs comprise interest payable and interest receivable on funds invested, and withholding tax on borrowings interest expense. Interest income and interest payable are recognised in the statement of comprehensive income as they accrue using the effective interest method.

Taxation
Tax on the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case it is recognised in other comprehensive income or in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except to the extent that it arises on:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination;
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Business combinations
The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values. See separate deferred and contingent consideration accounting policy.

Intellectual property acquired in a business combination that qualifies for separate recognition are recognised as intangible assets at their fair values. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.
The estimated useful life for intellectual property is 5 years.

Financial assets

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

Trade and other receivables and contract assets
Trade and other receivables and contract assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

IFRS 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial liabilities

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Deferred and contingent consideration
Deferred consideration is recorded at fair value and is estimated using a present value technique, discounted at 3.5%, which is the risk free rate.

Contingent consideration is recorded at fair value using the probability-weighted estimated future cash flows using a present value technique. The consideration is discounted at 11.5% Weighted Average Cost of Capital at the date of acquisition. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

Contingent consideration is a level 3 financial instrument, and is measured at fair value through profit and loss. As such, at each reporting date the contingent consideration is fair valued, with movement in the fair value taken to the statement of comprehensive income

Trade and other payables
Trade payables are initially recorded at fair value and thereafter at amortised cost using the effective interest rate method.

Segmental reporting
Internal reporting and monitoring by the Chief Operating Decision Maker (CODM) is based on the location of the business, as such under IFRS 8 the two operating segments of the business are deemed to be the results in respect of the United Kingdom and Australia.

Share Capital
Share Capital represents the nominal value of shares that have been issued.

Share Premium
Share Premium includes any premiums received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Share Premium, net of any related income tax benefits.

Capital Redemption Reserve
Capital Redemption Reserve represents the amount by which the nominal value of the shares purchased or redeemed is greater than proceeds of a fresh issue of shares.

Shares Purchased for Treasury
Represents the nominal value of the shares purchased by the Company.

Foreign Currency Translation Reserve
Represents the exchange differences on retranslation of foreign operations.

Earnings per Share
Earnings per share is calculated by taking the loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding where loss making diluted earnings per share is equal to basic.

Retained Earnings
Retained Earnings includes all current and prior period retained profits and share-based employee remuneration.

Non-controlling interests
The profit or loss attributable to the non-controlling ownership stakes in subsidiary companies is transferred from Retained Earnings to non-controlling interests each year.

Significant judgement in applying accounting policies and key estimation uncertainty
When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Accounting estimates and judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.
Judgements made by the Directors in the application of the accounting policies that have a significant effect on the Consolidated Financial Statements, together with estimates with a significant risk of material adjustment in the next year, are discussed below.

Accounting estimates

Impairment of goodwill and other intangible assets
The carrying amount of goodwill is £10,476k (2023: £10,602) and the carrying amount of other intangible assets is £1,796k (2023: £2,125k). The Directors are confident that the carrying amount of goodwill and other intangible assets is fairly stated and have carried out an impairment review. The forecast cash generation for each CGU and the WACC represent significant assumptions and should the assumptions prove to be incorrect, there would be a significant risk of a material adjustment within the next financial year. The sensitivity to the key assumptions is shown in Note 14.

Business combinations and Contingent Consideration

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see Note 32). In particular, the fair value of contingent consideration which is a Level 3 Fair Value asset with movements through the statement of comprehensive income and is dependent on the outcome of the acquirees' future revenues. The key judgement relates to the 30% of estimated revenues in future periods and the 11.5% discount rate used for which management undertake regular reviews of forecasts and obtain external support for the WACC calculation (see Note 32).

Accounting judgements

Revenue
Recognition of revenue
The Directors consider that the Group acts as a principal in transactions where the Group has control over the goods and services prior to being transferred to the customer. Where this is via an agency arrangement and the Group does not have full control over the goods and services, it recognises gross billings as gross revenue, with the direct costs being deducted to present the reportable revenue figure under IFRS 15. For other income sources, revenue recognition is assessed in line with the five steps of IFRS. This decision over the stage of completion, includes judgements made by management.

Identification of performance obligations
The determination of the number of distinct performance obligations in a contract requires judgement, based on whether the customer can benefit from use of the service on its own or together with other resources that are readily available to it, and also whether the promise to transfer the service is separately identifiable from other promises in the contract.

Allocation of the transaction price to performance obligations
Where a contract contains multiple performance obligations, the transaction price is required to be allocated to the different performance obligations. Wherever possible, the transaction price is allocated on a standalone selling price basis, by reference to the agreed customer statement of works. In the event that this is not available, the price is allocated to the various performance obligations on a reasonable basis with reference to the expected time involved in performing the service and management's experience of similar projects.

Recognition of contract assets and liabilities
Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing further work under the relevant contract. Contract assets are converted into trade receivables at the point that work delivered to the client is invoiced resulting in the Group's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts.

IFRS 16
Under IFRS 16 the Group is required to make a judgement in determining the discount rate to be used in calculating the present value of lease payments when recognising the lease liabilities and right of use asset. For the discount rate the Group has used the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The right of use asset is depreciated over the term of the lease. The term has been determined with reference to the lease agreements and any expected extension based on management's judgement beyond the end of the lease end date specified in the lease agreement.

Notes to the Consolidated Financial Statements

1. Segmental analysis

The Group reports its operations based on location of the business (United Kingdom & Australia).

The Group's Chief Operating Decision Maker (CODM) is its chief executive and they monitor the performance of these operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

During the year, no customer accounted for greater than 10% of the Group's revenue (2023: None).

Revenue, Contribution and Adjusted EBITDA by Operating Segments

	2024	2023
Revenue:	**£'000**	£'000
United Kingdom	**14,759**	16,380
Australia	**6,695**	5,682
Total	**21,454**	22,062

	2024	2023
Contribution (1):	**£'000**	£'000
United Kingdom	**4,286**	4,886
Australia	**2,369**	2,142
Total	**6,655**	7,028

	2024	2023
Adjusted EBITDA (2):	**£'000**	£'000
United Kingdom	**1,149**	1,380
Australia	**1,012**	528
Total	**2,161**	1,908

All revenue is recognised over time.

(1) Contribution is defined as Revenue less Direct Costs comprising of staff and other costs directly attributable to the revenues of the respective operating segments.
(2) Adjusted EBITDA represents Earnings Before Interest Tax, Depreciation & Amortisation ('EBITDA') before restructuring costs, acquisition & related costs, share based payment charge, fair value adjustments on contingent consideration and exceptional legal income.

Non-current assets by Geographic Markets

The Group's non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are located into the following geographic markets:

	2024	2023
	£'000	£'000
United Kingdom	**13,261**	13,859
Australia	**3,193**	3,511
	16,454	17,370

2. Other operating income

	2024	2023
	£'000	£'000
Other income	**33**	507
	33	507

Within other income in 2023 is a settlement of £502k from the claimant, in relation to the reimbursement of previously incurred legal costs following the dismissal of the claimants' case in April 2022, associated with the 2016 acquisition of Bloom Media (UK) Limited.

3. Operating expenses

Continuing operations:	**2024 £'000**	2023 £'000
Wages and salaries	14,579	14,210
Social Security Costs	1,364	1,306
Other Pension Costs	899	905
Share based payment expense	25	-
Impairment of Goodwill	-	12,095
Depreciation of property, plant & equipment	237	245
Depreciation and impairment of right of use assets	626	641
Amortisation	466	320
Fair value adjustment on contingent consideration	(402)	-
Restructuring costs	1,668	190
Acquisition and related costs	-	259
Other operating expenses	2,484	3,738
Total operating expenses	**21,946**	33,909

4. Finance costs

	2024 £'000	2023 £'000
Interest expense on borrowings	**1,160**	748
Withholding tax on borrowings interest expense	**274**	180
Interest on lease liabilities (see note 13)	**156**	142
Interest on deferred and contingent consideration	**188**	125
Interest on VAT payment plan	**66**	-
Currency translation losses	**73**	-
Total	**1,917**	1,195

5. Tax credit

The tax (credit) / charge is based on the loss for the year and represents:

	2024 £'000	2023 £'000
UK corporation tax at 25% (2023: 19%)	**270**	152
Adjustment for prior year	**-**	198
Total current tax	**270**	350
Deferred tax:		
Origination and reversal of timing differences	**(296)**	(59)
Total tax (credit) / charge	**(26)**	291

The tax (credit) / charge can be explained as follows:	**2024 £'000**	2023 £'000
Loss before tax	**(2,376)**	(12,535)
Tax using the UK corporation tax rate of 25% (2023: 19%)	**(594)**	(2,382)
Effect of:		
Recognition of previously unrecognised losses	**(271)**	(129)
Goodwill impairment	**-**	2,298
Adjustment for prior year	**-**	198
Non-deductible expenses	**624**	306
Other tax adjustments	**215**	-
Current year (credit) / charge	**(26)**	291

6. Loss per share

	2024 Pence per Share	2023 Pence per Share
Basic loss per share	**(2.52p)**	(13.73p)
Diluted loss per share	**(2.52p)**	(13.73p)

Loss per share has been calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The calculations of basic and diluted loss per share are:

	2024 £'000	2023 £'000
Loss for the year attributable to shareholders	**(2,350)**	(12,826)

Weighted average number of ordinary shares in issue:

	2024 Number	2023 Number
Basic and diluted	93,432,217	93,432,217

7. Auditor's remuneration

	2024 £'000	2023 £'000
Auditor's remuneration:		
Audit of Company Financial Statements	**50**	48
Other amounts payable to the auditor and its associates in respect of:		
Audit of Subsidiary Company Financial Statements	**91**	118
Audit related assurance services	**-**	5
Taxation compliance services	**-**	30

Amounts paid to the Group's auditor in respect of services to the Company, other than the audit of the Company's Financial Statements, have not been disclosed separately as the information is only required to be disclosed on a consolidated basis.

8. Key management personnel compensation

Key management of the Group is considered to be the Board of Directors and the Senior Leadership Team.

	2024 £'000	2023 £'000
Short-term benefits:		
Salaries including bonuses	**1,610**	1,513
Social security costs	**185**	190
Total short-term benefits	**1,795**	1,703
Share based payments	**25**	-
Defined contribution pension plan costs	**49**	53
Key management compensation	**1,869**	1,756

Further information in respect of Directors is given in the Directors' Remuneration Report.

Remuneration in respect of Directors was as follows:

	2024 £'000	2023 £'000
Emoluments receivable	**345**	342
Fees paid to third parties for Directors' services	**30**	30
Company pension contributions to money purchase pension schemes	**9**	9
	384	381

During the current period and the prior year, there were no benefits accruing to Directors in respect of the defined contribution pension scheme.

The highest paid Director received remuneration of £239k (2023: £236k).

9. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2024 Number	2023 Number
Management and administration	**30**	34
Client Service Staff	**236**	251
	266	285

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	**14,579**	14,210
Social security costs	**1,364**	1,306
Other pension costs	**899**	905
Share based payments	**25**	-
Total	**16,867**	16,421

10. Employee benefits

On 13 April 2023, the Company granted 1,142,000 LTIP (Long Term Incentive Plan) share options to Andrew Fryatt (CEO) and 4,640,000 CSOP (Company Share Option Plan) options to certain senior employees of the Group.

LTIP Options

The LTIP Options granted to Andrew Fryatt are subject to a minimum vesting price of 10.0 pence per Share and an exercise price of 5.0 pence per Share. The performance period for LTIP Options granted under the LTIP will typically be four years commencing from the date of grant of the relevant LTIP Option. However, in the case of Andrew Fryatt, in recognition of his service to the Company since March 2020, 50% of the LTIP Options will vest and be exercisable on or after the second anniversary of the date of grant, subject to and to the extent that the performance conditions are met.

Except in the event of a change of control of the Company and in certain 'good leaver' scenarios, LTIP Options may only be exercised after the expiry of the performance period and to the extent that the relevant performance criterion is met. Shares acquired on exercise of LTIP Options shall be subject to a two-year holding period, during which time they cannot be sold, except in certain circumstances including, but not limited to, the sale of Shares to meet any tax liabilities arising upon exercise of the LTIP Options.

Upon Andrew Fryatt's resignation on the 13 May 2024, these LTIP options have now lapsed.

CSOP

The market value CSOP Options were granted over a total of 4,640,000 Shares with an exercise price of 5.0 pence per Share. The vesting period of the CSOP Options shall be three years from the date of grant. Except in the event of a change of control of the Company and in certain 'good leaver' scenarios, no CSOP Options may be exercised prior to the expiry of the vesting period. Shares acquired on exercise of the CSOP Options shall be subject to a holding period of one year, during which time they cannot be sold, except in certain circumstances including, but not limited to, the sale of Shares to cover the exercise price payable upon exercise of the CSOP Options. No performance conditions attach to the exercise of the CSOP Options.

Details of the share options outstanding at the end of the year are as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
At start of the year	**-**	**5.0p**	-	-
Issued during the year	**5,782,000**	**5.0p**	-	-
Exercised during the year	**-**	**5.0p**	-	-
Lapsed during the year	**(240,000)**	**5.0p**	-	-
At end of the year	**5,542,000**	**5.0p**	-	-
Exercisable at end of year	**-**	**-**	-	-

Charge to the statement of comprehensive income

Under IFRS 2, the Group is required to recognise an expense in the relevant Company and Group's Financial Statements. The expense is apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant.

For the awards made, the Group commissioned an independent valuation and adopted their findings.

	2024 £'000	2023 £'000
Share based compensation charge included in operating expenses	**25**	-
	25	-

11. Non-controlling interests

The details of subsidiaries held directly by the Group are set out in Note 11 of the plc Parent Company accounts. After the acquisition of the remaining 25% of Frank Digital PTY in November 2021 the Group includes no subsidiaries with non-controlling interests (NCI):

Name	**Proportion of ownership interests and voting rights held by NCI**		**Total comprehensive income allocated to NCI**		**Accumulated NCI**	
	2024 %	2023 %	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Frank Digital PTY	-	-	**-**	-	**-**	-
			-	-	**-**	-

No dividends were paid to the NCI during the financial years 2023 and 2022.

Jaywing plc acquired the remaining 25% of Frank Digital PTY on 2 November 2021 after the remaining shareholders exercised their put option. The 25% stake was acquired for \$1.2m (£0.7m), the total consideration for the purchase of the 100% interest was \$3.0m (£1.7m). At 31 March 2022 an amount of £0.7m was still outstanding to the original shareholders, this was fully paid by 31 July 2022.

12. Property, plant and equipment

	ROU assets: Buildings £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost				
At 31 March 2022	3,658	1,438	801	5,897
Additions	-	-	483	483
Right of use asset additions	2,253	-	-	2,253
Disposals	-	-	(283)	(283)
At 31 March 2023	5,911	1,438	1,001	8,350
Additions	-	-	106	106
Disposals	-	-	(238)	(238)
At 31 March 2024	**5,911**	**1,438**	**869**	**8,218**
Depreciation				
At 31 March 2022	1,998	1,227	499	3,724
Depreciation charge for the year	-	64	181	245
Depreciation of right of use asset	588	-	53	641
Depreciation on disposals	-	-	(283)	(283)
At 31 March 2023	2,586	1,291	450	4,327
Depreciation charge for the year	-	39	198	237
Depreciation of right of use asset	603	-	23	626
Depreciation on disposals	-	-	(238)	(238)
At 31 March 2024	**3,189**	**1,330**	**433**	**4,952**
Net book value				
At 31 March 2024	**2,722**	**108**	**436**	**3,266**
At 31 March 2023	3,325	147	551	4,023
At 31 March 2022	1,660	211	302	2,173

The assets, excluding the right of use assets, are covered by a fixed charge in favour of the Group's lenders.

13. Leases

The company has lease contracts for offices occupied and printers. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts recognised in the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Right of use assets (net book value)		
Buildings	**2,722**	3,325
Office equipment	**50**	74
	2,772	3,399
Lease liabilities		
Current	**382**	380
Non-current	**2,122**	2,638
	2,504	3,018

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Depreciation and impairment charge of right of use assets		
Buildings	**603**	588
Office equipment	**23**	53
	626	641
Interest expense (included in finance cost)	**156**	142

There are no other amounts relating to low value or short term leases excluded from the above amounts.

(iii) Future minimum lease payments

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 March 2024 were as follows:

	Within 1 year £'000	**1-2 years £'000**	**2-3 years £'000**	**3-4 years £'000**	**4-5 years £'000**	**After 5 years £'000**	**Total £'000**
Lease Payments	533	674	619	220	220	744	3,030
Finance Charges	(133)	(109)	(83)	(52)	(44)	(85)	(506)
Net present values	400	565	536	168	176	659	2,504

The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

14. Goodwill

	Goodwill £'000
Cost	
At 31 March 2022	**27,836**
Recognition on acquisition	1,279
Foreign Exchange	(287)
At 31 March 2023	28,828
Foreign Exchange	(126)
At 31 March 2024	**28,702**
Impairment	
At 31 March 2022	(6,131)
Impairment charge	(12,095)
At 31 March 2023	(18,226)
Impairment charge	-
At 31 March 2024	**(18,226)**
Net book value	
At 31 March 2022	21,705
At 31 March 2023	10,602
At 31 March 2024	**10,476**

Goodwill by CGU

	2024	2023
	£'000	£'000
United Kingdom	**7,926**	7,926
Australia	**2,550**	2,676
	10,476	10,602

Goodwill and other intangible assets have been tested for impairment by assessing the value in use of the relevant cash generating units ("CGU"), the cash generating units are measured at UK and Australia level as this is how the Board review the trading positions. The value in use calculations were based on projected cash flows into perpetuity. Budgeted cash flows for 2024/25 were haircut by applying a reduction in EBITDA, and used and extrapolated based on the assumptions below.

The budget has been approved by management and the Board of Directors and is based on a bottom-up assessment of costs and uses the known and estimated revenue pipeline. The key assumptions are revenue growth, cost growth (and by implication EBITDA) and the WACC. The average year-on-year growth that has been used as the basis for forecasting cash flows for each of the cash generating units when testing for impairment were:

	Year-on-year growth	
	Revenue	Costs
2024/25 to 2025/26	7.0%	6.0%
2025/26 to 2026/27	7.0%	6.0%
2026/27 to 2027/28	7.0%	6.0%
2027/28 to Perpetuity	3.0%	3.0%

The growth rates shown are the average applied to the cash flows of the individual cash generating units and do not form a basis for estimating the consolidated profits of the Group in the future. The growth rates used and the periods they cover are based on an ability to deliver additional revenue efficiently.

The discount rate used to test the cash generating units was the Group's post-tax Weighted Average Cost of Capital ("WACC") of 15.1% for the UK and 14.8% for Australia (2023: 16.6% for the UK and 16.4% for Australia).

As part of the impairment review, several scenarios affecting the UK and Australian CGUs were calculated, using the impairment model and applying sensitivities to the key assumptions. These looked at what effect movements in revenue and EBITDA would have on the outcome.

For the UK GCU:

- If there was no EBITDA growth from FY26 onwards there would be headroom of £1.7m
- If revenues increase by 5%, direct costs increase by 2% but indirect costs stay the same, this would provide headroom of £3.8m

For the Australian CGU:

- If there was no EBITDA growth from FY26 onwards there would be headroom of £2.5m
- If there was no EBITDA growth from FY25 onwards there would be headroom of £0.5m

As a result of the tests performed, management believes that an impairment is not required for the goodwill in relation to the UK CGU (2023: £12.1m) or the Australian CGU (2023: nil).

15. Other intangible assets

	Customer relationships	Order books	Trademarks	Intellectual property	Development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 31 March 2022	**21,305**	**1,457**	**1,080**	**-**	**1,421**	**25,263**
Additions during the year (note 33)	-	-	-	2,376	-	2,376
At 31 March 2023	**21,305**	**1,457**	**1,080**	**2,376**	**1,421**	**27,639**
Additions during the year	-	-	-	-	137	137
At 31 March 2024	**21,305**	**1,457**	**1,080**	**2,376**	**1,558**	**27,776**
Amortisation						
At 31 March 2022	21,305	1,457	1,080	-	1,352	25,194
Amortisation charge for the year	-	-	-	277	43	320
At 31 March 2023	21,305	1,457	1,080	277	1,395	25,514
Amortisation charge for the year	-	-	-	425	41	466
At 31 March 2024	21,305	1,457	1,080	702	1,436	25,980
Net book amount						
At 31 March 2024	**-**	**-**	**-**	**1,674**	**122**	**1,796**
At 31 March 2023	-	-	-	2,099	26	2,125
At 1 April 2022	-	-	-	-	69	69

Development costs relate to internally developed products that are either sold to clients standalone or used to provide services to them.

16. Trade and other receivables

	2024	2023
	£'000	£'000
Trade receivables	**3,204**	3,723
Prepayments	**569**	508
Other receivables	**156**	187
	3,929	4,418

The carrying amount of trade and other receivables approximates to their fair value. Detailed disclosures relating to credit risk exposures and analysis relating to the allowance for expected credit losses are in Note 32.

17. Contract assets and liabilities

Contract assets

	2024 £'000	2023 £'000
Accrued income	**330**	352

	£'000
Contract assets as at 31 March 2023	**352**
Amounts billed on contract assets as at 31 March 2023	**(352)**
New contract assets recognised	**330**
Contract assets as at 31 March 2024	**330**

Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing further work under the relevant contract. Contract assets are converted into trade receivables at the point that work delivered to the client is invoiced resulting in the Group's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts. There is a credit risk associated with these assets.

Contract liabilities

	2024 £'000	2023 £'000
Deferred income	**808**	983

	£'000
Contract liabilities as at 31 March 2023	**983**
Revenue recognised in the year on contract liabilities as at 31 March 2023	**(883)**
New contract liabilities net of revenue recognised against these	**708**
Contract liabilities as at 31 March 2024	**808**

Contract liabilities consist of cash advances received from customers on account of work orders received and the remaining liabilities relate to the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

Of the existing contracts that were unsatisfied or partially satisfied at 31 March 2024, revenue is expected to be recognised in the financial year to 31 March 2025.

18. Borrowings and Net Debt

	2024	2023
	£'000	£'000
Borrowings	**13,420**	11,435
	%	%
Average interest rates at the balance sheet date were:	**12.36**	8.57

As the loans are at variable market rates their carrying amount is equivalent to their fair value.

The borrowings are repayable on demand and interest is calculated at 3 month LIBOR plus a margin.

The borrowings are secured by charges over all the assets of Jaywing plc and guarantees and charges over all of the assets of the various subsidiaries (Jaywing UK Limited, Alphanumeric Limited, Gasbox Limited, Jaywing Central Limited, Jaywing Innovation limited, Bloom Media (UK) Limited, Epiphany Solutions limited, Jaywing Pty Limited, Frank Digital Pty Limited).

Reconciliation of net debt excluding lease liability and deferred consideration

	1 April 2023	**Cash flow**	**Draw down**	**Non cash changes**	**31 March 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	1,089	(631)	-	-	**458**
Borrowings	(11,435)	-	(550)	(1,435)	**(13,420)**
Net debt excluding lease expense and deferred consideration	(10,346)	(631)	(550)	(1,435)	**(12,962)**

Reconciliation of net debt

	1 April 2023 £'000	**Cash flows £'000**	**Draw down £'000**	**Non cash changes £'000**	**31 March 2024 £'000**
Borrowings	(11,435)	-	(550)	(1,435)	**(13,420)**
Lease liability	(3,018)	653	-	(139)	**(2,504)**
Deferred and contingent consideration	(2,544)	392	-	214	**(1,938)**
Financial liabilities	(16,997)	1,045	(550)	(1,360)	**(17,862)**
Cash and cash equivalents	1,089	(631)	-	-	**458**
Net debt	(15,908)	414	(550)	(1,360)	**(17,404)**

19. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**2,035**	2,169
Tax and social security	**1,445**	1,519
Accruals	**686**	946
Deferred consideration payable on acquisition of subsidiary undertakings	**528**	414
Contingent consideration payable on acquisition of subsidiary undertakings	**268**	109
Other payables	**727**	653
Trade and other payables due in less than one year	**5,689**	5,810
Deferred consideration payable on acquisition of subsidiary undertakings	**393**	770
Contingent consideration payable on acquisition of subsidiary undertakings	**749**	1,251
Trade and other payables due in greater than one year	**1,142**	2,021

The carrying amount of trade and other payables approximates to their fair values. All amounts are short term.

* Included in other payables is £654k (2023: £539k) for media spend not yet purchased but paid for by the customer.

20. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities:

	2024 £'000	2023 £'000
Accelerated capital allowances on property, plant and equipment:		
At start of year	**630**	10
Deferred tax on acquisition	**254**	661
Unwind of deferred tax on acquisition	**33**	(69)
Origination and reversal of temporary differences	**(17)**	28
At end of year	**900**	630
Other temporary differences:		
At start of year	**(703)**	(654)
Prior year adjustment	**(54)**	-
Origination and reversal of temporary differences	**(196)**	80
Recognition of previously unrecognised losses	**(271)**	(129)
At end of year	**(1,224)**	(703)
Total deferred tax:		
At start of year	**(28)**	(644)
Prior year adjustment	**155**	-
Deferred tax on additions	**33**	592
Origination and reversal of temporary differences	**(484)**	24
At end of year	**(324)**	(28)
Origination on acquisition		
Deferred tax is included within:		
Deferred tax liability	**592**	592
Deferred tax asset	**(916)**	(620)
	(324)	(28)

There are no deductible differences or losses carried forward for which no deferred tax asset is recognised.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

21. Provisions

The carrying amounts and the movement in the provision account are as follows:

	Dilapidations £'000
At 1 April 2023 and 31 March 2024	570

The dilapidations provision of £570k (2023: £570k) has been recognised across the three offices in the UK and Australia.

The dilapidations provision will be settled at the end of the lease period for the three offices, which is greater than one year for all.

22. Share capital

Authorised:

	45p deferred shares	**5p ordinary shares**
Authorised share capital at 31 March 2023 and at 31 March 2024	**45,000**	**10,000**

Allotted, issued and fully paid

	45p deferred shares	5p ordinary shares	
	Number	Number	£'000
At 31 March 2023	67,378,520	93,432,217	34,992
At 31 March 2024	**67,378,520**	**93,432,217**	**34,992**

The 5 pence ordinary shares have the same rights (including voting and dividend rights and rights on a return of capital) as the previous 50 pence ordinary shares. Holders of the 45 pence deferred shares do not have any right to receive notice of any General Meeting of the Company or any right to attend, speak or vote at any such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall, on a return of assets in a winding up of the Company, entitle the holders only to the repayment of the amounts paid up on the shares, after the amount paid to the holders of the new ordinary shares exceeds £1,000,000 per new ordinary share. The deferred shares are also incapable of transfer and no share certificates have been issued in respect of them.

23. Share premium

	2024 £'000	2023 £'000
At start and end of year	10,088	10,088

Share Premium includes any premiums received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Share Premium, net of any related income tax benefits.

24. Treasury shares

	2024 £'000	2023 £'000
At start and end of year (99,622 shares)	(25)	(25)

Treasury shares represent the nominal value of the shares purchased by the Company.

25. Capital redemption reserve

	2024 **£'000**	2023 £'000
At start and end of year	125	125

Capital redemption reserve represents the amount by which the nominal value of the shares purchased or redeemed is greater than proceeds of a fresh issue of shares.

26. Non-controlling interest

	2024 **£'000**	2023 £'000
At start of year	**-**	-
Acquisition of non-controlling interest (note 11)	**-**	-
Share of profit for the year	**-**	-
At end of year	**-**	-

The profit or loss attributable to the non-controlling ownership stakes in subsidiary companies is transferred from retained earnings to non-controlling interests each year.

27. Foreign currency translation reserve

	2024 **£'000**	2023 £'000
At start of year	**(250)**	118
Exchange differences on translation of foreign operations	**(118)**	(368)
At end of year	**(368)**	(250)

Foreign currency translation reserve represents the exchange differences on retranslation of foreign operations.

28. Retained earnings

	2024 **£'000**	2023 £'000
At start of year	**(46,150)**	**(33,324)**
Retained loss for the year	**(2,350)**	**(12,826)**
At end of year	**(48,500)**	**(46,150)**

Retained Earnings includes all current and prior period retained profits and share-based employee remuneration.

29. Capital commitments

The Group had no commitments to purchase property, plant and equipment at 31 March 2024 or at 31 March 2023.

30. Related parties

The services of Mark Carrington as Non-Executive Director of the Company were purchased from Deacon Street Partners Limited for a fee of £30,000 (2023: £30,000). At the year end, £94,000 (2023: £52,500) was outstanding to Deacon Street Partners Limited.

Ian Robinson (Non-Executive Chairman) is a Director of Gusbourne Estate Limited, with which Jaywing commenced trading on an arm's length basis in H1 FY22. Gusbourne Estate Limited were invoiced £393k (2023: £498k) in the year. As at 31 March 2024 there was a debtor's balance of £37k (2023: £49k).

On 2 October 2019 entities associated with two of its major shareholders (the "Lenders") acquired the Company's existing secured loan facility of £5,200,000 ("Jaywing Facility") The Lenders immediately provided the Company with additional secured facilities by increasing the Jaywing Facility by £3,000,000 to £8,200,000, which enabled the Company to repay its existing outstanding overdraft and provide it with additional working capital. An additional £500,000 and £1,000,000 was drawn down on the facility in FY23. In FY24 and additional £550,000 was drawn down on the facility. The Jaywing Facility has been provided to the Company on the same terms as those provided by the previous lender. At the year-end £13,420k (2023: £11,435k) was outstanding. Further details of these borrowings are provided in Note 18.

31. Standards and interpretations in issue at 31 March 2024 but not yet effective

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group. No new standards have become effective in the current year. No amendments to existing standards effective in the current year have had a material impact on the financial statements.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

32. Financial risk management

The Group uses various financial instruments. These include loans, cash, issued equity investments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to several financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance, price risk has been ignored as it is not considered a material risk to the business. The Group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

The Group is only minimally exposed to translation and transaction foreign exchange risk.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing the cash balance and by investing cash assets safely and profitably.

The Group policy throughout the period has been to ensure continuity of funding.

Borrowings are repayable on demand.

Interest rate risk

The Group finances its operations through a mixture of cash, working capital and borrowings. The Directors' policy to manage interest rate fluctuations is to regularly review the costs of capital and the risks associated with each class of capital, and to maintain an appropriate mix between fixed and floating rate borrowings.

The interest rate exposure of the financial assets and liabilities of the Group is shown in the table below. The table includes trade receivables and payables as these do not attract interest and are therefore subject to fair value interest rate risk.

	2024 **£'000**	2023 £'000
Financial assets:		
Floating interest rate:		
Cash	**458**	1,089
Zero interest rate:		
Trade receivables	**3,204**	3,723
	3,662	4,812
Financial liabilities:		
Floating interest rate:		
Loans/revolving facility	**13,420**	11,435
Zero interest rate:		
Trade payables	**2,035**	2,169
	15,455	13,604

As at 31 March 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

31 March 2024	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£'000	£'000	£'000	£'000
Borrowings	13,420	-	-	-
Lease liabilities	191	191	1,648	474
Deferred consideration payable on acquisition of subsidiary undertakings	337	191	393	-
Contingent consideration payable on acquisition of subsidiary undertakings	156	112	749	-
Trade and other payables	5,701	-	-	-
Total amount due	**19,805**	**494**	**2,790**	**474**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

31 March 2023	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£'000	£'000	£'000	£'000
Borrowings	11,435	-	-	-
Lease liabilities	190	190	1,980	658
Deferred consideration payable on acquisition of subsidiary undertakings	231	183	770	-
Contingent consideration payable on acquisition of subsidiary undertakings	34	75	1,251	-
Trade and other payables	6,270	-	-	-
Total amount due	18,160	448	4,001	658

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Sensitivity to interest rate fluctuations

If the average interest rate payable on the net financial asset/net financial liabilities, subject to a floating interest rate during the year, had been 1% higher than reported on the average borrowings during the year, then loss before tax would have been £116k (2023: £104k) lower, and if the interest rate on these liabilities had been 1% lower, loss before tax would have improved by £116k (2023: £104k).

Credit risk

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors, and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement, amongst other things, are considered indicators of no reasonable expectation of recovery.

The Directors consider that after review, the Group's trade receivables require an impairment for the year ended 31 March 2024 of £65,000 (2023: £82,000) which has been provided accordingly.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2024 **£'000**	2023 £'000
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	**3,360**	3,910
Cash and cash equivalents	**458**	1,089
	3,818	4,999
Financial liabilities:		
Financial liabilities measured at amortised cost		
Borrowings	**(13,420)**	(11,435)
Lease liabilities	**(2,504)**	(3,018)
Deferred consideration payable on acquisition of subsidiary undertakings	**(921)**	(1,184)
Trade and other payables	**(5,701)**	(6,270)
Provisions for liabilities	**(570)**	(570)
Financial liabilities measured at fair value		
Contingent consideration payable on acquisition of subsidiary undertakings	**(1,017)**	(1,360)
	(24,133)	(23,837)
Net financial assets and liabilities	**(20,315)**	(18,838)
Plant, property and equipment	**3,266**	4,023
Goodwill	**10,476**	10,602
Other intangible assets	**1,796**	2,125
Contract assets	**330**	352
Prepayments	**569**	508
Deferred tax asset	**916**	620
Deferred tax liability	**(592)**	(592)
Taxation (payable)/receivable	**(109)**	(20)
	16,652	17,618
Total equity	**(3,663)**	(1,220)

Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

This is achieved through close management of working capital and regular reviews of pricing. Decisions on whether to raise funding using debt or equity are made by the Board based on the requirements of the business.

Capital for the reporting period under review is summarised as follows:

	2024 **£'000**	2023 £'000
Total equity	**(3,663)**	(1,220)

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Group's reporting dates.

The following table provides information about the sensitivity of the fair value measurement to changes in the most significant inputs:

Description	Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Contingent consideration	Probability of meeting target	100%	Sensitive to a fluctuation in expected revenues

There are no significant interrelationships between the inputs and the unobservable inputs.

Level 3 fair value measurements

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Contingent Consideration £'000
Balance at 31 March 2022	-
Amount recognised through acquisition	1,262
Interest expenses	98
Balance at 31 March 2023	**1,360**
Payments	**(90)**
Interest expenses	**149**
Fair value adjustment	**(402)**
Balance at 31 March 2024	**1,017**

33. Business combination in the prior year

On 26 August 2022 the group purchased 100% of the ordinary share capital of Midisi Limited for consideration of £3.3m, before discounting.

The amounts below recognised in respect of the identifiable assets and liabilities acquired are as set out in the table below:

	Fair value on acquisition £'000
Assets	
Goodwill	1,279
Intangible assets (note 15)	2,376
	3,655
Liabilities	
Deferred tax	(661)
Accruals	(3)
Social security and other taxes	(22)
	(686)
Total identifiable net assets at fair value	**2,969**
Purchase consideration	
Satisfied by:	
Cash	400
Deferred consideration	1,307
Contingent consideration	1,262
Total consideration	**2,969**

The initial consideration for the acquisition was £0.4m which was paid from Jaywing's existing cash resources. Further fixed payments totalling £1.4m will be paid at 6-monthly intervals over 42 months, plus an additional performance-related earn-out payable at 6-monthly intervals between months 13 and 49. The discounted deferred consideration outstanding at the year end is £1.2m.

The earn-out relates to revenues generated from Midisi, and the maximum earn-out payment is capped at £3.0m. Following the acquisition, the incremental revenue contributions delivered by Midisi are estimated to be at least £5.7m over 42 months, based on planned growth in the client base and enhancements to other existing Jaywing services. This would generate earn-out payments totalling £1.7m. The figures included in the table above are recorded at present value.

34. Post balance sheet events

On the 28 May 2024 Jaywing announced that it had increased its existing loan facility with the Company's two lenders, DSC Investment Holdings Limited and Lombard Odier Asset Management (Europe) Limited by £1,030,000, which includes an arrangement fee of £30,000 payable to the Lenders. The additional capital being lent by the two lenders is being provided on the same terms as the existing Loan Facility. The new funds, which will be used for working capital purposes, are available in two equal tranches, the first of which was drawn down in May 24 and the second was drawn down in June 24.

Company Financial Statements

Company Profit and Loss account

	Note	2024 £'000	2023 £'000
Turnover		**-**	-
Administrative expenses	2	**(12,672)**	(10,275)
Operating loss		**(12,672)**	(10,275)
Other income	3	**7,852**	505
Finance Costs	4	**(1,662)**	(1,100)
Loss before taxation		**(6,482)**	(10,870)
Taxation	5	**326**	125
Loss and total comprehensive loss after taxation		**(6,156)**	(10,745)

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Company Balance Sheet

	Note	2024 £'000	2023 £'000
Non-current assets			
Tangible fixed assets	9	**847**	1,154
Deferred tax	21	**1,043**	717
Investments	11	**8,601**	20,457
		10,491	22,328
Current assets			
Cash at bank		**13**	1
Debtors due within one year	12	**424**	442
		437	443
Current liabilities			
Borrowings	16	**(13,420)**	(11,435)
Creditors: amounts falling due within one year	13	**(8,132)**	(14,757)
Total assets less current liabilities		**(10,624)**	(3,421)
Non-current liabilities			
Creditors: amounts falling due after more than one year	14	**(1,563)**	(2,625)
Provisions	15	**(290)**	(290)
Net liabilities		**(12,477)**	(6,336)
Equity			
Called up share capital	17	**34,992**	34,992
Share premium account	18	**10,088**	10,088
Treasury shares	19	**(25)**	(25)
Share option reserve	20	**15**	-
Capital redemption reserve	18	**125**	125
Profit and loss account	18	**(57,672)**	(51,516)
Total equity		**(12,477)**	(6,336)

The Financial Statements were approved by the Board of Directors and authorised for issue on 29 August 2024.

Signed on behalf of the Board of Directors:

Signed by:
Christopher Hughes
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Christopher Hughes
Director

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Company Statement of Changes in Equity

	Called-up Share Capital	Share Premium account	Treasury Shares	Share Option Reserve	Capital Redemption Reserve	Profit and loss account	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 April 2022	**34,992**	**10,088**	**(25)**	**-**	**125**	**(40,771)**	**4,409**
Loss for the year and total other comprehensive income	-	-	-	-	-	(10,745)	(10,745)
Total comprehensive income	-	-	-	-	-	(10,745)	(10,745)
At 31 March 2023	**34,992**	**10,088**	**(25)**	**-**	**125**	**(51,516)**	**(6,336)**
At 1 April 2023	34,992	10,088	(25)	-	125	(51,516)	**(6,336)**
Loss for the year and total other comprehensive income	-	-	-	-	-	(6,156)	(6,156)
Non-cash settled share based incentive plans	-	-	-	15	-	-	15
Total comprehensive income	-	-	-	15	-	(6,156)	(6,141)
At 31 March 2024	**34,992**	**10,088**	**(25)**	**15**	**125**	**(57,672)**	**(12,477)**

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Notes to the Parent Company Financial Statements

1. Accounting policies

Jaywing plc is incorporated in England and Wales.

Statement of compliance
These Financial Statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The Financial Statements have been prepared on a historical cost basis.

The Financial Statements are presented in Sterling (£) and have been presented in round thousands (£'000).

Going concern
The Group financial statements have been prepared on a going concern basis in accordance with UK Adopted International accounting standards. In coming to their conclusion, the Directors have considered the Group's profit and cash flow forecasts for period of at least 12 months from the date these financial statements were approved.
In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the Group, the Directors have considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2026. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period. The Directors have noted the very tight cash position in the UK division which has led to the Group's very tight cash position as a whole, which is expected to continue in the near term. However, based on current forecast cash flows of the Group, which includes forecast cash receipts from recent new business wins in the UK, the Directors expect that the Group's cash headroom will steadily improve in the second half of FY25 and provide a more stable cash position.

In considering their position the Directors have also had regard to:

- Letters of support in respect of the secured debt which have received from each of the holders of that debt which include confirmation that it is intended to provide financial support for the period until at least 31 March 2026 by not making demand for repayment of the debt, should doing so prevent the Group from meeting its debts as and when they fall due. The lenders have also confirmed that they are open to providing short-term financial support to Jaywing if required to support its restructuring of the existing facility with them. Details of this debt are contained in Note 18 and Note 30.

- Near term support to the UK division by way of remittances from the Australia division.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Disclosure exemptions adopted
In preparing these Financial Statements, the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these Financial Statements do not include:

1. A statement of cash flows and related notes
2. The requirement to produce a balance sheet at the beginning of the earliest comparative period
3. The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the Group as they are wholly owned within the Group
4. Presentation of comparative reconciliations for property, plant and equipment, intangible assets
5. Capital management disclosures
6. Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
7. The effect of future accounting standards not adopted
8. Certain share-based payment disclosures
9. Disclosures in relation to impairment of assets
10. Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)

11 IFRS 9 disclosures in respect of allowances for expected credit losses reconciliations and credit risk and hedge accounting
12. IFRS 15 disclosures in respect of disaggregation of revenue, contract assets reconciliations and contract liabilities reconciliation and unsatisfied performance obligations

Investments in Subsidiaries, Associates and Joint Ventures
Investments in Subsidiary undertakings are stated at cost less any applicable provision for impairment.

In the previous year the trade and assets of subsidiary entities were transferred within the Group. As the economic substance of the transaction did not result in a loss of value, investments in subsidiaries have continued to be held at their carrying value. An impairment review is performed annually in line with IAS36. See valuation of investments in significant judgement and estimates.

Tangible assets
Property, plant and equipment (PPE) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

PPE is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis (unless otherwise stated) to write down the cost less estimated residual value of PPE. The following useful lives are applied:

- Leasehold improvements: 5-10 years
- Office equipment: 2-5 years
- Buildings (ROU assets): period of the lease

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Financial Instruments - Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Instruments - Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets subsequently measured at amortised costs

There are no financial assets that have been designated as fair value through other comprehensive income, or fair value through profit or loss.

All financial assets are reviewed for impairment at least at each reporting date, to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.
Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events,

current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial instruments – classification and subsequent measurement of financial liabilities
The Company's financial liabilities include borrowings, trade creditors and other creditors.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits, which is presented as cash at bank and in hand in the Balance Sheet.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the Balance Sheet.

Leases
The Company reports using IFRS 16, whereby the Company now recognises a lease liability and a right of use asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
• amounts expected to be payable by the group under residual value guarantees;
• the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If the Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect, then when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See note 10.

Financial guarantees
Financial guarantees in respect of the borrowings of fellow Group companies are not regarded as insurance contracts. They are recognised at fair value and are subsequently measured at the higher of:

- the amount that would be required to be provided under IAS 37 (see policy on provisions below); and
- the amount of any proceeds received net of amortisation recognised as income.

Provisions, contingent assets and contingent liabilities
Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required, and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Where the time value of money is material, provisions are discounted to their present values using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

Any reimbursement that is virtually certain to be collected from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Equity, reserves and dividend payments
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the Share Premium Account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Income
Interest receivable
Interest receivable is reported on an accrual basis using the effective interest method.

Dividends receivable
Dividends are recognised at the time the right to receive payment is established.

Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Foreign currency translation
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income, the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Income taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period, that are expected to apply when the asset is realised, or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses, and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted.

Deferred tax liabilities are generally recognised in full, with the exception of the following:
- on the initial recognition of goodwill on investments in Subsidiaries, where the Company is able to control the timing of the reversal of the difference, and it is probable that the difference will not reverse in the foreseeable future, on the initial recognition of a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax liabilities are not discounted.

Deferred and contingent consideration
Deferred consideration is recorded at amortised costs and is estimated using a present value technique, discounted at 3.5%, which is the risk free rate.

Contingent consideration is recorded at fair value using the probability-weighted estimated future cash flows using a present value technique. The consideration is discounted at 11.5% which is the prior year Weighted Average Cost of Capital. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

Post-employment benefits and short-term employee benefits
Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of unused entitlement.

Post-employment benefit plans
Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate. Prepaid contributions are recognised as an asset. Unpaid contributions are reflected as a liability.

Share based payment transactions
The fair value for the share price options was calculated using the Monte Carlo Model for the LTIP scheme and the Black-Scholes model for CSOP scheme. This is charged to profit or loss over the vesting period of the award. The charge to profit or loss takes account of the estimated number of shares that will vest. Where the options do not have any market conditions attached, the number expected to vest is reassessed at each reporting period. All share-based remuneration is equity-settled.

Profit from operations
Profit from operations comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Significant judgement in applying accounting policies and key estimation uncertainty
When preparing the Financial Statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the Financial Statements.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Valuation of investments
Management reviews the carrying value of investments at each reporting date, based on the future cash flows of those investments.

IFRS 16
Under IFRS 16 the Company is required to make a judgement in determining the discount rate to be used in calculating the present value of lease payments when recognising the lease liabilities and right of use asset. For the discount rate the Company has used the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. The right of use asset is depreciated over the term of the lease. The term has been determined with reference to the lease agreements and any expected extension beyond the end of the lease end date specified in the lease agreement.

Business combinations
Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see Note 32 of the consolidated accounts). In particular, the fair value of contingent consideration is dependent on the outcome of the acquirees' future revenues (see Note 32 of the consolidated accounts).

2. Other operating charges

	2024	2023
	£'000	£'000
Impairment of investment (note 11)	**11,856**	8,747
Fair value adjustment on contingent consideration	**(402)**	-
Depreciation of owned fixed assets	**57**	67
Depreciation of right of use assets	**250**	246
Other operating expenses	**911**	1,215
Total administrative expenses	**12,672**	10,275

3. Other income

	2024	2023
	£'000	£'000
Other income	**7,852**	505

The 2024 other income balance of £7,852k relates to an intercompany dividend received in the year. Within the other income balance in 2023 is a settlement of £505k in relation to previously incurred legal costs following the dismissal of the claimant's case in April 2022, associated with the 2016 acquisition of Bloom Media (UK) Limited.

4. Finance costs

	2024	2023
	£'000	£'000
Bank interest payable	**1,160**	748
Withholding tax on borrowings interest expense	**274**	180
Interest on lease liability (note 10)	**40**	47
Interest on deferred and contingent consideration	**188**	125
Total	**1,662**	1,100

5. Tax

The tax credit/(charge) is based on the loss for the year and represents:

	2024	2023
	£'000	£'000
UK corporation tax at 25% (2023: 19%)	**-**	-
Total current tax	**-**	-
Deferred tax:		
Origination and reversal of timing differences	**(326)**	(125)
Total tax credit	**(326)**	(125)

The tax credit can be explained as follows:	**2024**	2023
	£'000	£'000
Loss before tax	**(6,482)**	(10,870)
Tax using the UK corporation tax rate of 25% (2023: 19%)	**(1,621)**	(2,065)
Effect of:		
Non-taxable income	**-**	(505)
Recognition of unused losses	**(77)**	330
Impairment of investments	**2,964**	1,662
Non-deductible (credits)/ expenses	**(1,592)**	453
Current year credit	**(326)**	(125)

6. Auditor's remuneration

Details of remuneration paid to the auditor by the Company are shown in Note 7 to the Consolidated Financial Statements.

7. Directors and employees

	2024	2023
Average number of staff employed by the Company	**5**	5

	2024	2023
Aggregate emoluments (including those of Directors):	**£'000**	**£'000**
Wages and salaries	**530**	453
Social security costs	**61**	53
Pension contribution	**15**	12
Share based payments (note 20)	**15**	-
Total emoluments	**621**	518

Further information in respect of Directors is given in the Directors' Remuneration Report.

Remuneration in respect of Directors was as follows:

	2024 **£'000**	2023 £'000
Emoluments receivable	**345**	342
Fees paid to third parties for Directors' services	**30**	30
Company pension contributions to money purchase pension schemes	**9**	9
	384	381

The highest paid Director received remuneration of £239k (2023: £236k).

8. Dividends

The Directors do not recommend the payment of a dividend for the current year (2023: £Nil).

9. Tangible fixed assets

	ROU assets: Buildings £'000	**Leasehold Improvements £'000**	**Office equipment £'000**	**Total £'000**
Cost at 31 March 2023	1,574	389	411	2,374
Disposals	-	-	(191)	(191)
Cost at 31 March 2024	**1,574**	**389**	**220**	**2,183**
Depreciation at 31 March 2023	661	242	317	1,220
Disposals	-	-	(191)	(191)
Charge for the year on owned assets	-	39	18	57
Charge on right of use assets	227	-	23	250
Depreciation at 31 March 2024	**888**	**281**	**167**	**1,336**
Net book value at 31 March 2024	**686**	**108**	**53**	**847**
Net book value at 31 March 2023	**913**	**147**	**94**	**1,154**

10. Leases

The company has lease contracts for the offices occupied in Sheffield and printers. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Right of use assets		
Buildings	**686**	**913**
Office equipment	**50**	**73**
	736	**986**
Lease liabilities		
Current	**125**	135
Non-current	**421**	604
	546	739

(ii) Amounts recognised in profit and loss

The profit and loss account shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Depreciation charge of right of use assets		
Buildings	**227**	223
Office equipment	**23**	23
	250	246
Interest expense (included in finance cost)	**40**	47

(iii) Future minimum lease payments

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 March 2024 were as follows:

	Within 1 year £'000	**1-2 years £'000**	**2-3 years £'000**	**3-4 years £'000**	**4-5 years £'000**	**After 5 years £'000**	**Total £'000**
Lease Payments	175	233	208	-	-	-	616
Finance Charges	(32)	(23)	(15)	-	-	-	(70)
Net present values	143	210	193	-	-	-	546

The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

11. Investments

	Subsidiaries £'000
Cost at 31 March 2023	64,793
Additions	-
Cost at 31 March 2024	**64,793**
Impairment at 31 March 2023	44,336
Impairment in year	11,856
Impairment at 31 March 2024	**56,192**
Net book value at 31 March 2024	**8,601**
Net book value at 31 March 2023	20,457

The Company has carried out an impairment review of the carrying amount of the investments in Subsidiaries. The impairment review of investments was performed using the same cash flows and assumptions as were used in the Group's Financial Statements for the impairment review of goodwill, details of which can be found in Note 14 in the Group's Financial Statements. This review has concluded that no impairment was required to the carrying value of the Company's remaining investments based upon sensitivities applied to forecast EBITDA. The impairment charge in the year is due to the dissolution of multiple group entities which was not finalised prior to the period end. The entities included in the dissolution are: Alphanumeric Limited, Bloom Media (UK) Limited, Epiphany Solutions Limited, Gasbox Limited, Jaywing Innovation Limited and Midisi Limited.

At 31 March 2024 the Company held either directly or indirectly, 20% or more of the allotted Share Capital of the following companies:

		Proportion held		
	Class of share capital held	**By parent Company**	**By the Group**	**Nature of Business**
Alphanumeric Limited	Ordinary	100%	100%	Non-trading
Bloom Media (UK) Limited	Ordinary	100%	100%	Dormant
Epiphany Solutions Limited	Ordinary	100%	100%	Non-trading
Frank Digital PTY Limited	Ordinary	100%	100%	Website design and build
Gasbox Limited	Ordinary	100%	100%	Non-trading
Jaywing Central Limited	Ordinary	100%	100%	Non-trading
Jaywing Innovation Limited	Ordinary	100%	100%	Non-trading
Jaywing Australia PTY Limited	Ordinary	100%	100%	Search Engine Optimisation
Jaywing UK Limited	Ordinary	100%	100%	Direct marketing
Midisi Limited	Ordinary	100%	100%	Non-trading

All the companies listed above have been consolidated.

All the companies listed above are incorporated in England and Wales with the following exceptions:

Company	**Country of Incorporation**	**Address**
Frank Digital PTY Limited	Australia	36 Hickson Road, Millers Point, NSW 2000
Jaywing Australia PTY Limited	Australia	36 Hickson Road, Millers Point, NSW 2000

The companies incorporated in England and Wales all have their registered office at Albert Works, Sidney Street, Sheffield, S1 4RG. The companies incorporate in Australia all have their registered office at 36 Hickson Road, Millers Point, NSW 2000.

12. Debtors due within one year

	2024	2023
	£'000	£'000
Amounts due from Group undertakings	**289**	192
Prepayments	**114**	128
Other taxation and social security	**21**	122
	424	442

Amounts due from Group undertakings attract no interest and are repayable on demand.

13. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	**360**	352
Amounts owed to Group undertakings	**6,625**	13,509
Other taxation and social security	**53**	60
Other creditors	**3**	6
Accruals	**170**	172
Lease liability	**125**	135
Deferred consideration payable on acquisition of subsidiary undertakings	**528**	414
Contingent consideration payable on acquisition of subsidiary undertakings	**268**	109
	8,132	14,757

Amounts owed to Group undertakings attract no interest and are repayable on demand.

14. Creditors: amounts falling due in more than one year

	2024	2023
	£'000	£'000
Lease liability	**421**	604
Deferred consideration payable on acquisition of subsidiary undertakings	**393**	770
Contingent consideration payable on acquisition of subsidiary undertakings	**749**	1,251
	1,563	2,625

15. Provisions

The carrying amounts and the movement in the provision account are as follows:

	Dilapidations £'000
At 31 March 2023 and 31 March 2024	**290**

The dilapidations provision of £290k (2023: £290k) has been recognised for the head office held within Jaywing Plc.

The dilapidations provision will be settled at the end of the lease period, which is greater than one year.

16. Borrowings

	2024	2023
	£'000	£'000
Summary:		
Borrowings	**13,420**	11,435

Borrowings are repayable as follows:	2024	2023
	£'000	£'000
Within one year:		
Borrowings	**13,420**	11,435
Total due within one year	**13,420**	11,435

As the loans are at variable market rates their carrying amount is equivalent to their fair value.

Interest is calculated at 3 month LIBOR plus a margin.

17. Share capital

Allotted, issued and fully paid:

	45p deferred shares	5p ordinary shares	
	Number	Number	**£'000**
At 31 March 2023	67,378,520	93,432,217	**34,992**
At 31 March 2024	67,378,520	93,432,217	**34,992**

The 5 pence ordinary shares have the same rights (including voting and dividend rights and rights on a return of capital) as the 50 pence ordinary shares. Holders of the 45 pence deferred shares do not have any right to receive notice of any General Meeting of the Company or any right to attend, speak or vote at any such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall, on a return of assets in a winding up of the Company, entitle the holders only to the repayment of the amounts paid up on the shares, after the amount paid to the holders of the new ordinary shares exceeds £1,000,000 per new ordinary share. The deferred shares are also incapable of transfer and no share certificates have been issued in respect of them.

18. Reserves

Called-up Share Capital – represents the nominal value of shares that have been issued.

Share Premium Account – includes any premiums received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Share Premium.

Profit and Loss Account – includes all current and prior period retained profits and losses.

Treasury Shares – shares in the company that have been acquired by the company.

Capital Redemption Reserve – represents amounts transferred from Share Capital on redemption of issued shares.

Share Option Reserve- fair value charge for share options in issue

19. Treasury shares

	2024	2023
	£'000	£'000
At start and end of year (99,622 shares)	**(25)**	(25)

Treasury shares represent the nominal value of the shares purchased by the Company.

20. Share-based payments

Share-based payment charge is as follows:

	2024	2013
	£'000	£'000
Share-based payment	**15**	-

Details of the share options issued and the basis of calculation of the share-based payments, which all relate to share options granted, are given in Note 10 to the Consolidated Financial Statements.

21. Deferred tax asset

A deferred tax asset is provided for in the financial statements and consists of the following:

	2024	2023
	£'000	£'000
Accelerated capital allowances	**44**	68
Unused losses	**999**	649
Deferred tax asset	**1,043**	717

The amount of deferred tax recognised in profit or loss was as follows:

	2024	2023
	£'000	£'000
Accelerated capital allowances	**(24)**	(16)
Unused losses	**350**	141
Total	**326**	125

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

22. Contingent liabilities

There is a cross guarantee between members of the Jaywing plc group of companies on all overdrafts and borrowings with the group's lenders. At 31 March 2024 the amount thus guaranteed by the company was £9,766,500 (2023: £9,200,000).

23. Related parties

The Company is exempt from the requirements of FRS 101 to disclose transactions with other 100% members of the Jaywing plc group of companies.

Transactions with other related parties are disclosed in Note 30 to the Consolidated Financial Statements.

24. Ultimate controlling related party

At the year end, the Directors considered that the Company had no ultimate controlling party.

25. Financial risk management objectives and policies

Details of Group policies are set out in Note 32 to the Consolidated Financial Statements.

26. Retirement benefits

Defined Contribution Schemes

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £15,000 (2023: £12,000) with the financial year end pension creditor being £3,000 (2023: £3,000).

27. Post balance sheet events

On the 28 May 2024 Jaywing announced that it had increased its existing loan facility with the Company's two lenders, DSC Investment Holdings Limited and Lombard Odier Asset Management (Europe) Limited by £1,030,000, which includes an arrangement fee of £30,000 payable to the Lenders. The additional capital being lent by the two lenders is being provided on the same terms as the existing Loan Facility. The new funds, which will be used for working capital purposes, are available in two equal tranches, the first of which was drawn down in May 24 and the second was drawn down in June 24.

Shareholder Information

General Meeting
A General Meeting will be held on 26 September 2024 at the offices of Jaywing plc, Albert Works, Sidney Street, Sheffield, S1 4RG at 2:00pm.

Dividend
There is no dividend payable.

Multiple accounts on the shareholder register
If you have received two or more copies of or notifications about this document, this means that there is more than one account in your name on the Shareholders Register. This may be caused by your name or address appearing on each account in a slightly different way. For security reasons, the Registrars will not amalgamate the account without your written consent, so if you would like any multiple accounts to be combined into one account, please write to Neville Registrars at the address given below.

Documents
The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the General Meeting from at least 15 minutes prior to the meeting until its conclusion.

- Copies of the Executive Directors' service agreements and the Non-Executive Directors' letters of appointment;
- The memorandum and articles of association of the Company; and
- Register of Directors' interests in the Share Capital of the Company maintained under Section 809 of the Companies Act 2006.

Particulars of the Directors' interest in shares are given in the Remuneration Report, which is contained in the Report and Accounts for the year ended 31 March 2024.

Issued Share Capital
As at 23 August 2024 (being the last practicable date before the publication of this document), the Company's issued Share Capital comprised 93,432,217 ordinary shares of 5p each, of which 99,622 are held in Treasury. Therefore, as at 23 August 2024 the total voting rights in the Company were 93,332,595. On a vote by show of hands, every member who is present in person or by proxy has one vote. On a poll, every member who is present in person or by proxy has one vote for every ordinary share of which he or she is a holder.

Shareholder enquiries
Neville Registrars Limited maintain the register of members of the Company. If you have any queries concerning your shareholding, or if any of your details change, please contact the Registrars:

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen, B62 8HD

Shareholder Helpline: 0121 5851131, fax: 0121 5851132.
Website address www.nevilleregistrars.co.uk

Website
Information on the Group is available at https://investors.jaywing.com.

Company Information

Registered Office
Albert Works
71 Sidney Street
Sheffield
S1 4RG

Registered Number: 05935923
Country of incorporation: England

Auditor
Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
DE74 2SA

Nominated adviser
Spark Advisory Partners
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EC1M 4BH

Turner Pope
8 Frederick's Place
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Registrars
Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Solicitors
Fieldfisher LLP
No 1 Spinningfields
Hardman Street
Manchester
M3 3EB

Company Secretary
Christopher Hughes
Albert Works
71 Sydney Street
Sheffield
S1 4RG