

2 April 2025

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

Interim Results for the six months ended 31 January 2025

"Robust performance, full year expected to be in line with market expectations"

Gattaca plc, the specialist staffing business, announces its financial results for the six months ended 31 January 2025 ("2025 H1").

Financial Highlights

Continuing operations	2025 H1	2024 H1 (restated²)	Variance
Revenue (£m)	193.5	187.6	+3%
Net Fee Income (NFI) ¹ (£m)	18.9	19.4	-3%
Operating profit (£m)	0.5	0.5	-
Underlying profit before tax ³ (£m)	1.0	1.2	-15%
Profit before tax (£m)	0.8	1.0	-22%
Profit after tax (£m)	0.5	0.8	-34%
Profit/(loss) after tax from discontinued operations	0.1	(0.5)	-
Group profit after tax	0.6	0.2	+181%
Basic earnings per share (pence)	2.0	0.7	+182%
Net cash (£m)	16.8	22.3	-19%
Interim dividend (pence)	1.0	nil	

Highlights

- Group NFI of £18.9 million, a decrease of 3% year-on-year ("YoY")
 - UK NFI down 2% at £18.7 million (2024 H1²: £19.1 million).
 - Energy team performed strongly with 17% YoY growth reflecting our strategic investment into headcount focused on the sector which we continue to make.
 - Infrastructure teams grew by 8%, with particularly strong growth within the Water sector as the UK focuses on improving water infrastructure quality.
 - Contract vs Statement of Work ("SoW") vs Permanent & Other Fee split 74% / 6% / 20% of Group NFI (2024 H1²: 71% / 6% / 23%).
 - Contract NFI up 1% YoY, exiting 2025 H1 with a growing contract book.
 - Permanent & Other Fees NFI down 14% YoY, due to continued challenging market conditions. 2025 H1 was up 6% on 2024 H2, reflecting sequential growth.
 - Gattaca Projects SoW NFI was flat YoY, as new client acquisitions offset delays, with a shift to shorter term programmes linked to the public sector spending review.
- Group continuing underlying profit before tax of £1.0m (2024 H1²: £1.2m).
- Total sales headcount of 273 at the end of the period down 4% versus 31 July 2024 and 11% down versus 31 January 2024; rebalancing in our Energy and Business Development teams whilst managing headcount in slower growth sectors has resulted in NFI per head up 13% YoY.
- Net cash of £16.8 million (31 January 2024: £22.3 million) due to reduction in trade creditors as a result of contractor payroll timings, and the 2024 final dividend paid in the period.
- Reintroduction of Interim dividend of 1.0 pence per share (2024 H1: £nil pence).

Strategic update

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

External Focus

- Maturing of our investment in Energy team headcount during 2025 H1 resulted in YoY NFI growth of 17%.
- New Director of Marketing in place, providing a new approach and perspective. Focus on enhancing the Group's CRM strategy, improving the contractor journey and experience.
- Retained a major Solutions accounts in the period which were out to market. Growing business development pipeline.
- Client feedback rating of 9.3 in 2025 H1, increased from 8.8 in FY24. Candidate feedback rating at 8.8 in 2025 H1 reduced from 9.0 for FY24.

Culture

- People engagement remains stable at 8.3 for 2025 H1 (FY24: 8.1) and attrition maintained at 30% at 31 January 2025, demonstrating our focus on culture is fully embedded in the business.
- Winner of the 2024 REC (Recruitment and Employment Confederation) "Sustainability Initiative of the Year" award, and highly commended for EDI work in 2024 Business Culture Awards.
- Launched the Materna Fund, providing financial support to students studying Engineering at Portsmouth University.

Operational Performance

- Average NFI per sales head has increased by 9%, and by 13% per total head YoY.
- Successfully launched a series of customer focused automations, which will result in streamlined processes on the back of our digital transformation.

Cost Rebalancing

- Improved our ratio of sales to support staff by 2% pts to 71:29 (2024 H1: 69:31).
- Multi-year extensions confirmed with key platform providers resulting in reduced annual fees.
- 3% reduction in underlying administrative cost YoY.

Outlook

The persistent macroeconomic headwinds impacting the broader recruitment sector have demonstrably affected both client demand and candidate sentiment, reducing volume and extending recruitment timelines. This has acted as a headwind on our recent performance. Specifically, permanent recruitment remains subdued, and we anticipate this trend to continue in the medium term. In response, our strategic focus remains on expanding our contractor base, which has shown greater resilience, investing in core markets where we see growth opportunity, alongside rigorous proactive cost management.

Group guidance for FY25 continuing underlying profit before tax remains at £3 million.

Commenting, Matthew Wragg, Chief Executive Officer of Gattaca said:

"We are pleased to report a robust 2025 H1 performance, achieved through proactive management of the market challenges, with a great team who are starting to see the tangible results of our strategic investments. We have retained our customer base, further improved our performance per head, continued to grow our contractor book, are seeing the results of our strategic investments and are confident in achieving our full year PBT expectations.

We will drive continued growth in our core markets throughout the second half, aiming for a strong year-end. We are confident in our ability to navigate market conditions through operational efficiency, cost discipline, and a focus on productivity whilst maintaining high engagement."

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

1. NFI is calculated as revenue less contractor payroll costs.

2. 2024 H1 results have been restated for the treatment of the US-based operations as discontinued.

3. Continuing underlying results exclude the NFI and profit/(loss) before taxation of discontinued operations (2025 H1: £0.1m, 2024 H1²: £(0.5)m), non-underlying items within administrative expenses primarily related to restructuring costs (2025 H1: £0.3m, 2024 H1²: £0.3m), amortisation of acquired intangibles (2025 H1: £0.0m, 2024 H1: £0.0m), and exchange gains from revaluation of foreign assets and liabilities (2025 H1: £0.1m, 2024 H1²: £0.1m).

For further information, please contact:

Gattaca plc

+44 (0) 1489 898989

Matthew Wragg, Chief Executive Officer
Oliver Whittaker, Chief Financial Officer

Panmure Liberum Limited (Nomad and Broker)

+44 (0) 20 3100 2000

Richard Lindley
Edward Mansfield
Will King

IFC Advisory (Financial PR and IR)

+44 (0) 203 934 6630

Tim Metcalfe
Graham Herring
Florence Chandler

Operational Performance

Net Fee Income (NFI) £m	2025 H1	2024 H1 (restated ^e)	Change
Infrastructure	7.0	6.5	+8%
Defence	3.2	3.8	-16%
Mobility	1.8	2.1	-14%
Energy	2.7	2.3	+17%
Technology, Media & Telecoms	1.6	1.9	-16%
Gattaca Projects	1.1	1.1	0%
Professional Skills (previously 'Other')	1.3	1.4	-7%
Total UK	18.7	19.1	-2%
International	0.2	0.3	-33%
Continuing Total Group NFI	18.9	19.4	-3%

Infrastructure

Infrastructure NFI grew by 8% year-on-year, with significant growth in our Water sub-sector, with steady increases in Highways and Rail as well. We are well established in Infrastructure, supporting regional and national projects across our sub-sectors. These subsectors are vital for both the economy and people's quality of life and continue to require substantial long-term investment to improve their assets underpinned by a government focus on investment in infrastructure.

Contract demand, especially in skilled trades, stayed high across 2025 H1 for the Water sector, continuing the trend we saw through FY24. Utilities companies continue maintenance spend whilst starting to invest in improving the ageing UK water infrastructure, as AMP7 ends and AMP8 commences in April 2025. Contract demand in Highways and Rail was flat, reflecting supply chain uncertainty after changes to UK Government spending plans for projects in those areas. There was inconsistent performance in the permanent market and demand for candidates was low in Water, in line with wider permanent market trends. However, we saw an increase in professionally skilled contractors taking permanent roles within clients across Highways and Rail, as candidates sought out stability.

Defence

Defence NFI reduced by 16% year-on-year, coming off a strong 2024 H1. Defence companies await the outcome of the UK Defence Spending Review in 2025; whilst the UK Government is committed to growing defence spending in line with previous plans, the industry is awaiting clarity on how it will allocate the defence budget and this has contributed to inertia across the sector resulting in slow hiring. Contract demand reduced as clients slowed or halted projects but the biggest impact on our NFI was from a substantial drop-off in permanent hiring across the sector, continuing the slowdown seen towards the end of FY24.

Gattaca's access to the major UK market remains strong, serving over half of the UK MoD's top 100 suppliers. The increased geopolitical uncertainty in recent years has led the UK and other governments to commit to markedly increased defence spending and that is expected to continue, contributing to significant export orders for UK defence companies, and therefore strong demand for skilled talent. Our strong market coverage across land, sea, air and cyber means we will be able to serve client needs in whichever areas the Government chooses to invest.

Recognising that the defence sector continues to face a major skills shortage, we bedded in our new programme with a key client to develop systems engineering talent, which is in particular demand in the sector, and are looking to grow that offering over 2025 H2.

Mobility

Mobility saw its NFI reduce by 14% year-on-year in 2025 H1. The division is heavily impacted by the hiring patterns of some of our largest Solutions clients, and hiring freezes at those clients contributed to much lower permanent recruitment demand across the period. Additionally, contract NFI in our Maritime sub-sector was impacted by the insolvency of Harland & Wolff, and unexpected furlough for contractors over the Christmas period at another large client.

Our Mobility team is well positioned and diversified, with large clients across the Automotive, Aerospace and Maritime subsectors. In the Automotive market, there continues to be considerable interest in decarbonising transport systems, driving demand for talent to develop battery, fuel cell and propulsion technologies, as well as manufacturing skills for low or no-emissions vehicles. In Aerospace, we saw reduced activity and some hiring freezes but prospects remain positive, however, with growth in the airframe order book and continued need for quality, manufacturing and production skills. In Maritime, we continue to build our ship building capabilities.

Energy

Energy NFI was up 17% for 2025 H1, year-on-year. The significant investment made in sales headcount in early FY24 has resulted in a cohort of strong recruiters who have started to deliver consistent results in a strong market. We support clients in energy generation, transmission and distribution, across the oil and gas, nuclear and renewables industries.

Contract has been stable across the period in our sub-sectors of oil & gas, transmission & distribution and nuclear. However, our growth has been driven by increasing demand for permanent candidates in offshore wind; the UK Government's aim to quadruple offshore wind production by 2030 has resulted in a record number of new projects. Hiring demand has risen quickly over the period and our team have been well positioned to deliver strong candidates.

Technology, Media & Telecoms (TMT)

TMT NFI has decreased by 16% year-on-year, in tough conditions for technology skills. Data, AI and machine learning skills are in high demand as well as software development and ERP systems; we also have strong positions in cyber security and providing senior leaders for projects and programmes. However, similar to other sectors, permanent hiring has been very challenging; as they look for cost savings, companies are implementing lengthy interview processes, under-offering for skilled candidates and cancelling vacancies late in the recruitment process, resulting in a reduction to CV-to-start conversion ratios. Conversely, the contract market for technology skills has been growing; contract NFI performance was stable year-on-year and we are entering 2025 H2 with a growing contract pipeline in TMT.

In a difficult market, we have focused on contractor growth, and our considerable investment in previous periods in people development and creating a high-performing culture in TMT, has been crucial to maintaining resilience in our sales team during this time. Our increased brand recognition across the sector has helped us retain experienced people in our team and our partnership with Tech Nation, the UK's largest tech accelerator programme, allows us to support start-up members in executing their workforce strategies. Additionally, we continue to run a range of successful events such as Limitless in Tech, for women in the industry, to build skilled candidate pools for the long-term.

Gattaca Projects

Our Gattaca Projects Statement of Work NFI was flat year-on-year. In 2025 H1, there has been a client-driven shift towards shorter term smaller projects whilst larger future long term projects are progressing through public sector procurement processes. We continue to focus on engineering project supply chain management services primarily in our Energy and Defence sectors. We work with a small but increasing number of clients, building our brand in the market and leverage our specialised sector knowledge to attract highly skilled, in-demand candidates to deliver our projects.

Professional Skills (previously 'Other')

Our 'Other' category of smaller divisions previously comprised of our Professional Skills brand Barclay Meade and our Public Sector and Smart Manufacturing divisions. At the start of 2025 H1, due to changes in the Group's operational structure, our Public Sector and Smart Manufacturing divisions were absorbed into our Defence, TMT and Energy sectors, as we focussed on critical mass in our core sectors.

Our Commercial Services capability, which is primarily permanent recruitment focussed, is now reported on a stand alone basis, and NFI decreased by 7% year-on-year. Barclay Meade recruits across Procurement, Sales, HR, Finance, Administrative and Training skill sets; market headwinds over the past six months have kept UK demand for permanent talent in these capabilities low. Clients are reviewing their workforce strategies in light of upcoming increased employment tax burdens and a slow UK economic outlook, and these roles traditionally sit within support functions where cost saving initiatives tend to be more heavily focussed. However, demand for resource still exists and naturally, this has led to a slight uptick in the contracting market as permanent candidates search for work. Our sales team continue to ensure their candidate pools are strong and adaptable to shorter term or more agile roles as client needs change.

International

International NFI, comprising of our businesses in Canada and Spain, was down 33% year-on-year, primarily driven by poor permanent recruitment performance in our Canadian business. We are increasing our focus on the Infrastructure and Energy contract sector in Canada, working closely with our team in the UK.

Group contractor and permanent fee mix

Contract fees accounted for 74% of the continuing underlying NFI in 2025 H1 (2024 H1 restated: 71%, FY24: 74%). During the period our contractor base was broadly flat. Permanent fees accounted for 20% of continuing underlying NFI in 2025 H1 (2024 H1 restated: 23%, FY24: 19%). Demand within the permanent market remained weak, as weaker client confidence around the economic outlook and rising payroll costs had led firms to pause or cut back on hiring demand, compounded by an increase in available candidates.

Statement of Work NFI, from Gattaca Projects, was 6% of continuing underlying NFI in 2025 H1 (2024 H1 restated: 6%. FY24: 7%). Whilst stable year on year, Gattaca Projects saw delays in some projects as a result of the government spending review on defence; as a result, they looked to diversify and increased the number of clients that they work with and took some shorter term lower margin opportunities.

People

As at 31 January 2025 Gattaca's headcount was 386, marking a reduction of 60 employees (-13%) compared to 31 January 2024. This decrease was due to performance management actions undertaken in the sales teams, and investment in embedded back-office systems enabling a leaner support function. The ratio of sales to support staff was 71:29 at 31 January 2025 (31 January 2024: 69:31). The Group is committed to growing sales staff above 75% of overall employees.

Financial Overview

Revenue for the period was £193.5 million (2024 H1 restated: £187.6 million, FY24: £389.5 million), up 3.1% year-on-year. NFI of £18.9 million (2024 H1 restated: £19.4 million, FY24: £40.1 million) represented a 2.6% year-on-year decrease. Contract NFI margin of 7.6% (2024 H1 restated: 7.7%, FY24: 8.0%) was down compared with the same period in the prior year; due to pricing pressure on contract renewals. Gattaca Projects SoW margin was 19.9% (2024 H1: 26.5%, FY24: 24.8%), down against the same period in the prior year due to a shift in the mix of projects to time and materials based work vs fixed price in the prior year.

Continuing underlying profit before tax for the period amounted to £1.0 million (2024 H1 restated: £1.2 million, FY24: £2.9 million). On a continuing underlying basis, the effective tax rate was 34% (2024 H1 restated: 26%). The Group's continuing underlying effective tax rate reported at 31 July 2024 was 35%.

Basic and diluted earnings per share from continuing operations were 1.6 pence and 1.5 pence (2024 H1 restated: both 2.4 pence)

and underlying basic and diluted earnings per share from continuing operations were 2.2 pence and 2.1 pence (2024 H1 restated: basic 2.9 pence, diluted 2.8 pence).

Administrative costs

Underlying administrative costs of £18.1 million (2024 H1: £18.6 million, FY24: £37.8 million) represented a decrease of 2.8% during the period, largely due to reduced staff costs and lower property costs following a reduction in the UK property portfolio in FY24.

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

	£m
2024 H1 continuing underlying administrative costs	18.6
Sales staff costs	(0.4)
Support & management staff costs	(0.3)
Commissions, bonuses, and incentives	0.2
Trade receivables and accrued income: expected credit loss provision release	0.8
Establishment costs	(0.3)
Other costs	(0.5)
2025 H1 continuing underlying administrative costs	18.1

Non-underlying costs and discontinued operations

The continuing non-underlying costs of £0.3 million (2024 H1 restated: £0.3 million, FY24: £1.1 million), relates predominantly to Group restructuring costs and ongoing closures costs of Group operations.

In 2025 H1, the profit before tax from discontinued operations of £0.1m (2024 H1 restated loss : £(0.5)m, FY24: £(0.6)m) resulted from exchange gains on balances held in the balance sheet. In the prior period, the trading losses from discontinued operations were in connection with the Group's recruitment operations in the USA which were closed in March 2024.

Financing costs

Net finance income of £0.3 million (2024 H1 restated: £0.6 million, FY24: £0.6 million) reflected the lower average cash balance during the period as we reduced our use of the non-recourse invoice discounting facility, combined with the reductions in interest rates during the period.

Debtors, cash flow, net cash and financing

Net cash at 31 January 2025 was £16.8 million (31 July 2024: £20.7 million; 31 January 2024: £22.3 million). The average daily net cash balance throughout the period was £13.2 million.

The Group's trade and other receivables balance was £48.9 million at 31 January 2025 (31 July 2024: £53.0 million), of which debtor and accrued income balances were £46.7 million (31 July 2024: £51.1 million), a £4.4 million reduction over the 6-month period from 31 July 2024. The Group's days sales outstanding ("DSO") over this period (on a weekly based countback method) increased by 7 days to 50 days at 31 January 2025 (31 January 2024: 53 days, 31 July 2024: 43 days). Whilst DSO position at 31 July 24 is considered to have been near optimal levels, there is consistently a seasonal increase in DSO following the Christmas and New Year period.

Capital expenditure in the period amounted to £0.0 million (2024 H1: £0.1 million, FY24: £0.2 million).

As at 31 January 2025, the Group had a working capital facility of £50 million (31 July 2024: £50m, 31 January 2024: £50m). This facility includes both recourse and non-recourse elements. Under the terms of the non-recourse facility, the trade receivables are assigned to and owned by HSBC and so are not recognised in the Group's statement of financial position. In addition, the non-recourse working capital facility does not meet the definition of loans and borrowings under IFRS. The utilisation of this facility at 31 January 2025 was £0.3 million in credit on the recourse facility and £(2.1) million borrowing on the non-recourse facility. Following the period end the Group has removed the non-recourse element of the facility with HSBC and reduced the total facility value to £40 million, recognising the relatively infrequent and low utilisation of the facility.

Dividend

The Board has today declared an interim dividend of 1.00 pence per share (2024 H1: £nil) to be paid on 14 May 2025 to shareholders on the register at 10 April 2025.

Risks

The Board considers strategic, financial, and operational risks and identifies actions to mitigate those risks. Key risks and their mitigations were disclosed on pages 41 to 44 of the Annual Report for the year ended 31 July 2024.

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

Condensed Consolidated Income Statement
For the period ended 31 January 2025

		6 months to 31/01/2025 <i>unaudited</i> £'000	Restated ¹ 6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
	Note			
Continuing operations				
Revenue	2	193,466	187,643	389,533
Cost of sales		(174,545)	(168,214)	(349,454)
Gross profit	2	18,921	19,429	40,079
Administrative expenses ²		(18,427)	(18,972)	(38,999)
Operating profit from continuing operations	4	494	457	1,080
Finance income		366	606	784
Finance cost		(51)	(26)	(180)
Profit before taxation		809	1,037	1,684
Taxation	5	(307)	(280)	(916)
Profit after taxation from continuing operations		502	757	768
Discontinued operations				
Profit/(loss) for the period from discontinued operations (attributable to equity holders of the Company)	6	137	(530)	(582)
Profit for the period		639	227	186

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

² Administrative expenses from continuing operations includes net impairment releases on trade receivables and accrued income of £4,000 (period ending 31 January 2024: £843,000, year ending 31 July 2024: £320,000).

Profits for the periods to 31 January 2025, 31 January 2024 and the year to 31 July 2024 are wholly attributable to equity holders of the parent.

		6 months to 31/01/2025 <i>unaudited</i> pence	6 months to 31/01/2024 <i>unaudited</i> pence	12 months to 31/07/2024 pence
	Note			
Earnings per ordinary share				
Basic earnings per share	7	2.0	0.7	0.6
Diluted earnings per share	7	2.0	0.7	0.6

Reconciliation to adjusted profit measure

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

		6 months to 31/01/2025 <i>unaudited</i> £'000	Restated ¹ 6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
	Note			
Operating profit from continuing operations		494	457	1,080
<i>Add:</i>				
Non-underlying items included within administrative expenses	4	280	336	1,092
Reversal of impairment of leased right-of-use assets	4	-	(42)	(42)
Amortisation of acquired intangibles	4	31	32	69
Depreciation of property, plant and equipment, leased right-of-use assets and amortisation of software and software licences	4	674	766	1,533
Underlying EBITDA		1,479	1,549	3,732
<i>Less:</i>				
Depreciation of property, plant and equipment, leased right-of-use assets and amortisation of software and software licences		(674)	(766)	(1,533)
Net finance income excluding foreign exchange gains and losses		238	443	719
Underlying profit before taxation		1,043	1,226	2,918
Underlying taxation		(355)	(313)	(1,026)
Underlying profit after taxation from continuing operations		688	913	1,892

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 January 2025

	6 months to 31/01/2025 <i>unaudited</i> £'000	6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
Profit for the period	639	227	186
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(119)	(23)	174
Reclassification adjustment on disposal of foreign operations (Note 6)	-	-	(713)
Other comprehensive loss for the period	(119)	(23)	(539)
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	520	204	(353)

	6 months to 31/01/2025 £'000	Restated ¹ 6 months to 31/01/2024 £'000	12 months to 31/07/2024 £'000
Attributable to:			
Continuing operations	480	752	925
Discontinued operations	40	(548)	(1,278)
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	520	204	(353)

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

Condensed Consolidated Statement of Financial Position
As at 31 January 2025

	Note	31/01/2025 <i>unaudited</i> £'000	31/01/2024 <i>unaudited</i> £'000	31/07/2024 £'000
Non-current assets				
Goodwill ¹		1,712	1,712	1,712
Intangible assets		70	185	120
Property, plant and equipment		575	848	702
Right-of-use assets		1,832	1,732	2,128
Deferred tax assets		305	410	342
Total non-current assets		4,494	4,887	5,004
Current assets				
Trade and other receivables	8	48,924	46,758	53,016
Corporation tax receivables		346	132	379
Cash and cash equivalents		18,573	23,893	22,817
Total current assets		67,843	70,783	76,212
Total assets		72,337	75,670	81,216
Non-current liabilities				
Deferred tax liabilities		(4)	(19)	(12)
Provisions	9	(338)	(389)	(396)
Lease liabilities		(842)	(930)	(1,217)
Total non-current liabilities		(1,184)	(1,338)	(1,625)
Current liabilities				
Trade and other payables		(40,952)	(43,504)	(49,323)
Provisions	9	(491)	(816)	(425)
Current tax liabilities		(719)	(388)	(686)
Lease liabilities		(946)	(689)	(853)
Total current liabilities		(43,108)	(45,397)	(51,287)
Total liabilities		(44,292)	(46,735)	(52,912)
Net assets		28,045	28,935	28,304
Equity				
Share capital	10	315	316	315

Share premium	8,706	8,706	8,706
Capital redemption reserve	8	8	8
Merger reserve	224	224	224
Share-based payment reserve	388	204	265
Translation reserve	56	673	157
Treasury shares reserve	(724)	(479)	(601)
Retained earnings	19,072	19,283	19,230
Total equity	28,045	28,935	28,304

¹ Goodwill and intangibles assets for HY24 have been adjusted to report these separately, where they were previously presented combined.

The accompanying notes form part of these interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 January 2025

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share-based payment reserve £'000	Translation reserve £'000	Treasury shares reserve £'000	Retained earnings £'000	Total £'000
At 1 August 2023	319	8,706	4	224	334	696	(331)	20,865	30,817
Profit for the period	-	-	-	-	-	-	-	227	227
Other comprehensive loss	-	-	-	-	-	(23)	-	-	(23)
Total comprehensive income	-	-	-	-	-	(23)	-	227	204
Share-based payments charge	-	-	-	-	80	-	-	-	80
Share-based payments reserve transfer	-	-	-	-	(210)	-	-	210	-
Deferred tax movement in respect of share options	-	-	-	-	-	-	-	50	50
Shares issued on exercise of LTIP share options	1	-	-	-	-	-	-	-	1
Purchase of treasury shares	-	-	-	-	-	-	(148)	-	(148)
Purchase and cancellation of own shares ¹	(4)	-	4	-	-	-	-	(503)	(503)
Dividends paid	-	-	-	-	-	-	-	(1,566)	(1,566)
Transactions with owners	(3)	-	4	-	(130)	-	(148)	(1,809)	(2,086)
Total equity at 31 January 2024 (unaudited)	316	8,706	8	224	204	673	(479)	19,283	28,935
At 1 August 2023	319	8,706	4	224	334	696	(331)	20,865	30,817
Profit for the year	-	-	-	-	-	-	-	186	186
Other comprehensive loss	-	-	-	-	-	(539)	-	-	(539)
Total comprehensive loss	-	-	-	-	-	(539)	-	186	(353)
Share-based payments charge	-	-	-	-	201	-	-	-	201
Share-based payments reserve transfer	-	-	-	-	(270)	-	-	201	(69)
Deferred tax movement in respect of share options	-	-	-	-	-	-	-	46	46
Treasury shares issued to employees on exercise of LTIP share options	-	-	-	-	-	-	69	-	69
Purchase of treasury shares	-	-	-	-	-	-	(339)	-	(339)
Purchase and cancellation of own shares ¹	(4)	-	4	-	-	-	-	(502)	(502)
Dividends paid	-	-	-	-	-	-	-	(1,566)	(1,566)
Transactions with owners	(4)	-	4	-	(69)	-	(270)	(1,821)	(2,160)
Total equity at 31 July 2024	315	8,706	8	224	265	157	(601)	19,230	28,304
Total equity at 1 August 2024	315	8,706	8	224	265	157	(601)	19,230	28,304
Profit for the period	-	-	-	-	-	-	-	639	639
Other comprehensive loss	-	-	-	-	-	(119)	-	-	(119)
Total comprehensive income	-	-	-	-	-	(119)	-	639	520
Share-based payments charge	-	-	-	-	130	-	-	-	130
Share-based payments transfer	-	-	-	-	(7)	-	-	7	-

Deferred tax movement in respect of share options	-	-	-	-	-	-	-	(27)	(27)
Purchase of treasury shares	-	-	-	-	-	-	(123)	-	(123)
Translation reserve movements on disposal of foreign operations	-	-	-	-	-	18	-	-	18
Dividend paid	-	-	-	-	-	-	-	(777)	(777)
Transactions with owners	-	-	-	-	123	18	(123)	(797)	(779)
Total equity at 31 January 2025 (unaudited)	315	8,706	8	224	388	56	(724)	19,072	28,045

¹ During the period ended 31 January 2024 and 31 July 2024, Gattaca plc undertook a public share buyback and a capital redemption reserve was created as a result of the subsequent cancellation of these shares, as discussed in Note 10.

Condensed Consolidated Cash Flow Statement

For the period ended 31 January 2025

	Note	6 months to 31/01/2025 unaudited £'000	6 months to 31/01/2024 unaudited £'000	12 months to 31/07/2024 £'000
Cash flows from operating activities				
Profit after taxation		639	227	186
Adjustments for:				
Depreciation of property, plant and equipment and amortisation of intangible assets, software and software licences		206	322	588
Depreciation of leased right-of-use assets		499	476	1,030
Loss on disposal of property, plant and equipment		-	5	24
Reversal of impairment on right-of-use assets		-	(42)	(42)
Impairment of cash and cash equivalents		-	-	408
Profit on reassessment of dilapidation asset		18	-	-
Interest income		(290)	(469)	(784)
Interest costs		51	26	65
Taxation expense recognised in the Income Statement		311	280	880
Decrease/(increase) in trade and other receivables		4,068	5,377	(940)
(Decrease)/increase in trade and other payables		(8,371)	(3,391)	2,428
Increase/(decrease) in provisions		7	(207)	(616)
Share-based payment charge		130	80	201
Foreign exchange losses		(96)	(56)	(420)
Cash (used)/generated from operations		(2,828)	2,628	3,008
Interest paid		(2)	(1)	(2)
Interest on lease liabilities		(48)	(25)	(63)
Interest received		290	469	784
Income taxes received ¹		11	207	789
Income taxes paid ¹		(240)	(19)	(1,117)
Cash (used)/generated from operating activities		(2,817)	3,259	3,399
Cash flows from investing activities				
Purchase of property, plant and equipment		(28)	(87)	(162)
Sublease rent receipts		23	76	131
Cash used in investing activities		(5)	(11)	(31)
Cash flows from financing activities				
Lease liability principal repayment		(553)	(557)	(1,084)
Purchase of treasury shares		(123)	(148)	(339)
Purchase of own shares for cancellation		-	(503)	(502)
Dividends paid		(777)	(1,566)	(1,566)
Cash used in financing activities		(1,453)	(2,774)	(3,491)
Non-cash movements				
Effects of exchange rates on cash and cash equivalents		31	44	(27)

Impairment of cash and cash equivalents	-	-	(408)
Total non-cash movements	31	44	(435)
(Decrease)/Increase in cash and cash equivalents	(4,244)	518	(558)
Cash and cash equivalents at beginning of the period	22,817	23,375	23,375
Cash and cash equivalents at end of the period	11	18,573	23,893
		22,817	

Net increase in cash and cash equivalents from discontinued operations was £123,000 (6 months to 31 January 2024 restated: decrease of £551,000, year to 31 July 2024: decrease of £849,000).

¹ Income taxes repaid as at 31 January 2024 previously showed a net of income taxes received and paid. This has now been split out in line with presentation in the cash flow in the 2024 Annual Report and Accounts.

NOTES

Forming part of the condensed consolidated interim financial statements

1 Basis of preparation and significant accounting policies

1.1 General information

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

1.2 Basis of preparation

These unaudited condensed consolidated interim financial statements are for the six months ended 31 January 2025 and do not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The interim financial statements have been prepared in accordance with the AIM rules and IAS 34, 'Interim Financial Reporting'. Whilst the financial information included in the interim financial statements has been prepared in accordance with UK-adopted International Accounting Standards, the interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 July 2024 which have been filed with the Registrar of Companies and are available from the Group's website, www.gattacaplc.com/investors. The statutory financial statements for the year ended 31 July 2024 received an unqualified report from the auditors and did not contain a statement under section 498 of the Companies Act 2006.

The accounting policies applied in the interim financial statements are consistent with those used in the preparation of the Group's consolidated financial statements for the year ended 31 July 2024, as described in the latest Annual Report and Accounts. No alterations have been made to the Group's accounting policies as a result of adopting new standards, amendments and interpretations which became effective in the period, as these were either not material or not relevant to the Group.

1.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report of the Group's Annual Report and Accounts for the year ended 31 July 2024. The financial position of the Group, its cash flows and liquidity are described in the Chief Financial Officer's Report of the 2024 Annual Report.

At the half year the Group reported a strong balance sheet with statutory net cash of £16.8m. The Group ensures the availability of working capital through close management of customer payment terms. There is sufficient headroom on our working capital facilities to absorb a level of customer payment term extensions, but we would also manage supply to the customer if payment within an appropriate period was not being made. Whilst there is no evidence that it would occur, a significant deterioration in average payment terms has the potential to impact the Group's liquidity.

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

We continue to see permanent recruitment remaining subdued, in line with our peers, and our focus remains on contractor growth, which takes longer to reflect in NFI. Strong contract pipelines in Defence and Infrastructure sectors, combined with increasing customer demand for Statement of Work contracts, underpin the Group's Net Fee Income expectations for the second half of FY25 and beyond.

The output of the base case forecasting process has been used to perform sensitivity analysis on the Group's cash flows to the potential effects should principal risks actually occur. The sensitivity analysis modelled a severe but plausible scenario including:

- Nil NFI growth from August 2025 onwards;
- Operating cost inflation of 1% per annum; and
- Customer payment terms extended by five days.

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

Given the nature of the temporary and contract recruitment business, significant working capital inflows typically arise in periods of severe downturn, thus protecting short-term liquidity. The sensitised forecasts illustrate that the Group's liquidity is resilient to adverse changes in profitability and customer payment terms. The sensitised forecasts show no reduction in forecast net cash of £13.9m at 31 July 2025, and a 50% reduction in forecast net cash at 31 July 2026, to £7.4m.

A key assumption in preparing the cash flow forecasts is the continued availability of the Group's invoice financing facility from HSBC throughout the forecast period. The unutilised facility headroom at 31 January 2025 was £25.3m (31 January 2024: £22.9m). The current £40m (31 January 2025 and 31 July 2024: £50m) facility has no contractual renewal date; the Directors remain confident that the facility will remain available.

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

1.4 Accounting estimates and judgements

Preparation of the interim financial statements requires the Directors to make assumptions and estimates that affect the application of accounting policies. The critical accounting judgements and key assumptions and sources of estimation uncertainty identified by the Directors were consistent with those identified in the Group's Annual Report and Accounts for the year ended 31 July 2024.

2 Segmental Information

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

6 months to 31 January 2025 unaudited

All amounts in £'000	Mobility	Energy	Defence	Technology, Media & Telecoms	Infra- structure	Gattaca Projects	Inter- national ³	Other	Continuing underlying operations
Revenue (Note 3)	11,694	25,979	47,265	20,268	74,901	5,852	1,093	6,414	193,466
Gross profit	1,799	2,726	3,166	1,591	6,990	1,165	219	1,265	18,921
Operating contribution	636	1,212	1,659	413	3,298	641	(257)	262	7,864
Depreciation and amortisation	(41)	(90)	(165)	(71)	(261)	(20)	(4)	(22)	(674)
Central overheads	(816)	(675)	(1,046)	(717)	(1,955)	(292)	(258)	(626)	(6,385)
Operating profit/(loss)	(221)	447	448	(375)	1,082	329	(519)	(386)	805
Finance income, net									238
Profit before tax									1,043

All amounts in £'000	Continuing underlying operations	Non-recurring items, amortisation of acquired intangibles & foreign exchange gains/losses	Discontinued	Total Group
Revenue (Note 3)	193,466	-	16	193,482
Gross profit	18,921	-	15	18,936
Operating contribution	7,864	-	31	7,895
Depreciation and amortisation	(674)	(31)	-	(705)
Central overheads	(6,385)	(280)	-	(6,665)
Operating profit/(loss)	805	(311)	31	525
Finance income, net	238	77	110	425
Profit before tax	1,043	(234)	141	950

6 months to 31 January 2024 unaudited restated^{1,2}

All amounts in £'000	Mobility	Energy	Defence	Technology, Media & Telecoms	Infra- structure	Gattaca Projects	Inter- national ³	Other	Continuing underlying operations ¹
Revenue (Note 3)	16,404	22,399	46,579	18,193	72,868	4,386	1,842	4,972	187,643

	Continuing underlying operations ¹	Non-recurring items, amortisation of acquired intangibles & foreign exchange gains/losses	Discontinued ¹	Total Group
All amounts in £'000				
Revenue (Note 3)	187,643	-	800	188,443
Gross profit	19,429	-	234	19,663
Operating contribution	8,566	-	(408)	8,158
Depreciation and amortisation	(766)	(32)	-	(798)
Central overheads	(7,018)	(293)	(187)	(7,498)
Operating profit/(loss)	782	(325)	(595)	(138)
Finance income, net	443	137	65	645
Profit before tax	1,225	(188)	(530)	507

[illegible]

² During the period to 31 January 2025, as a result of changes in the Group's operational structure and strategic focus, certain smaller divisions that were previously reported within the Other aggregated segment have been absorbed into the Energy, Defence and Technology, Media & Telecoms sectors. As a result, the Group's reported segmental analysis for HY24 and FY24 has been restated to ensure comparability with this.

³ International segment revenue and gross profit is generated from the location of the commission-earning sales consultant, as opposed to the domicile of the respective subsidiary by which they are employed.

Geographical information

	Total Group revenue			Non-current assets		
	6 months to 31/01/2025 <i>unaudited</i>	6 months to 31/01/2024 <i>Unaudited</i>	12 months to 31/07/2024	6 months to 31/01/2025 <i>unaudited</i>	6 months to 31/01/2024 <i>Unaudited</i>	12 months to 31/07/2024
All amounts in £'000						
UK	191,820	184,660	384,233	4,484	4,808	4,963
Rest of Europe	346	369	801	1	2	1
Middle East and Africa	-	-	-	2	16	9
Americas	1,316	3,414	5,708	7	61	31
Total	193,482	188,443	390,742	4,494	4,887	5,004

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

3 Revenue from Contracts with Customers

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

Major service lines – continuing underlying operations

6 months to 31 January 2025 <i>unaudited</i>	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Inter- national £'000	Other £'000	Continuing underlying operations £'000
Temporary placements	10,977	25,472	46,825	19,880	74,086	-	950	5,564	183,754
Permanent placements	717	507	440	388	815	-	143	850	3,860
Other	-	-	-	-	-	5,852	-	-	5,852
Total	11,694	25,979	47,265	20,268	74,901	5,852	1,093	6,414	193,466

6 months to 31 January 2024 <i>unaudited</i>	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Restated ¹ Inter- national £'000	Other £'000	Restated ¹ Continuing underlying operations
Temporary placements (as restated ³)	15,383	22,189	45,759	17,615	72,140	-	1,666	3,992	178,744
Permanent placements (as restated ³)	961	168	588	578	700	-	135	979	4,109
Other (as restated ³)	60	42	232	-	28	4,386	42	-	4,790
Total	16,404	22,399	46,579	18,193	72,868	4,386	1,843	4,971	187,643

Year to 31 July 2024	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Inter- national £'000	Other £'000	Continuing underlying operations £'000
Temporary placements (as restated ³)	31,515	46,496	95,036	36,617	147,721	-	2,878	9,767	370,030
Permanent placements (as restated ³)	1,824	411	860	1,072	1,520	-	270	1,732	7,689
Other	77	49	194	-	6	11,359	129	-	11,814
Total	33,416	46,956	96,090	37,689	149,247	11,359	3,277	11,499	389,533

Timing of revenue recognition – continuing underlying operations²

6 months to 31 January 2025 <i>unaudited</i>	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Inter- national £'000	Other £'000	Continuing underlying operations £'000
--	-------------------	-----------------	------------------	--	------------------------------	------------------------------	-----------------------------	----------------	---

Point in time	717	507	440	388	815	-	143	850	3,860
Over time	10,977	25,472	46,825	19,880	74,086	5,852	950	5,564	189,606
Total	11,694	25,979	47,265	20,268	74,901	5,852	1,093	6,414	193,466

6 months to 31 January 2024 <i>unaudited</i>	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Restated ¹ Inter- national £'000	Other £'000	Restated ¹ Continuing underlying operations £'000
Point in time (as restated ^{2,3})	961	168	588	578	700	-	135	979	4,109
Over time (as restated ^{2,3})	15,443	22,231	45,991	17,615	72,168	4,386	1,708	3,992	183,534
Total	16,404	22,399	46,579	18,193	72,868	4,386	1,843	4,971	187,643

Year to 31 July 2024	Mobility £'000	Energy £'000	Defence £'000	Technology , Media & Telecoms £'000	Infra- structure £'000	Gattaca Projects £'000	Inter- national £'000	Other £'000	Continuing underlying operations £'000
Point in time (as restated ^{2,3})	1,824	411	860	1,072	1,520	-	270	1,732	7,689
Over time (as restated ^{2,3})	31,592	46,545	95,230	36,617	147,727	11,359	3,007	9,767	381,844
Total	33,416	46,956	96,090	37,689	149,247	11,359	3,277	11,499	389,533

No single customer contributed more than 10% of the Group's revenues (6 months to 31 January 2024 and year ended 31 July 2024: none).

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

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

² During the year ended 31 July 2024, the Group has revised its revenue accounting policy upon timing of recognition of revenue from temporary placements to address an inconsistency with IFRS 15. Previously recognised at a point in time upon receipt of a client-approved timesheet, revenue from temporary placements is now recognised over time, in line with when the temporary worker provides services. The Group considers that this more accurately reflects the Group's satisfaction of its contractual performance obligations under IFRS 15. The change is applied retrospectively in accordance with IAS 8 and so HY24 comparative information has been restated. Revenue reported in the Consolidated Income Statement and contract assets and liabilities reported in the Consolidated Statement of Financial Position are unaffected.

³ During the period to 31 January 2025, as a result of changes in the Group's operational structure and strategic focus, certain smaller divisions that were previously reported within the Other aggregated segment have been absorbed into Energy, Defence and Technology, Media & Telecoms sectors. As a result, the Group's reported segment analysis for HY24 and FY24 has been restated to ensure comparability with this.

4 Profit/(loss) from Total Operations

	6 months to 31/01/2025 <i>unaudited</i> £'000	6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
Profit/(loss) from total operations is stated after charging/(crediting):			
Depreciation of property, plant and equipment	156	257	458
Depreciation of right-of-use leased assets	499	476	1,030
Amortisation of acquired intangibles	31	32	69
Amortisation of software and software licences	19	33	61
Reversal of impairment of right-of-use leased assets	-	(42)	(42)
Impairment of cash and cash equivalent	-	-	408
Release of sales ledger credits ¹	(200)	(31)	(117)
Loss on disposal of property, plant and equipment	-	5	24
Plant and machinery rental expenses for leases out-of-scope of IFRS 16	19	40	104
Non-recourse working capital bank facility charges	85	293	451
Share-based payment charges	130	86	201
Gain on release of provisions (note 9)	(32)	(340)	(486)

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

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

	6 months to 31/01/2025 <i>unaudited</i>	Restated ¹ 6 months to 31/01/2024 <i>unaudited</i>	12 months to 31/07/2024
	£'000	£'000	£'000
Continuing operations			
Restructuring costs ¹	152	266	467
Net costs associated with exiting properties ²	-	16	16
Reversal of impairment of right-of-use leased assets ³	-	(42)	(42)
Cost relating to ongoing closure of group undertakings ⁴	128	54	609
Non-underlying items included in profit from continuing operations	280	294	1,050
Discontinuing operations	£'000	£'000	£'000
Restructuring costs ¹	-	186	278
Impairment of cash and cash equivalents ⁵	-	-	408
Release of provision for foreign employment taxes ⁶	(31)	-	-
Non-underlying items included in loss from discontinued operations	(31)	186	686
Total non-underlying items	249	480	1,736

¹ Restructuring costs of £152,000 (31 January 2024: £452,000; 31 July 2024: £745,000) were recognised as a result of strategic personnel re-organisations that included senior management.

² During the prior period costs were recognised in relation to the exit of a number of UK office buildings that are no longer in use by the business. No property exit costs were incurred during the current period.

³ During the prior period an impairment recorded in FY22 was partially reversed upon sub-letting of an office property to a third party.

⁴ Ongoing costs relating to closure of entities affected by the cessation of the contract telecoms infrastructure business in 2018 as well as the ongoing closure costs of the Group's operations in Russia, Germany, Mexico, Qatar, Malaysia and Singapore. Included in losses from discontinued operations until two years has passed since operations have terminated, the Group then presents these ongoing closure costs as continuing in the current period, as discussed further in Note 6.

⁵ Cash on deposit in Russia was impaired due to the increased credit risk associated with the financial and regulatory sanctions imposed on and by Russia.

⁶ Release of provision for employment taxes associated with the closure of USA-based operations.

5 Taxation

	6 months to 31/01/2025 <i>unaudited</i>	Restated ¹ 6 months to 31/01/2024 <i>unaudited</i>	12 months to 31/07/2024
	£'000	£'000	£'000
Analysis of tax charge in the period			
Profit before tax from continuing operations	809	1,037	1,684
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25.0% (31 January 2024 and 31 July 2024: 25.0%)	202	259	421
Expenses not deductible for tax purposes	97	75	467
Income not taxable	(16)	(8)	(209)
Effect of share-based payments	-	(1)	(23)
Irrecoverable withholding tax	-	-	3
Overseas losses not recognised as deferred tax assets	175	(39)	84
Difference between UK and overseas tax rates	(10)	11	(4)
Adjustment to tax charge in respect of prior periods	(157)	-	177
Overseas losses utilised	16	(10)	-
Changes in tax rate	-	(7)	-
Total taxation charge for the period for continuing operations	307	280	916
Total taxation (credit)/charge for the period for discontinued operations	4	-	(36)

The forecast average annual tax rate for continuing operations for the year to 31 July 2025 used to estimate the tax charge for the period to 31 January 2025 is 36.3% (period to 31 January 2024: forecast average annual tax rate of 41.0%, year to 31 July 2024: actual tax rate of 82%). The decrease in the effective tax rate for the period to 31 January 2025 is primarily driven by the decrease in overseas losses not provided for.

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

6 Discontinued Operations

During the previous year, the Group announced the decision to restructure its USA operations and by 31 July 2024 US-based trading had ceased, support operations had been transferred to the UK and all US-based sales and support staff exited. The Group continues to operate in the USA market in established sectors serviced by its UK-based sales consultants. The Group's closed US-based operations are now classified as a discontinued operation in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. Comparative information at 31 January 2024 has been restated.

The Group has also incurred ongoing closure costs associated with previously discontinued trading businesses, including its contract telecom infrastructure business (closed in 2018) and operations in Malaysia, Singapore and the Middle East (closed in 2018), China (closed in 2020), and Mexico closure and South African sub-group sale (closed in 2021). No trading activities remain for these businesses and all trading activities ceased over 24 months ago, however the Group continues to incur professional fees and other corporate costs associated with closure of the subsidiary statutory entities. The Group has considered the nature and amount of these costs in the current year and has classified these ongoing closure costs as continuing operations, as part of the ongoing costs of corporate closures.

Costs associated with closure of discontinued businesses are reported within non-underlying items in line with the Group's accounting policy.

Financial performance

	6 months to 31/01/2025 unaudited £'000	Restated ¹ 6 months to 31/01/2024 unaudited £'000	12 months to 31/07/24 £'000
Revenue	16	800	1,209
Cost of sales	(1)	(566)	(862)
Gross profit	15	234	347
Administrative expenses ²	16	(829)	(1,758)
Profit/(loss) from discontinued operations	31	(595)	(1,411)
Finance costs	(1)	-	-
Exchange gains	111	65	793
Profit/(loss) before taxation from discontinued operations	141	(530)	(618)
Taxation	(4)	-	36
Profit/(loss) for the period after taxation from discontinued operations	137	(530)	(582)
Exchange differences on translation of discontinued operations	(97)	(18)	17
Reclassification adjustment on disposal of foreign operations	-	-	(713)
Total comprehensive profit/(loss) from discontinued operations	40	(548)	(1,278)

¹ HY24 results have been restated for the presentation of trading arising from US-based operations discontinued operations as explained above.

² Included in administrative expenses are £(31,000) (31 January 2024 restated: £186,000; 31 July 2024: £686,000) of non-underlying items, as detailed in Note 4.

Cash flows from discontinued operations

	6 months to 31/01/2025 unaudited £'000	Restated ¹ 6 months to 31/01/2024 unaudited £'000	12 months to 31/07/24 £'000
Net cash outflow from operating activities	120	(572)	(850)
Net cash outflow from investing activities	-	-	-
Net cash outflow from financing activities	-	-	-
Effect of exchange rates on cash and cash equivalents	3	21	1
Net cash used by discontinued operations	123	(551)	(849)

7 Earnings Per Share

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

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

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

The earnings per share information has been calculated as follows:

			6 months to 31/01/2025 <i>unaudited</i> £'000	6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
Total earnings					
Total profit attributable to ordinary shareholders			639	227	186
Number of shares			000's	000's	000's
Basic weighted average number of ordinary shares in issue			31,533	31,649	31,587
Dilutive potential ordinary shares			850	565	660
Diluted weighted average number of shares			32,383	32,214	32,247
Total earnings per share			Pence	Pence	Pence
Earnings per ordinary share	-	Basic	2.0	0.7	0.6
	-	Diluted	2.0	0.7	0.6
Earnings from continuing operations			£'000	Restated¹ £'000	£'000
Total profit for the period from continuing operations			502	757	768
Total earnings per share for continuing operations			pence	Restated¹ pence	pence
Earnings per ordinary share from continuing operations	-	Basic	1.6	2.4	2.4
	-	Diluted	1.5	2.4	2.4
Earnings from discontinued operations			£'000	Restated¹ £'000	£'000
Total profit/(loss) for the period from discontinued operations			137	(530)	(582)
Total earnings/(loss) per share for discontinued operations			Pence	Restated¹ Pence	Pence
Profit/(loss) per ordinary share from discontinued operations	-	Basic	0.4	(1.7)	(1.8)
	-	Diluted	0.4	(1.6)	(1.8)
Earnings from continuing underlying operations			£'000	Restated¹ £'000	£'000
Total profit for the period from continuing underlying operations			688	913	1,892
Total earnings per share from continuing underlying operations			Pence	Restated¹ Pence	Pence
Earnings per ordinary share from continuing underlying operations	-	Basic	2.2	2.9	6.0
	-	Diluted	2.1	2.8	5.9

¹ HY24 results have been restated for the presentation of discontinued operations as explained in Note 6.

8 Trade and Other Receivables

	31/01/2025 <i>unaudited</i> £'000	31/01/2024 <i>unaudited</i> £'000	31/07/2024 £'000
Trade receivables from contracts with customers, net of loss allowance	31,049	27,442	34,320
Other receivables	1,004	1,196	935

Finance lease receivables	-	113	-
Prepayments	1,238	1,392	1,004
Accrued income	15,633	16,615	16,757
Total	48,924	46,758	53,016

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

Other receivables include retentions of £322,000 (31 January 2024: £494,000, 31 July 2024: £273,000) on trade receivable balances assigned to HSBC under the non-recourse invoice financing facility.

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

Impairment of trade receivables from contracts with customers

	31/01/2025 <i>unaudited</i> £'000	31/01/2024 <i>unaudited</i> £'000	31/07/2024 £'000
Trade receivables from contracts with customers, gross amounts	32,389	28,315	35,600
Loss allowance	(1,340)	(873)	(1,280)
Trade receivables from contracts with customers, net of loss allowance	31,049	27,442	34,320

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

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

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

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

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

The loss allowance for trade receivables was determined as follows:

31 January 2025 <i>unaudited</i>	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	2.0%	2.0%	2.1%	9.4%	
Gross carrying amount – trade receivables (£'000)	21,847	857	380	9,305	32,389
Loss allowance (£'000)	436	17	8	879	1,340

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

31 July 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	2.6%	7.8%	53.2%	96.1%	
Gross carrying amount – trade receivables (£'000)	34,312	914	122	252	35,600
Loss allowance (£'000)	902	71	65	242	1,280

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

	6 months to 31/01/2025 <i>unaudited</i> £'000	6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
Opening loss allowance	1,280	1,633	1,633

Increase/(Decrease) in loss allowance recognised in profit and loss during the period	38	(680)	(166)
Receivables recovered/(written off as uncollectable) during the period	22	(80)	(187)
Closing loss allowance	1,340	873	1,280

Impairment of accrued income

	31/01/2025 <i>unaudited</i> £'000	31/01/2024 <i>unaudited</i> £'000	31/07/2024 £'000
Gross accrued income	15,941	16,956	17,107
Loss allowance	(308)	(341)	(350)
Accrued income, net of loss allowance	15,633	16,615	16,757

The loss allowance for accrued income was determined as follows:

31 January 2025 <i>unaudited</i>	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	1.9%	2.0%	2.0%	0.0%	
Gross carrying amount – accrued income (£'000)	15,851	45	45	-	15,941
Loss allowance (£'000)	306	1	1	-	308

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

31 July 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days due	Total
Weighted expected loss rate (%)	2.0%	2.0%	2.0%	9.5%	
Gross carrying amount – accrued income (£'000)	16,349	561	88	109	17,107
Loss allowance (£'000)	327	11	2	10	350

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

	6 months to 31/01/2025 <i>unaudited</i> £'000	6 months to 31/01/2024 <i>unaudited</i> £'000	12 months to 31/07/2024 £'000
Opening loss allowance	350	504	504
Decrease in loss allowance recognised in profit and loss during the period	(42)	(163)	(154)
Closing loss allowance	308	341	350

9 Provisions

6 months to 31 January 2025 <i>unaudited</i>	Dilapidations £'000	Other Provisions £'000	Total £'000
Balance at the start of the period	362	459	821
Provisions made in the period	-	39	39
Provisions utilised	-	-	-
Provisions released	-	(32)	(32)
Effect of movements in exchange rates	-	1	1
Balance at the end of the period	362	467	829

As at 31 January 2025 <i>unaudited</i>	Dilapidations £'000	Other Provisions £'000	Total £'000
Non-current	321	17	338
Current	41	450	491
Total	362	467	829

	Dilapidations £'000	Other Provisions £'000	Total £'000
6 months to 31 January 2024 unaudited			
Balance at the start of the period	677	735	1,412
Provisions made in the period	5	281	286
Provisions utilised	(55)	(98)	(153)
Provisions released	-	(340)	(340)
Effect of movements in exchange rates	-	-	-
Balance at the end of the period	627	578	1,205

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

	Dilapidations £'000	Other Provisions £'000	Total £'000
12 months to 31 July 2024			
Balance at the start of the period	677	735	1,412
Provisions made in the period	15	378	393
Provisions utilised	(220)	(288)	(508)
Provisions released	(110)	(376)	(486)
Effect of movements in exchange rates	-	10	10
Balance at the end of the period	362	459	821

	Dilapidations £'000	Other Provisions £'000	Total £'000
As at 31 July 2024			
Non-current	362	34	396
Current	-	425	425
Total	362	459	821

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

Other provisions held as at 31 January 2025 relate to claims for certain legal and tax matters. Other provisions made during HY24 and FY24 relate primarily to restructuring activities for both UK and US operations, as discussed further in Note 4.

10 Share capital

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

	31/01/2024 unaudited £'000	31/01/2024 Unaudited £'000	31/07/2024 £'000
Allotted, called up, and fully paid			
31,532,686 Ordinary shares of £0.01 each (31 January 2024: 31,525,525, 31 July 2024: 31,532,686)	315	316	315

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

	31/01/2024 unaudited '000	31/01/2024 unaudited '000	31/07/2024 '000
In issue at the start of the period	31,533	31,857	31,857
Exercise of LTIP share options	-	91	99
Shares cancelled	-	(423)	(423)
In issue at the end of the period	31,533	31,525	31,533

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

Share buyback and cancellation

During the period, there were no share buy-back transactions undertaken.

Share options

During the period the Group granted share options under the Long-Term Incentive Plan ("LTIP") for Executive Directors and senior management. 1,147,431 share options with an exercise price of £0.01 each were granted on 11 December 2024 to members of staff to be held over a three-year vesting period and are subject to various performance conditions. All share options have a life of 10 years from grant date and are equity settled on exercise.

11 Net Cash

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

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

	01/08/2024 £'000	Net cash flows £'000	Non-cash movements £'000	31/01/2025 £'000
31 January 2025 unaudited				
Cash and cash equivalents	22,817	(4,275)	31	18,573
Lease liabilities	(2,070)	553	(270)	(1,787)
Total net cash	20,747	(3,722)	(239)	16,786

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

	01/08/2023 £'000	Net cash flows £'000	Non-cash movements £'000	31/07/2024 £'000
31 July 2024				
Cash and cash equivalents	23,375	(123)	(435)	22,817
Lease liabilities	(1,821)	1,147	(1,396)	(2,070)
Total net cash	21,554	1,024	(1,831)	20,747

Restricted cash

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

	31/01/2025 unaudited £'000	31/01/2024 unaudited £'000	31/07/2024 £'000
Balances arising from the Group's non-recourse working capital arrangements	13	196	16
Cash on deposit in accounts controlled by the Group but not available for immediate drawdown	720	1,103	706
Total restricted cash	733	1,299	722

Included within restricted cash is £nil (31 January 2024: £382,000, 31 July 2024: £nil) held on deposit in a Russian bank account, to which the Group currently has no access. During FY24, the Group impaired its cash on deposit in Russia due to the increased credit risk associated with the financial and regulatory sanctions imposed on and by Russia.

12 Transactions with Related Parties

There were no related party transactions during the period with entities outside of the Group (6 months to 31 January 2024 and year ended 31 July 2024: none) and no related party balances at 31 January 2025 (31 January 2024 and 31 July 2024: none).

13 Contingent Liabilities

We continue our cooperation with the United States Department of Justice and in the 6 month period to 31 January 2025 no costs were incurred (6 months to 31 January 2024: £nil, and year to 31 July 2024: £nil) in advisory fees on this matter. The Group is not currently in a position to know what the outcome of these enquiries may be and therefore we are unable to quantify the likely outcome for the Group.

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

14 Dividends

	6 months 31/01/2025 <i>unaudited</i> £'000	6 months 31/01/2024 <i>unaudited</i> £'000	12 months 31/07/2024 £'000
Equity dividends proposed at 1.0 pence per share (6 months to 31 January 2024: nil pence, 12 months to 31 July 2024: 2.5 pence per share)	315	-	778

Dividends paid in the 6 month period ending 31 January 2025 totalled £777,000, consisting of the final (2.5 pence per share) dividend for FY24 announced in October 2024. On 2 April 2025, the Board announced its intentions to recommend an interim dividend of 1.00 pence per share which is expected to be paid on 14 May 2025.

15 Statement of Directors' Responsibilities

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

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

On behalf of the Board:

M Wragg

Chief Executive Officer

Date: 2 April 2025

O Whittaker

Chief Financial Officer

Date: 2 April 2025