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Jaywing plc
Annual Report and Accounts
For the year ended 31 March 2023

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Overview

Jaywing is a Data Science and Marketing business, with operations in the UK and Australia. Jaywing is home to nearly 300 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 60 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, PepsiCo, Euro Car Parts, ADT, HSBC and Yorkshire Water.

Clients

Jaywing helps its clients find smart solutions to deliver profit 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 170 active clients at the year end and with the largest client of the Group accounting for around 4% of annual revenue.

Revenue from the Group's operations in Australia accounted for 26% of revenue (2022: 22%), 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
- PhD mathematicians
- Marketing 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.

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Financial highlights

	2023 £'000	Restated* 2022 £'000	Change %
Revenue	22,062	23,324	(5.4%)
Adjusted EBITDA(1)	2,410	2,206	9.2%
Operating Loss	(11,340)	(6,086)	
Loss before Tax	(12,535)	(6,660)*	
Cash Generated from Operations	1,293	1,587	
Net Debt pre IFRS 16(2)	(10,346)	(8,293)*	
Loss per share	(13.73p)	(7.01p)*	

Reconciliation of Operating Loss with Adjusted EBITDA

	2023 £'000	2022 £'000
Operating Loss	**(11,340)**	**(6,086)**
Add Back:		
Impairment of Goodwill	12,095	6,131
Depreciation of property, plant & equipment	245	327
Depreciation and impairment of right of use assets	641	752
Amortisation of intangibles	320	730
EBITDA	**1,961**	**1,854**
Acquisition & related costs	259	-
Restructuring costs	190	352
Adjusted EBITDA(1)	**2,410**	**2,206**
Adjusted EBITDA(1) margin	10.9%	9.5%

Revenue, Contribution and Adjusted EBITDA by operating segment

	2023 £'000	2022 £'000	Change %
Revenue			
United Kingdom	16,380	18,099	(9.5%)
Australia	5,682	5,225	8.8%
Group total	**22,062**	**23,324**	**(5.4%)**
Contribution(3)			
United Kingdom	4,886	4,849	0.8%
Australia	2,142	2,057	4.1%
Group total	**7,028**	**6,906**	**1.8%**
Contribution margin	**31.9%**	**29.6%**	
Adjusted EBITDA(1)			
United Kingdom	1,882	1,680	12.0%
Australia	528	526	0.4%
Group total	**2,410**	**2,206**	**9.2%**

(1) Adjusted EBITDA represents Earnings Before Interest Tax, Depreciation & Amortisation ('EBITDA') before restructuring costs and acquisition & related costs
(2) Including accrued interest
(3) Contribution is defined as Revenue less Direct Costs comprise staff and other costs directly attributable to the revenues of the respective operating segments.

Operational Highlights

- Group contribution margin increased by 2.3ppt driven by UK cost efficiencies.
- Group Adjusted EBITDA for FY23 up by 9.2% at £2,410k against prior period, on 5.4% lower revenues.
- UK Adjusted EBITDA for FY23 up 12.0% at £1,882k, due to cost management and efficiency improvements.
- FY23 Australian adjusted EBITDA has increased by 0.4% to £528k and which reflects the impact of the cost of the integration activity at the start of 2023.
- New business pipeline remains strong in both territories.
- Decision PPC management IP acquisition successfully completed & encouraging new business growth.
- R&D function established during the year to help build increased Decision IP functionality.

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Chairman's Statement

Results

Revenues for the Group for FY23 of £22.1m (2022: £23.3 m), were 5.4% down on FY22, following FY22's strong growth of 16% on FY21. The decrease in revenue in FY23 comprises a fall of 9.5% in UK revenues (2022: increase of 13.3%) and a rise of 8.8% in Australia revenues (2022: increase of 25%). The UK's revenues were affected by weaker demand in FY23 whilst Australia continued to grow although at a slower rate than the previous year. Recent significant new business wins in Australia are expected to restore its return to strong growth in FY24.

It is pleasing to note that the Group's contribution margin increased in FY23 by 2.3ppt to 31.9% driven by cost efficiency improvements in the UK. The UK contribution margin was up by 3.0 % to 29.8%. Adjusted Group EBITDA for FY23, was £2.4m (2022: £2.2m), an increase of 9.2%, reflecting margin improvements on lower Group revenues. The adjusted EBITDA for the UK in FY23 was £1.9m, a 12% increase on FY22's £1.7m. Australia remained flat at £0.5m due to business integration actions at the start of FY23 and increased staff costs. Cash Generated from Operations for FY23 amounted to £1.3m (2022: £1.6m).

In the first quarter of FY24 the Group carried out a significant restructuring of the UK division to improve margin efficiency through cost reduction, and implemented a new organisational structure which is intended to help the Group rebalance its strengths on its higher margin services. Recent new business wins in data science led services, particularly in the Group's risk, fraud and regulatory services, together with UK cost reductions are expected to help raise UK margins in FY24.

Strategy

The Group's businesses in the UK and Australia plan to focus on organic growth on the back of recent new business wins and a strong new business pipeline. The Group will promote and further develop the recently acquired Decision software as well as exploring opportunities for further investment in advanced data analysis products as well as the application of technology to the marketing challenges of our clients. Creative services will remain a key component of our services mix, and the Group will continue to promote its award-winning creative services to its clients as part of its comprehensive marketing solution offerings.

It is pleasing to report that Jaywing Australia, which is led by a successful and autonomous professional team, has continued to demonstrate a track record of strong performance during the year with sales up by 8.8% and with some significant business wins towards the end of FY23. The ongoing collaboration with the UK business on clients and services, where required, now includes the promotion of the Decision software in Australia, and we are continuing to work with the Australian team to explore opportunities to further accelerate scale and market reach.

Funding

The Company remains in discussions with each of the holders of the secured debt about a possible future restructuring of the debt. Details of this debt are contained in Note 18 and Note 30.

Board and senior management

In April 2022 we announced that Caroline Ackroyd, the Company's Chief Financial Officer and a board director had resigned to pursue other interests. On 31 August 2022, the Company announced the appointment of Christopher Hughes as the Company's Chief Financial Officer.

People

Our staff in the UK and Australia have continued to work closely with our customers to help serve their varied and challenging business needs and continued to win and welcome new customers to Jaywing. The Board would like to thank all our staff for their ongoing hard work and dedication.

Outlook

Whilst trading conditions in the UK remain challenging, the recent restructuring of the UK division and recent new business wins as well as a strong pipeline is expected to assist the UK division's ability to withstand ongoing challenges in the macroeconomic environment as well as improving margin run rates. Recent significant new business wins in Australia are expected to provide strong revenue and profitability growth.

Ian Robinson
Non-Executive Chairman

Ian Robinson

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Chief Executive's Report

Overview

The last year saw an increase in FY23 EBITDA of 9.2% at £2,410k against the prior period, on 5.4% lower revenues. This growth was achieved despite challenging economic conditions impacting clients' own performance, and hence their budgets and spend, in both the UK and Australia. Australia's revenue was up 8.8% on the previous year built on strong client wins. In the UK, revenue was down 9.5%. Our Group revenue was therefore down 5.4% year-on-year overall, but I am pleased to report that we have been able to manage our costs well in response to trading conditions, delivering adjusted EBITDA of £2.4m, just ahead of market expectations.

Performance varied across our operating divisions. Australia had a strong end to the financial year, with a major contract win that will fully crystallise in the current financial year. The UK saw revenues slowing through the year, resulting in the 9.5% drop for the full year, but with a significant improvement in profitability due to tight cost control.

Net cash from operating activities dropped to £1.3m (2022: £1.6m).

The client base for Decision, our AI driven automated Pay-Per-Click advertising management tool, has started to build, and we now have 11 clients live or onboarding, with a good pipeline of further opportunities. We have also now signed our first client for Decision in Australia, which is already live.

Higher interest rates, driven by the economic backdrop, has led to an increase in our WACC, which was a significant factor in the impairment charge of £12.1m to Goodwill in respect of the UK cash-generating-unit. Our outlook remains consistent and the Group remains well positioned to drive revenues and profitability in the future.

Jaywing UK

The dip in UK consumer confidence has put pressure on client budgets, and we have experienced clients slowing new spend through the back end of last year and the first 2 months of the current year. From June onwards we have started to see an upturn in client spend and therefore in our revenues, along with a growing pipeline of new client opportunities.

Our focus on an integrated marketing proposition, enabled by data science, is resonating with existing and potential clients. The acceleration of the move towards digital since the pandemic started has reinforced the need to really understand marketing effectiveness, and we have been able to deliver both outstanding results and unprecedented insight to our clients. We have continued to win some great work from new clients, most recently including Subaru Europe and DUSK.com but the slowdown in existing client spend resulted in a reduction in UK revenue of 9.5% year-on-year.

In anticipation of the tightening economic conditions, we took action to reduce our cost base, and were able to deliver increased year-on-year EBITDA. Although we have seen an encouraging revenue performance more recently, we continue to manage costs tightly to ensure we have the right cost base for our projected revenues.

Amongst our existing marketing clients, the biggest increases in spend came from Castrol, Virgin Money, Rush Hair Group, and Verdant Leisure, and their spend on performance marketing, in particular, has increased significantly.

Key new clients in the year to March 2023 included University of East Anglia, LHV UK, Fair4All Finance and ROC Technologies. Since the start of the new financial year in April 2023, in addition to Subaru Europe and DUSK.com (Retail), we have also added Virgin Media O2, AO World, Superbike Factory, The Entertainer, and Bettys And Taylors Group. We have recently overhauled our Business Development and Marketing functions, and are seeing an increase in the number and calibre of leads being generated.

Jaywing Australia

Our Australian business successfully completed the integration of Frank Digital into Jaywing Australia at the start of 2022, and the fully integrated business has resonated well in the market, with strong new client wins leading to an 8.8% increase in revenues against prior year. The new business wins have been particularly strong in Q4 FY23 and the full benefit of these will be realised in the current financial year (FY24). Of particular note is a contract with Online Education Services (OES) for creative services, which commenced in February 2023. Notable other wins include CROCS Australia & Singapore and CashRewards.

The increase did not fully flow through to EBITDA, as a result of the wage inflation that began under the pandemic lockdowns. The annualization of this impact resulted in EBITDA growing by just 0.4% year-on-year. This wage inflation has now normalised, and FY24 has started strongly for both revenue and EBITDA in Australia.

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Decision and Research and Development

On 26th August 2022, the Company completed the acquisition of Midisi Limited, a marketing software development business, which owns the intellectual property rights for the 'Decision' software ("the Acquisition").

Decision is an 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.

We have now started to deliver new client wins for Decision, with the benefits showing in FY24. These include Bettys, Superbikes, E-Buyer and the Entertainer.

I am pleased with the level of expertise the team has quickly gained and conversations with clients remain ongoing with plenty 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.

The in-house Research & Development unit within Jaywing is working to deliver our technology road map. Focus has been on automation within reporting to drive greater efficiency as well as further building of Decision functionality to increase scope of delivery. Progress has been pleasing and we can already see the benefits from this work. Future focus will continue on increased automation to drive efficiency within delivery.

Employees

Given the pressure on revenues, we reduced our UK agency headcount both during FY23 and in the first quarter of FY24. This is never an easy decision, but our employees overall have been very supportive of the plan and the way we have approached it. We believe this will underpin a significant uplift in UK profitability in the current financial year.

We opened our new office in Leeds, located in the city centre, and which is ideally suited to collaborative, integrated working. Our employees have continued to adapt to working and collaborating in a hybrid model, and so we have been able to reduce the required office footprint in Leeds, saving £0.2m of costs per annum against the previous office.

We recognise that our people are our most important asset. We have embedded our vision of making brands grow and talent thrive and have engaged with our employees to get their input into how to further develop a great place to work, increasing training expenditure and regularly tracking employee satisfaction. Our most recent survey showed an overall employee satisfaction score of 85%.

We are also continuing to invest in a combination of experienced hires and talented but less experienced recruits, who represent the Company's future management.

Group revenue per employee remained broadly flat at £77.4k in the year (2022: £78.8k).

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.

Future Outlook

Although the UK environment remains tough, we are confident that we can build profitability further in FY24. Australia has the benefit of a full year of the new OES contracts, and has continued to win new business, with a strong first quarter of FY24. In the UK, we have continued to win new clients for Decision, delivering higher margin business. Our Risk & Data Consulting arm has won significant new business and is close to full capacity. Our UK agency (marketing) business had a tougher start to the new financial year in April and May, but is now recovering and we are continuing to win new business. Having reduced our UK headcount and cost base, we expect to finish the first half with strong run rate profitability that is expected to provide a step up in full year performance. We remain optimistic that the Company will achieve revenue and adjusted EBITDA for FY24 in line with market expectations.

Andrew Fryatt
Chief Executive Officer
Jaywing plc
6 September 2023

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Strategic Report

Business review

Jaywing is a Data Science and Marketing business, with operations in the UK and Australia. Our focus is providing an integrated marketing 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.

On a Group basis the business review and future prospects for the business are contained within the Chief Executive's Report.

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:

	2023 £'000	Restated 2022* £'000
Revenue	22,062	23,324
Adjusted EBITDA(1)	2,410	2,206
Adjusted EBITDA %	10.9%	9.5%
Operating Loss	(11,340)	(6,086)
Loss before Tax	(12,535)	(6,660)*
Net Debt pre IFRS16(2)	(10,346)	(8,293)*
Loss per share	(13.73p)	(7.01p)*
Average headcount	285	296
Revenue per head	77.4	78.8
Cash generated from operations	1,293	1,587

(1) Adjusted EBITDA represents Earnings Before Interest Tax, Depreciation & Amortisation ('EBITDA') before restructuring costs and acquisition & related costs
(2) Including accrued interest

Revenue for FY23 was £22.1m (2022: £23.3m), a drop of 5% on FY22, following FY22's strong growth of 16% on FY21.

Adjusted EBITDA was £2,410k (2022: £2,206k), a £204k improvement in the underlying Adjusted EBITDA. The result was achieved through strong cost control.

The statutory operating loss was £11,340k (2022: loss of £6,086k) and the statutory loss before taxation was £12,535k (2022: loss of £6,660k) following an impairment to Goodwill of £12.1m (2022: £6.1m). This non-cash charge has been recognised against the UK Cash Generating Unit ("CGU") largely due to the increase in WACC in light of the current economic environment in the UK. The acquisition goodwill relating to the Australia CGU remains unimpaired. Further details of this impairment are shown in Note 14 to the Consolidated Financial Statements.

Net cash from operations are £1,293k (2022: £1,587k) due to tight cost control across the group. The Cash Flow statement shows the movement in the cash position of the business.

Net Debt

At 31 March 2023, Net Debt including accrued interest (pre IFRS16) was £10.3m (2022: £8.3m), representing gross debt of £11.4m (2022: £9.0m) net of cash of £1.1m (2022: £0.7m). The Company's gross debt is represented by an amount of £9.2m (2022: £7.7m) drawn down from the secured debt funding provided by the "Jaywing Facility" together with £1.8m (2022: £1.0m) of accrued and unpaid interest on the Jaywing Facility and £0.4m of withholding tax on the interest expense (2022: £0.3m). The Jaywing Facility is fully described in Note 18 and Note 30 to the Financial Statements.

On 11 August 2022 the Jaywing Facility was increased by £1.0m to £9.2m. 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.

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Impairment

As required by IAS 36, the Group has carried out an impairment review of the carrying value of our 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 16.4% for Australia and 16.6% in the UK (2022: 11.5% for Australia and 11.8% 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.

The Group has impaired former acquisition goodwill by £12.1m (2022: £6.1m). This non-cash charge has been recognised against the UK Cash Generating Unit ("CGU") largely due to the increase in WACC in light of the current economic environment in the UK. The acquisition goodwill relating to the Australia CGU remains unimpaired.

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 to 31 March 2025.

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 Board has also considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2025. 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.

In considering their position the Directors have also had regard to letters of support in respect of the secured debt which they have received from each of the holders of that debt. Details of this debt are contained in Note 18 and Note 30.

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.

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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 Environment From the start of March 2020 Jaywing has been impacted by the Covid-19 pandemic, with disruption to client and staff. The long-term effects of this on the UK economy are still being felt now with high inflation, interest rates and economic uncertainty. The situation in Ukraine is also having an impact on the world economy, yet the impact on Jaywing directly has been negligible.	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 / adverse economic environment Loss of business from clients, whether due to the adverse economic environment or other, could lead to a reduction in overall revenue and profitability. Adverse economic environment	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.

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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 Chief Executive's 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

Andrew Fryatt
Chief Executive Officer
Jaywing plc
6 September 2023

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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 2023.

Board of Directors

Ian Robinson, Non-Executive Chairman
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.

Andrew Fryatt, Chief Executive

Andrew has more than 30 years' experience in technology-dependent businesses, primarily in the Retail and Telecoms sectors. Following an honours degree in Economics from the University of Cambridge, he began his career in the Mars Group, progressing through various marketing roles before joining Kingfisher Group in a senior marketing role. His experience included senior marketing and commercial roles before moving into general management, and he has run major divisions of Daisy and Zen Internet, as well as gaining experience as CEO of Ideal Shopping Direct plc. He has a particular focus on customer excellence and has received several awards on behalf of his businesses for delivering outstanding service.

Mark Carrington, Non-Executive Director
Member of Audit & Risk, Remuneration and Nomination Committees

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.

Philip Hanson, Non-Executive Director
Chair of Remuneration and Nomination Committees and member of Audit & Risk Committees

Philip is a fellow of the Chartered Institute of Marketing and has extensive experience in marketing and ecommerce both in the UK and internationally, having held a number of senior roles in the FMCG and retail financial services sectors – latterly as Global Marketing & ecommerce Director for Travelex. He is also Non-Executive Director of the Bettys & Taylors Group. He was a Director of the French and Australian entities of the Goelet family wine business (SCEA Domaine de Nizas and Red Earth Nominees Pty Ltd respectively) until December 2020. He is a Non-Executive Director of Silver Blue LLC which oversees the worldwide agriculture assets of the Goelet family. Philip was a Director of Travelex Card Services Ltd until December 2015.

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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 2023 was £12.8m (2022: loss of £6.5m). The Directors do not propose to pay a dividend.

Net liabilities at 31 March 2023 were £1.2m (2022 Net assets £12.0m).

Future developments
The future developments of the Group are referred to in the Chief Executive's Report.

Political and charitable donations
The Group made charitable donations of £3k (2022: £1k) and no political donations during the current or prior year.

Directors' interests
The present membership of the Board, together with biographies on each, is set out on page 12. All those Directors served throughout the year or from appointment. The Directors' interests in shares in the Company are set out in the Directors' remuneration report.

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.

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Streamlined Energy and Carbon Reporting (SECR)

We choose to disclose 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 2022 to 31 March 2023 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 2019 emission factors developed by Defra and BEIS.

Results

Element	2022/23 (tCO2e)	2021/22 (tCO2e)
Direct emissions (Scope 1) – natural gas and LPG	36,333	59,126
Indirect emissions (Scope 2) – from purchases electricity	41,739	63,396
Total tCO2e (Scope 1 & 2)	**78,072**	**122,522**
Other indirect emissions (Scope 3) – grey fleet travel	17,645	20,964
Gross Total Emissions	**95,717**	**143,486**
Intensity metric (Gross Emissions): Tonnes of CO2e per employee	**336**	**586**
Total energy consumption (kWh)	**394,941**	**621,382**

Energy Efficiency

As an office-based business, our environmental impact is low and our Corporate Social Responsibility policy is available on https://investors.jaywing.com, which covers our approach to the environment and sustainability.

At Jaywing, we

- encourage the use of remote working facilities to avoid travelling where possible
- 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.

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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 to 31 March 2025.

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 Board has also considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2025. 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.

In considering their position the Directors have also had regard to letters of support in respect of the secured debt which they have received from each of the holders of that debt. Details of this debt are contained in Note 18 and Note 30.

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 2023, 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:

		2023	2022
	Number of voting rights	**%**	%
Lord Michael Ashcroft	27,919,737	29.9	25.6
Lombard Odier Investment Managers Group	17,600,709	18.9	23.6
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
M Boddy	3,366,667	3.6	3.6
Miton UK Microcap Trust plc	2,771,035	3.0	3.1

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.

Post Balance Sheet Events
On 13 April 2023, post period end, the Company granted 1,152,000 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.

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.

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. This total includes the 1,200,000 CSOP Options granted to each of Andrew Fryatt (CEO) and Christopher Hughes (CFO) , and 2,240,000 CSOP Options granted to certain senior employees of the Company. 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'

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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.

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, Grant Thornton UK LLP, 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

Andrew Fryatt
Director
Dated: 6 September 2023

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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 (Chairman)
Ian Robinson
Mark Carrington

The Committee met six times during the year.

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 2023 there was one Executive Director on the Board as follows:

Andrew Fryatt (Chief Executive) – Appointed 21 April 2020

On 14 March 2022 we announced that Caroline Ackroyd, the Company's Chief Financial Officer and a board director had resigned to pursue other interests. Interim CFO support was then provided by Ajay Handa (who did not join the Board) until 31 August 2022, when the Company announced the appointment of Christopher Hughes as the Company's Chief Financial Officer. Christopher is expected to join the Board in due course.

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 Non-Executive Chairman received an annual fee of £75,000 (2022: £50,000) which is an increase from the previous year following a review of the time commitment and benchmarking of the Chair role in similar AIM listed businesses. Non-Executive Directors' fees currently comprise a basic fee of £30,000 per annum plus £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, post period end, the Company granted 1,152,000 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 post balance sheet event note 35.

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Directors' remuneration

The total amounts of the remuneration of the Directors of the Group for the years ended 31 March 2023 and 2022 are shown below:

31 March	2023	2022
	£	£
Aggregate emoluments	**341,677**	554,022
Sums paid to third parties for Directors' services	**30,000**	30,000
	371,677	584,022

The emoluments of the Directors are shown below:

31 March		2023 Fees and salary	2022 Fees and salary	2023 Pension contributions	2022 Pension contributions
		£	£	**£**	£
Andrew Fryatt	Appointed 21 April 2020	**226,667**	275,000	**9,067**	8,800
Caroline Ackroyd	Appointed 21 April 2021 Resigned 14 March 2022	**-**	189,022	**-**	6,686
Ian Robinson		**75,000**	50,000	**-**	-
Philip Hanson		**40,000**	40,000	**-**	-
Mark Carrington*		**30,000**	30,000	**-**	-
Total		**371,667**	584,022	**9,067**	15,486

* 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 (2022: 5 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	26 March 2020	21 April 2020	6 months	Jaywing plc
Caroline Ackroyd	7 September 2020	21 April 2021	N/A resigned 14 March 2022	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	27 April 2017	3 months	Jaywing plc
Mark Carrington	21 March 2018	3 months	Jaywing plc

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

31 March	**2023**	2022
	Number of shares	Number of shares
Ian Robinson	470,267	470,267
Philip Hanson	109,462	109,462
Andrew Fryatt	120,993	96,969

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

Philip Hanson

Philip Hanson
Dated: 6 September 2023

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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. The Board considers 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 2023, the Board comprised Non-Executive Chairman Ian Robinson and Non-Executive Directors Philip Hanson and 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.

Caroline Ackroyd, Chief Financial Officer, resigned effective on 14 March 2022 and was replaced by an Interim Chief Financial Officer (non-statutory director), Ajay Handa, on the same date until the 31 August 2022 when the Company announced the appointment of Christopher Hughes as the Company's Chief Financial Officer.

The roles of Chief Executive Officer and Chairman are separate and there is a clear division of their responsibilities. All Directors are subject to re-election at least every three years.

The 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
The Remuneration Committee comprises 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 pay more than is necessary for this service.

The Committee did not award any share options or pay rises to Executive Directors during the year. It awarded an annual bonus to the CEO and CFO as set out in the Directors Remuneration Report in respect of the prior financial year. It has not awarded an annual bonus in respect of the year to 31 March 2023. Further details of the Group's policies on remuneration and service contracts are given in the Directors' Remuneration report.

Audit & Risk Committee
The Audit & Risk Committee comprises 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 Grant Thornton be reappointed as external auditor.

Nomination Committee
The Nomination Committee comprises 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.

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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 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 2023:

	Board	Remuneration	Audit & Risk	Nomination
Total meetings held	12	6	2	1
Ian Robinson	12	6	2	1
Philip Hanson	12	6	2	1
Mark Carrington	12	6	2	1
Andrew Fryatt	12	6	2	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
Andrew Fryatt
Dated: 6 September 2023

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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

Andrew Fryatt
Dated: 6 September 2023

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Independent auditor's report to the members of Jaywing plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Jaywing plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, notes to the Consolidated financial statements, including a summary of significant accounting policies, the Company Profit and Loss account, the Company Balance Sheet, the Company Statement of Changes in Equity and the notes to the Parent company 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 of the parent company's affairs as at 31 March 2023 and of the group's loss and the parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as current interest and inflation rates, we assessed and challenged the reasonableness of estimates made by the

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directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

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 and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

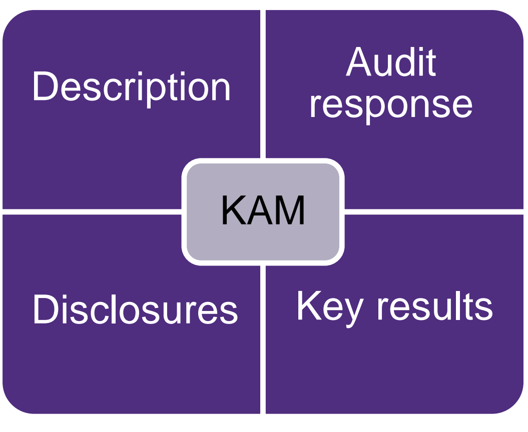
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

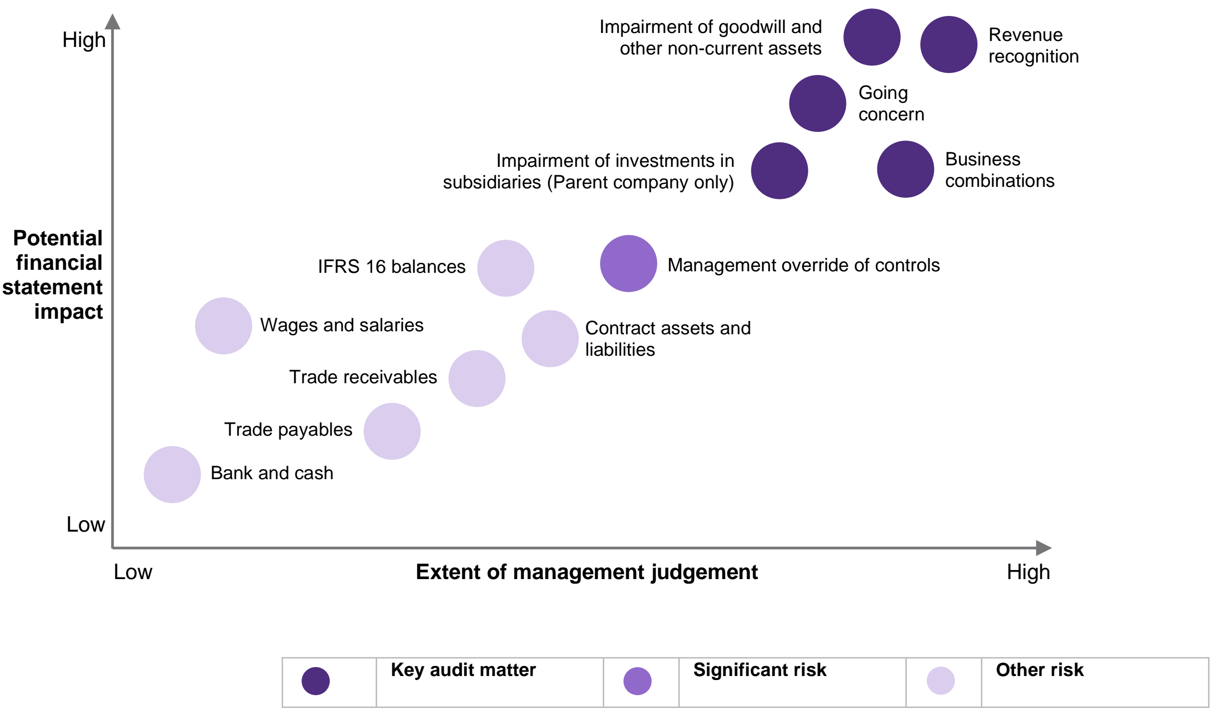
	Overview of our audit approach
Grant Thornton	Overall materiality: Group: £222,000, which represents approximately 1% of the group's revenue. Parent company: £140,000, which represents 0.5% of the parent company's total assets at the planning stage of the audit.
 	Key audit matters in respect of both the group and parent company were identified as: • Going concern (same as previous year for the Group but new for the parent company); Key audit matters in respect of the group were identified as: • Revenue recognition (same as previous year); • Impairment of goodwill and other non-current assets (same as previous year); and • Business combinations including deferred and contingent consideration (new). Key audit matters in respect solely of the parent company were identified as: • Impairment of investments in subsidiaries (same as previous year). Our auditor's report for the year ended 31 March 2022 included no key audit matters that have not been reported as key audit matters in our current year's report.
	A full scope audit was performed on the financial information of two components that were determined to be significant. An audit of one or more classes of transactions, account balances or disclosures was performed on one component within the Group. Analytical procedures at group level was performed on eight components. The components where we performed full or specified audit procedures accounted for 97% of the Group's revenue, 83% of the Group's total assets and 100% of the Group's loss before tax. The approach taken differs to the prior year and this is described further in the section below named 'An overview of the scope of our audit'.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



	Key audit matter		Significant risk		Other risk

Key Audit Matter – Group	How our scope addressed the matter – Group
Revenue recognition	In responding to the key audit matter, we performed the following audit procedures:

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Key Audit Matter – Group	How our scope addressed the matter – Group
We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud and error. The Group enters into a high volume of transactions and some contracts are entered into which span the 31 March 2023 year end. The contracts across all revenue streams have varying terms and degrees of complexity. We have pinpointed the significant risk of fraud in revenue recognition to open projects which have had time incurred within the last 2 months of the year; and the last month of the year for the retainers revenue. These are open contracts which are not yet complete and include more judgement around the amount of revenue to recognise and therefore have heightened potential for material misstatement due to fraud and error. We have also pinpointed the risk to any transactions impacting revenue, where the offsetting side of the journal does not affect accounts receivable or cash balances, meaning they pose a risk due to their unusual nature. This is across all revenue streams.	• Assessed revenue recognition policies for compliance with the requirements of International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers', and tested the revenue recorded in the year for adherence to the policy adopted; • Used data analytics to assess entries made to the revenue nominal account and investigated any outside of our expectation, including agreeing to supporting evidence; • For a sample of open projects in the last two months of the year agreed to supporting documentation including signed contract, invoice and timesheet data to corroborate the occurrence of revenue; • For the sample of open projects, recalculated expected revenue based on the input method per IFRS 15 'Revenue from Contracts with Customers' to assess management's judgement regarding revenue recognised in the year; • Selected a sample of retainers within the last month of the year to supporting documentation including signed contract to corroborate the occurrence of revenue and that revenue was recognised in the correct period; and • Assessed whether there was an indication of loss-making contracts (such as by identifying contracts with negative margins), and held discussions with management to understand any negative margins included on client contracts which may have an indication of loss-making jobs at year end.
Relevant disclosures in the Annual Report and Accounts for the year ended 31 March 2023 • Financial statements: Principal Accounting Policies • Financial statements: Note 1 to the consolidated financial statements, Segmental analysis • Financial statements: Note 17 to the consolidated financial statements, Contract Assets and Liabilities	**Our results** Based on our audit work, we did not identify material misstatements or fraudulent transactions in the revenue recognised in the year to 31 March 2023.
Impairment of goodwill and other non-current assets We identified impairment of goodwill and other non-current assets as one of the most	In responding to the key audit matter, we performed the following audit procedures:

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Key Audit Matter – Group

significant assessed risks of material misstatement due to error.

The carrying value of goodwill at 31 March 2023 was £10.1m (2022: £21.7 million) after an impairment charge of £12.1m (2022: £6.1m). Based on the current trading conditions in the environment within which the Group operates, we have identified a significant risk in relation to the impairment of goodwill and other non-current assets, pinpointed to the UK cash-generating unit (CGU), based on the size of the balance and the expected headroom.

The goodwill in respect of the UK CGU is subject to an annual impairment review under International Accounting Standard ('IAS') 36 'Intangible Assets'.

The key judgements made by management in assessing goodwill and other non-current assets for impairment include, due to the sensitivity of amounts determined to changes in these assumptions, the growth and discount rates applied in the discounted cash flow calculations, and the identification of CGUs.

How our scope addressed the matter – Group

- Obtained and challenged the impairment review performed by management, assessing and testing key inputs;
- Assessed management's allocation of assets to CGUs and challenged the appropriateness of CGUs identified within the group;
- Challenged the assumptions and calculations incorporated in the impairment review of goodwill and intangible assets and subsequent impairment assessments;
- Assessed the reasonableness of the discount rate calculated by management's expert, including through the use of our internal valuation experts;
- Recalculated and challenged the implied growth rates included in the model by comparing the actual results to historical forecasting and assessing post-year end performance against budget;
- Evaluated management's sensitivity analysis and performed additional sensitivities to understand the impact of reasonably possible changes on the impairment charge; and
- Assessed the disclosures prepared in the financial statements for appropriateness in accordance with IAS 36.

Relevant disclosures in the Annual Report and Accounts for the year ended 31 March 2023

- Financial statements: Principal Accounting Policies
- Financial statements: Notes 14 and 15 to the consolidated financial statements, Goodwill and Other intangible assets, respectively

Our results

From our audit work performed we are satisfied that the impairment review is appropriate. We are satisfied that the impairment charge of £12.1m is not materially misstated and consequently that the goodwill and other non-current assets are held at an appropriate carrying value.

Business Combinations (including deferred and contingent consideration)

We identified business combinations as one of the most significant assessed risks of material misstatement due to error.

The acquisition of Midisi Limited gave rise to consideration in the form of cash, deferred and contingent consideration.

IFRS 3 'Business Combinations' requires most assets and liabilities in the consolidated financial statements to be recorded at fair value. There is significant management judgement involved in determining the fair value of the assets and liabilities acquired,

In responding to the key audit matter, we performed the following audit procedures:

- Obtained management's purchase price allocation assessment for the acquisition in the year, assessed it for reasonableness and agreed it to supporting legal documentation;
- Obtained and inspected legal documentation to corroborate the details of the acquisition and understand all elements of the transaction and agreed the consideration paid / payable to supporting documentation;
- Read the acquisition documentation to ensure consideration is appropriately defined and

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Key Audit Matter – Group	How our scope addressed the matter – Group
including the calculation of the fair value of technology and customer-related intangible assets acquired, and the discount rate and long-term growth rates used in the valuation. There is also significant management judgement in determining the contingent consideration as this is reliant on whether future conditions are met. .	quantified, in addition to inspecting the related conditions to classify deferred and contingent balances; • Assessed the treatment of the acquisition in accordance with IFRS 3, specifically around the valuation of contingent consideration and intangible assets recognition; • Tested the acquisition balance sheet by agreeing material balances to supporting evidence, including cash balances to bank letter; • Utilised our valuation experts to assist in assessing the work performed by management in relation to the valuation of acquired intangible assets and consideration paid. This included challenging whether the methodology used in the valuation is in accordance with acceptable valuation methods and whether inputs such as future profits, attrition rates and discount rates used are appropriate; and • Assessed the disclosures in the financial statements in relation to these transactions.

Relevant disclosures in the Annual Report and Accounts for the year ended 31 March 2023	Our results
• Financial statements: Principal Accounting Policies • Financial statements: Note 32 to the consolidated financial statements, Business combination	Based on our audit work performed we have not identified material misstatements relating to the valuation of intangible assets arising on acquisition.

Key Audit Matter – Group and Parent company	How our scope addressed the matter – Group and Parent company
Going concern We identified going concern as one of the most significant assessed risks of material misstatement due to error. Due to the disruption caused to the UK economy in recent years and the current high interest and inflationary environment, there is a heightened risk that the entity will not be able to continue in operation for the foreseeable future. In recent years the group and parent company have both suffered losses which have weakened their respective financial positions. In undertaking their assessment of going concern for the Group and the Parent company, the directors considered the impact of macro-economic factors in their forecast future performance of the Group and the Parent company.	In responding to the key audit matter, we performed the following audit procedures: • Obtained management's assessment of the use of the going concern assumption and considered for reasonableness; • Examined the reasonabless of management's going concern assumptions and supporting information for the going concern period, including budgets and cash flow forecasts; • Assessed the accuracy of management's forecasting by comparing the reliability of past forecasts to management's actual results, and considered whether management's historic forecasting accuracy impacts the reliance we can place upon the forecasts provided; • Obtained management's sensitivity analysis, including reverse stress test, and

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The directors have concluded, based on the various scenarios developed, that the Group and the Parent company have sufficient resources available to meet their liabilities as they fall due untill March 2025, and have concluded that there are no material uncertainties that may cast significant doubt over the Group's and the Parent company's ability to continue as a going concern.

assessed the likelihood of the assumptions which would mean that the going concern assumption was not appropriate;

- Assessed the plausibility of the mitigating actions available to management to continue as a going concern if downside sensitivities were to crystalise;
- Assessed the financing facilities which are in place, including speaking directly to the lenders and obtaining the letters of support which have been provided from the loan holders and shareholders;
- Obtained confirmation of post-year end performance and cash position to assess whether this is in line with budgeted results;
- Evaluated the arithmetical accuracy and consistency of management's going concern base case model; and
- Assessed the adequacy of related disclosures within the annual report and accounts.

Relevant disclosures in the Annual Report and Accounts for the year ended 31 March 2023

- Financial statements (Group): Principal accounting policies, Going concern
- Financial statements (Parent company) Note 1 'Accounting policies' to the Parent company financial statements, Going concern

Our results

We have nothing to report in addition to that stated in the 'Conclusions related to going concern' section of our report.

Key Audit Matter – Parent company

Impairment of investments in subsidiaries

We identified impairment of investments in subsidiaries as one of the most significant assessed risks of material misstatement due to error.

The carrying value of the Parent company's investments in subsidiaries at 31 March 2023 was £20.5m (2022: £26.2m) after an impairment charge of £8.8m (2022: £9.2m). Based on the current trading conditions in the environment within which the parent company operates, we have identified an elevated risk in relation to the impairment of investments in subsidiaries.

The investments held in subsidiaries are subject to an annual assessment as to whether there is any indication that the assets may be impaired. If any such indication exists, management are required to estimate the recoverable amount of the investments held in accordance with International Accounting Standard ('IAS') 36 'Intangible Assets'.

How our scope addressed the matter– Parent company

In responding to the key audit matter, we performed the following audit procedures:

- Obtained management's assessment of impairment indicators and considered its reasonableness;
- Obtained and challenged the impairment review performed by management, testing key inputs and performing sensitivity analysis;
- Challenged the assumptions and calculations incorporated in the impairment review of investments in subsidiaries and subsequent impairment assessments;
- Assessed the reasonableness of the discount rate calculated by management's expert, including the use of our internal valuation experts;
- Recalculated and challenged the implied growth rates included in the model by comparing the actual results to historical

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The key judgements made by management in assessing the carrying value of investments in subsidiaries for impairment include the growth and discount rates applied in the discounted cash flow calculations, due to the sensitivity of the determined amount to changes in these assumptions.

forecasting and assessing post-year end performance against budget; and

- Assessed the disclosures prepared in the financial statements for appropriateness in accordance with IAS 36.

Relevant disclosures in the Annual Report and Accounts for the year ended 31 March 2023

- Financial statements: Note 12 to the Parent company financial statements, Investments

Our results

We did not identify a material misstatement in relation to the impairment charge recognised.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£222,000, which is approximately 1% of the Group's revenue.	£140,000, which is 0.5% of the Parent company's total assets at the planning stage of the audit.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • Revenue is a key performance indicator for management as identified within the Strategic Report and is the focus for further growth of the Group. We therefore considered revenue to be the most appropriate benchmark for the Group. • We determined a percentage of 1% to be appropriate based on the Group's size and	In determining materiality, we made the following significant judgements: • The Parent company is a holding company which has no trade, so we therefore considered total assets to be the most appropriate benchmark for the Parent company. • The percentage of 0.5% was selected based on the risk profile of the company as a component within a listed entity Group. Materiality for the current year is higher than the level that we determined for the year ended

Materiality measure	Group	Parent company
	complexity as an AIM-listed entity. Materiality for the current year is higher than the level that we determined for the year ended 31 March 2022 due to a change in the measurement percentage being applied to total revenue.	31 March 2022 due to materiality in the prior year being capped as a percentage of group materiality.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£166,500, which is 75% of financial statement materiality.	£105,000, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • that management of the group maintain an effective control environment; and • our experience auditing the financial statements of the Group, including the limited number and quantum of misstatements and significant control deficiencies identified in previous audits.	In determining performance materiality, we made the following significant judgements: • that management of the parent company maintain an effective control environment; and • in our experience of previous audits of the parent company we have not identified a significant number of uncorrected misstatements nor significant control deficiencies.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions.	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions.

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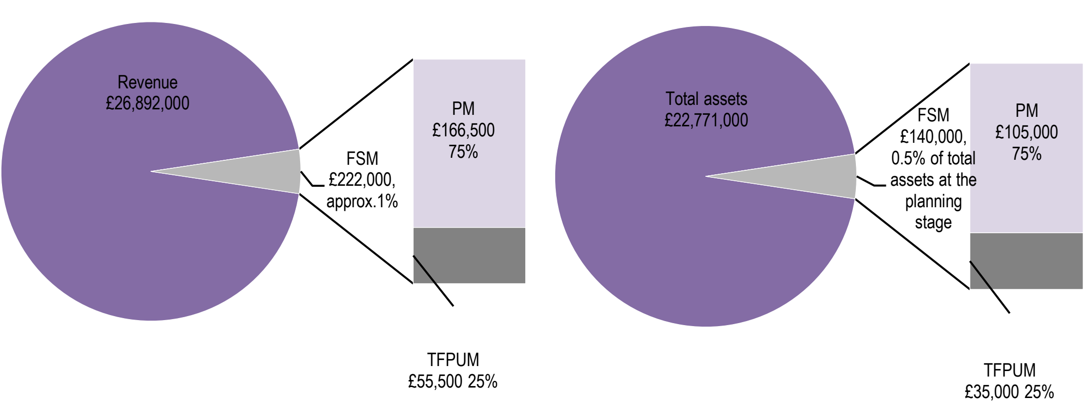
Materiality measure	Group	Parent company
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£11,100 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£7,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group

Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- We obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level;
- We obtained an understanding of the individual components, including component specific controls, and assessed the risks of material misstatement at the Group level. We held planning discussions with the Group's management team;
- We obtained an understanding of the business processes for key areas of focus, including significant risks, in order to confirm our understanding of the control environment across the Group; and
- We documented and assessed the design and implementation of controls related to key audit matters communicated in this report

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Identifying significant components

- We identified a total of eleven components, of which two were identified as significant based on their individual financial significance to the Group. The measures used to determine significance were based on the Group's revenue, the Group's loss before tax and the Group's total assets.
- Additional components were selected based on an assessment of the risk of material misstatement to the group. For these components an audit of one or more accounts, balances, class of transactions or disclosures (specific-scope audit) was performed.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We performed an audit of the financial information of the component using component materiality (full-scope audit) on two components identified as significant. These full-scope audits included our work on the revenue recognition key audit matter as described in the key audit matter section of our report.
- We performed an audit of one or more classes of transactions, account balances or disclosures (specific-scope audit) on one component identified as likely to include significant risks to the group. We identified impairment of investments in subsidiaries as a key audit matter and the work we performed to address this is as described in the key audit matters table above.
- We performed analytical procedures on the financial information of the remaining components.
- We identified impairment of goodwill and other non-current assets and going concern at a group level as key audit matters. The procedures performed in respect of these have been included in the key audit matter section of our report.

Performance of our audit

- We performed full and specific-scope audit procedures across the components in accordance with the scope described above with the support of one component auditor.

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage LBT
Full-scope audit	2	27	97	100
Specific-scope audit	1	56	0	0
Analytical procedures	8	17	3	0
Total	10	100%	100%	100%

Communications with component auditors

- The Group engagement team communicated with one component auditor covering one component performing a single full-scope audit. The Group audit team were involved in all stages of their work, from planning and risk assessment, through fieldwork and as part of concluding procedures.

Changes in approach from the previous period

- Our audit scope has changed since the prior year. As a result of the trade and assets of Frank Digital Pty Ltd being transferred into Jaywing Australia Pty Limited the component is no longer individually financially significant and therefore analytical procedures were performed at Group level.

Other information

The other information comprises the information included in the annual report and accounts for the year ended 31 March 2023, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and accounts for the year ended 31 March 2023. Our

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opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themsleves. 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

In the light of the 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.

Matters on which we are required to report by exception

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 22, 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 the 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.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated our enquiries through our analysis of board minutes.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the parent company and determined that the most significant are UK-adopted international accounting standards (for the group), Financial Reporting Standard 101 'Reduced Disclosure Framework' (for the parent company) and the Companies Act 2006.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and the Audit Committee, and from inspection of the Group board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations across the Group with the directors and the Audit Committee, and reviewed meeting minutes to identify any instances of non-compliance with laws and regulations.
- We assessed the susceptibility of Jaywing plc's consolidated financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where they considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

journal entries that reclassified costs from the income statement to the balance sheet or were posted by senior finance personel;

potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of intangible assets; and

transactions with related parties.

- Audit procedures performed by the engagement team included:
  - journal entry testing, with a focus on material manual journals, including those posted by senior finance personnel and those posted directly to the consolidation that reduced costs in the last quarter of the financial year;
  - performing stress testing on management's impairment calculation;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - testing the completeness of the Group's related party transactions through information obtained at the Parent and other component entities and corroborating that those transactions had a valid business purpose;
  - assessing matters reported through the Group's whistleblowing programme and the results of management's evaluation of such matters; and
  - assessing the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

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  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Group and Parent company operate; and
  - understanding of the legal and regulatory frameworks applicable to the Group and the Parent company.
- Relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of the component auditor to request details of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the Group financial statements.

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 reithereport

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Victoria McLoughlin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
6 September 2023

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Consolidated Statement of Comprehensive Income

For the year ended 31 March	Note	2023 £'000	Restated 2022* £'000
Revenue	1	**22,062**	23,324
Other operating income	2	**507**	40
Operating expenses	3	**(33,909)**	(29,450)
Operating Loss		**(11,340)**	(6,086)
Finance costs	4	**(1,195)**	(574)
Loss before tax		**(12,535)**	(6,660)
Tax (expense)/credit	5	**(291)**	123
Loss for the year		**(12,826)**	(6,537)
Loss for the year is attributable to:			
Non-controlling interests		**-**	12
Owners of the parent		**(12,826)**	(6,549)
		(12,826)	(6,537)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on retranslation of foreign operations	27	**(368)**	279
Total comprehensive loss for the period		**(13,194)**	(6,258)
Total comprehensive loss is attributable to:			
Non-controlling interests	26	**-**	12
Owners of the Parent		**(13,194)**	(6,270)
		(13,194)	(6,258)
Basic and diluted loss per share			
Loss per share	6	**(13.73p)**	(7.01p)

The accompanying Notes form part of these Consolidated Financial Statements.

*The comparative information has been restated due to misstatements in the prior period as discussed in note 34.

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Consolidated Balance Sheet

As at 31 March	Note	2023 £'000	Restated 2022* £'000
Non-current assets			
Property, plant and equipment	12	**4,023**	2,173
Goodwill	14	**10,602**	21,705
Deferred tax asset	20	**620**	644
Other intangible assets	15	**2,125**	69
		17,370	24,591
Current assets			
Trade and other receivables	16	**4,418**	6,415
Contract assets	17	**352**	453
Current tax asset		**-**	32
Cash and cash equivalents	18	**1,089**	714
		5,859	7,614
Total assets		**23,229**	32,205
Current liabilities			
Borrowings	18	**11,435**	9,007
Trade and other payables	19	**5,810**	7,931
Contract Liabilities	17	**983**	1,408
Current lease liabilities	13	**380**	395
Current tax liabilities		**20**	-
Provisions	21	**-**	42
		18,628	18,783
Non-current liabilities			
Non-current lease liabilities	13	**2,638**	1,448
Provision	21	**570**	-
Deferred tax liability	20	**592**	-
Trade and other payables	19	**2,021**	-
		5,821	1,448
Total liabilities		**24,449**	20,231
Net (liabilities) / assets		**(1,220)**	11,974
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	**(250)**	118
Retained earnings	28	**(46,150)**	(33,324)
Equity attributable to owners of the parent		**(1,220)**	11,974
Non-controlling interest	26	**-**	-
Total equity		**(1,220)**	11,974

*The comparative information has been restated due to misstatements in the prior period as discussed in note 34.

These Financial Statements were approved by the Board of Directors on 6 September 2023 and were signed on its behalf by:

Andrew Fryatt
Director
Company number: 05935923
The accompanying Notes form part of these Consolidated Financial Statements.

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Consolidated Cash Flow Statement

For the year ended 31 March	Note	2023 £'000	Restated 2022* £'000
Cash flow from operating activities			
Loss after tax		**(12,826)**	(6,537)
Adjustments for:			
Impairment of Goodwill	3	**12,095**	6,131
Depreciation of property, plant & equipment	3	**245**	327
Depreciation and impairment of right of use assets	3	**641**	752
Amortisation of intangibles	3	**320**	730
Financial costs	4	**1,195**	574
Taxation expense/(credit)	5	**291**	(123)
Operating cash flow before changes in working capital		**1,961**	1,854
Decrease/(Increase) in trade and other receivables		**1,986**	(168)
(Decrease)/Increase in trade and other payables		**(2,654)**	(99)
Cash generated from operations		**1,293**	1,587
Interest paid		**-**	(58)
Net tax paid		**(21)**	(240)
Net cash flow from operating activities		**1,272**	1,289
Cash flow from investing activities			
Payment of deferred consideration		**(818)**	(442)
Acquisition of subsidiaries	33	**(400)**	-
Acquisition of property, plant and equipment	12	**(483)**	(163)
Net cash outflow from investing activities		**(1,701)**	(605)
Cash flow from financing activities			
Increase in borrowings	18	**1,500**	-
Repayment of Lease Liabilities (IFRS16)	18	**(696)**	(722)
Net cash inflow/(outflow) from financing activities		**804**	(722)
Net increase/(decrease) in cash and cash equivalents	18	**375**	(38)
Cash and cash equivalents at beginning of year		**714**	752
Cash and cash equivalents at end of year		**1,089**	714
Cash and cash equivalents comprise:			
Cash at bank and in hand		**1,089**	714

The accompanying Notes form part of these Consolidated Financial Statements.

*The comparative information has been restated due to misstatements in the prior period as discussed in note 34.

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Consolidated Statement of Changes in Equity

	Share Capital	Share Premium Account	Capital Redemption Reserve	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Equity attributable to parent	Non-controlling Interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2021 (as previously stated)	**34,992**	**10,088**	**125**	**(25)**	**(161)**	**(26,332)**	**18,687**	**354**	**19,041**
Prior year adjustment (see note 34)	**-**	**-**	**-**	**-**	**-**	**(153)**	**(153)**	**-**	**(153)**
Restated Balance at 31 March 2021*	**34,992**	**10,088**	**125**	**(25)**	**(161)**	**(26,485)**	**18,534**	**354**	**18,888**
Acquisition of subsidiaries NCI	-	-	-	-	-	(290)	(290)	(366)	(656)
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**(290)**	**(290)**	**(366)**	**(656)**
Profit/(loss) for the period*	-	-	-	-	-	(6,549)	(6,549)	12	(6,537)
Retranslation of foreign currency	-	-	-	-	279	-	279	-	279
Total comprehensive income for the period*	-	-	-	-	279	(6,839)	(6,560)	(354)	(6,914)
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)	-	(12,826)
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)**

The accompanying Notes form part of these Consolidated Financial Statements.

*The comparative information has been restated due to misstatements in the prior period as discussed in note 34.

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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').

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 Board has also considered downside risks and the potential impact of the economic environment on the cash flows of the Group for a period to 31 March 2025. 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.

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 confirming that the debt will not be called in and support will be provided for the foreseeable future. Details of this debt are contained in Note 18 and Note 30.

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).

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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.

Monthly retainers
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.

Project-based
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.

Consulting day rates
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.

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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 profit or loss.

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.

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.

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 profit or loss 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	-	over period of lease

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

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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 profit or loss 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 profit or loss.

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.

Put/call options
In the previous year the put/call option in Frank Digital PTY had been valued by an independent assessor and was recognised with both a service and non-service element in the accounts. The non-service element was fully recognised as at the date of acquisition and the fair value reviewed annually. The service element was treated as a cash-settled share-based payment with the share-based payment valued at the point of inception and the cost being spread over the life of the asset. In the prior year the put/call option was executed and settled.

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).

Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

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.

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Leases

The Company reports using IFRS 16, whereby the Company now 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 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 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 profit or loss. 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 profit and loss account, 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 profit or loss as they accrue using the effective interest method.

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Taxation
Tax on the profit or loss 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 profit or loss 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.

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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 profit or loss 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. 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
Judgements made by the Directors in the application of these 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.

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Accounting estimates

Impairment of goodwill and other intangible assets
The carrying amount of goodwill is £10,602k (2022: £21,705k) and the carrying amount of other intangible assets is £2,125k (2022: £69k). 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 33). In particular, the fair value of contingent consideration which is a Level 3 Fair Value asset with movements through the P&L 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 33). The present value of the maximum consideration not booked is £1.5m.

Accounting judgements

Revenue
Recognition of revenue
The Directors consider that they act 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.

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Notes to the Consolidated Financial Statements

1. Segmental analysis

The Group reported 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 (2022: None).

Revenue, Contribution and Adjusted EBITDA by Operating Segments

Revenue:	**2023 £'000**	2022 £'000
United Kingdom	**16,380**	18,099
Australia	**5,682**	5,225
Total	**22,062**	23,324

Contribution (1):	**2023 £'000**	2022 £'000
United Kingdom	**4,886**	4,849
Australia	**2,142**	2,057
Total	**7,028**	**6,906**

Adjusted EBITDA (2):	**2023 £'000**	2022 £'000
United Kingdom	**1,882**	1,680
Australia	**528**	526
Total	**2,410**	2,206

All revenue is recognised over time.

(1) Contribution is defined as Revenue less Direct Costs comprise 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 and acquisition & related costs

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:

	2023 £'000	2022 £'000
United Kingdom	**13,859**	21,576
Australia	**3,511**	3,015
	17,370	24,591

2. Other operating income

	2023 £'000	2022 £'000
Covid-19 government support	**-**	40
Other income	**507**	-
	507	40

Within other income this period 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. The remaining £5k relates to sundry income.

The Group has taken the option to present income received from Government sources in relation to Covid-19 as other operating income, rather than netted against costs. In the period to September 2021 the Group received funds from the UK Government

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under the Covid-19 Job Retention Scheme of £37k, and £3k under the corresponding scheme in Australia, Cashflow boost and Job Keepers. There were no receipts of support after September 2021.

3. Operating expenses

Continuing operations:	**2023 £'000**	2022 £'000
Wages and salaries	**14,210**	14,865
Social Security Costs	**1,306**	1,724
Other Pension Costs	**905**	915
Impairment of Goodwill	**12,095**	6,131
Depreciation of property, plant & equipment	**245**	327
Depreciation and impairment of right of use assets	**641**	752
Amortisation	**320**	730
Release of deferred consideration	**-**	(882)
Court legal fees	**-**	774
Restructuring costs	**190**	352
Acquisition and related costs	**259**	-
Other operating expenses	**3,738**	3,762
Total operating expenses	**33,909**	29,450

4. Finance costs

	2023 £'000	Restated 2022* £'000
Interest expense on borrowings	**748**	416
Withholding tax on borrowings interest expense	**180**	100
Interest on lease liabilities (see note 13)	**142**	58
Interest on deferred and contingent consideration	**125**	-
Total	**1,195**	574

5. Tax credit

The tax charge / (credit) is based on the loss for the year and represents:	**2023 £'000**	Restated 2022* £'000
UK corporation tax at 19% (2022: 19%)	**152**	48
Adjustment for prior year	**198**	-
Total current tax	**350**	48
Deferred tax:		
Origination and reversal of timing differences	**(59)**	(171)
Total tax charge / (credit)	**291**	(123)

The tax charge / (credit) can be explained as follows:	**2023 £'000**	Restated 2022* £'000
Loss before tax	**(12,535)**	(6,660)
Tax using the UK corporation tax rate of 19% (2022: 19%)	**(2,382)**	(1,265)
Effect of:		
Recognition of previously unrecognised losses	**(129)**	(125)
Goodwill impairment	**2,298**	1,164
Adjustment for prior year	**198**	-
Non-deductible expenses	**306**	103
Current year charge / (credit)	**291**	(123)

6. Loss per share

	2023 Pence per Share	Restated 2022* Pence per Share
Basic loss per share	**(13.73p)**	(7.01p)
Diluted loss per share	**(13.73p)**	(7.01p)

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:

	2023 £'000	Restated 2022* £'000
Loss for the year attributable to shareholders	**(12,826)**	(6,549)

Weighted average number of ordinary shares in issue:

	2023 Number	2022 Number
Basic and diluted	93,432,217	93,432,217

7. Auditor's remuneration

	2023 £'000	2022 £'000
Auditor's remuneration:		
Audit of Company Financial Statements	**48**	45
Other amounts payable to the auditor and its associates in respect of:		
Audit of Subsidiary Company Financial Statements	**118**	111
Audit related assurance services	**5**	5
Taxation compliance services	**30**	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 required instead to be disclosed on a consolidated basis.

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8. Key management personnel compensation

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

	2023 £'000	2022 £'000
Short-term benefits:		
Salaries including bonuses	**1,513**	1,703
Social security costs	**190**	235
Total short-term benefits	**1,703**	1,938
Defined contribution pension plan costs	**53**	68
Key management compensation	**1,756**	2,006

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

Remuneration in respect of Directors was as follows:

	2023 £'000	2022 £'000
Emoluments receivable	**342**	555
Fees paid to third parties for Directors' services	**30**	30
Company pension contributions to money purchase pension schemes	**9**	15
	381	600

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 £236k (2022: £284,000).

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:

	2023 Number	2022 Number
Management and administration	**34**	35
Client Service Staff	**251**	261
	285	296

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Wages and salaries	**14,210**	14,865
Social security costs	**1,306**	1,724
Other pension costs	**905**	915
Total	**16,421**	17,504

10. Employee benefits

There were no share options outstanding at the year-end. Refer to note 35 for details of employee benefits issues post year end.

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11. Non-controlling interests

The details of subsidiaries held directly by the Group are set out in Note 12 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	
	2023 %	2022 %	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Frank Digital PTY	-	-	**-**	12	**-**	-
			-	12	**-**	-

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

	Buildings £'000	**Leasehold improvements £'000**	**Office equipment £'000**	**Total £'000**
Cost				
At 31 March 2021	2,673	1,438	594	4,705
Additions	-	-	163	163
Right of use asset additions	985	-	44	1,029
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**
Depreciation				
At 31 March 2021	1,280	1,125	240	2,645
Depreciation charge for the year	-	102	225	327
Impairment of right of use asset	44	-	-	44
Depreciation of right of use asset	674	-	34	708
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**
Net book value				
At 31 March 2023	**3,325**	**147**	**551**	**4,023**
At 31 March 2022	1,660	211	302	2,173
At 31 March 2021	1,393	313	354	2,060

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

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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:

	2023	2022
	£'000	£'000
Right of use assets		
Buildings	**3,325**	1,660
Office equipment	**74**	90
	3,399	1,750
Lease liabilities		
Current	**380**	395
Non-current	**2,638**	1,448
	3,018	1,843

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2023	2022
	£'000	£'000
Depreciation and impairment charge of right of use assets		
Buildings	**588**	718
Office equipment	**53**	34
	641	752
Interest expense (included in finance cost)	**142**	58

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

14. Goodwill

	Goodwill
	£'000
Cost	
At 31 March 2021	**27,581**
Foreign Exchange	255
At 31 March 2022	27,836
Recognition on acquisition	1,279
Foreign Exchange	(287)
At 31 March 2023	**28,828**
Impairment	
At 31 March 2021 and 31 March 2022	-
Impairment charge	(6,131)
At 31 March 2022	(6,131)
Impairment charge	(12,095)
At 31 March 2023	**(18,226)**
Net book value	
At 31 March 2022	27,581
At 31 March 2022	21,705
At 31 March 2023	**10,602**

Goodwill by CGU

	2023	2022
	£'000	£'000
United Kingdom	**7,926**	18,742
Australia	**2,676**	2,963
	10,602	21,705

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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 2023/24 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
2023/24 to 2024/25	8.0%	6.0%
2024/25 to 2025/26	7.0%	6.0%
2025/26 to 2026/27	7.0%	6.0%
2026/27 to Perpetuity	1.0%	1.0%

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 16.6% for the UK and 16.4% for Australia (2022: 11.8% for the UK and 11.5% for Australia).

As a result of these tests, that there was no impairment necessary in Australia. Budgeted cash flows for 2023/24 were haircut by applying a reduction in EBITDA in respect of the UK results and future cash flows, management believes that an impairment is required for the goodwill in relation to the UK CGU of £12.1m (2022: £6.1m). This is predominantly due to the increase in WACC as a result of the currently economic climate in the UK. If the WACC was the same as the previous year then a reduced impairment charge of £5.6m would have been recognised.

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

- If there was no Revenue growth from FY25, and costs remained static, there would be an additional impairment of £2.3m
- If revenues and costs increase by 5% but indirect costs stay the same, this would result in an additional impairment of £1.5m

Due to the significance of the headroom in the Australian CGU, detailed sensitivity analysis was not undertaken.

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15. Other intangible assets

	Customer relationships	Order books	Trademarks	Intellectual property	Development costs	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 31 March 2021	**21,305**	**1,457**	**1,080**	**-**	**1,421**	**25,263**
Additions during the year	-	-	-	-	-	-
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**
Amortisation						
At 31 March 2021	20,714	1,457	1,080	-	1,213	24,464
Amortisation charge for the year	591	-	-	-	139	730
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
Net book amount						
At 31 March 2023	**-**	**-**	**-**	**2,099**	**26**	**2,125**
At 31 March 2022	-	-	-	-	69	69
At 1 April 2021	591	-	-	-	208	799

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

	2023 £'000	2022 £'000
Trade receivables	**3,723**	5,629
Prepayments	**508**	589
Other receivables	**187**	197
	4,418	6,415

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

	2023 £'000	2022 £'000
Accrued income	**352**	453

	£'000
Contract assets as at 31 March 2022	**453**
Amounts billed on contract assets as at 31 March 2022	**(437)**
New contract assets recognised	**336**
Contract assets as at 31 March 2023	**352**

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

	2023 £'000	2022 £'000
Deferred income	**983**	1,408

	£'000
Contract liabilities as at 31 March 2022	**1,408**
Revenue recognised in the year on contract liabilities as at 31 March 2022	**(1,314)**
New contract liabilities net of revenue recognised against these	**889**
Contract liabilities as at 31 March 2023	**983**

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 2023, revenue is expected to be recognised in the financial year to 31 March 2024.

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18. Borrowings and Net Debt

	2023 £'000	Restated* 2022 £'000
Borrowings	**11,435**	9,007
	%	%
Average interest rates at the balance sheet date were:	**8.57**	4.75

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

	Restated* 1 April 2022 £'000	**Cash flow £'000**	**Draw down £'000**	**Accrual recognised £'000**	**31 March 2023 £'000**
Cash and cash equivalents	714	375	-	-	**1,089**
Borrowings	(9,007)	-	(1,500)	(928)	**(11,435)**
Net Debt excluding lease expense and deferred consideration	(8,293)	375	(1,500)	(928)	**(10,346)**

Reconciliation of Net debt

	Restated* 1 April 2022 £'000	**Cash flows £'000**	**Draw down £'000**	**Accrual recognised £'000**	**31 March 2023 £'000**
Borrowings	(9,007)	-	(1,500)	(928)	**(11,435)**
Lease liability	(1,843)	696	-	(1,871)	**(3,018)**
Deferred and Contingent Consideration	(626)	776	-	(2,694)	**(2,544)**
Financial liabilities	(11,476)	1,472	(1,500)	(5,493)	**(16,997)**
Cash and cash equivalents	714	375	**-**	-	**1,089**
Net debt	(10,762)	1,847	(1,500)	(5,493)	**(15,908)**

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19. Trade and other payables

	2023 **£'000**	Restated 2022* £'000
Trade payables	**2,169**	3,686
Tax and social security	**1,519**	1,125
Accruals	**946**	1,678*
Deferred consideration payable on acquisition of subsidiary undertakings	**414**	626
Contingent consideration payable on acquisition of subsidiary undertakings	**109**	-
Other payables	**653**	816*
Trade and other payables due in less than one year	**5,810**	7,931
Deferred consideration payable on acquisition of subsidiary undertakings	**770**	-
Contingent consideration payable on acquisition of subsidiary undertakings	**1,251**	-
Trade and other payables due in greater than one year	**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 £539k (2022: £719k) for media spend not yet purchased, but paid for by the customer. In the prior year these amounts were included within accruals, and as such the prior year accruals balance has been restated to reclassify this amount out of accruals and into other payables, to more closely reflect the nature of the balance.

20. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities:

	2023 **£'000**	2022 £'000
Accelerated capital allowances on property, plant and equipment:		
At start of year	**10**	(48)
Deferred tax on acquisition	**661**	-
Unwind of deferred tax on acquisition	**(69)**	-
Origination and reversal of temporary differences	**28**	58
At end of year	**630**	10
Other temporary differences:		
At start of year	**(654)**	(425)
Origination and reversal of temporary differences	**80**	(104)
Utilisation/(Recognition) of previously unrecognised losses	**(129)**	(125)
At end of year	**(703)**	(654)
Total deferred tax:		
At start of year	**(644)**	(473)
Deferred tax on acquisition	**592**	-
Origination and reversal of temporary differences	**24**	(171)
At end of year	**(28)**	(644)
Origination on acquisition		
Deferred tax is included within:		
Deferred tax liability	**592**	-
Deferred tax asset	**(620)**	(644)
	(28)	(644)

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

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 with the legislation receiving Royal Assent on 10 June 2021. Deferred tax as at 31 March 2023 has been provided at a rate of 25% (2022: blended rate or 19% and 25%) which is based on when the deferred taxation is expected to crystalise.

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 2022	42
Additional provisions	570
Amounts utilised	(42)
At 31 March 2023	**570**

The dilapidations provision of £570k (2022: £42k) 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 2022 and at 31 March 2023	**45,000**	**10,000**

Allotted, issued and fully paid

	45p deferred shares Number	5p ordinary shares Number	£'000
At 31 March 2022	67,378,520	93,432,217	34,992
At 31 March 2023	**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

	2023 £'000	2022 £'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

	2023 £'000	2022 £'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.

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25. Capital redemption reserve

	2023 **£'000**	2022 £'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

	2023 **£'000**	2022 £'000
At start of year	**-**	354
Acquisition of non-controlling interest (note 11)	**-**	(366)
Share of profit for the year	**-**	12
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

	2023 **£'000**	2022 £'000
At start of year	**118**	(161)
Exchange differences on translation of foreign operations	**(368)**	279
At end of year	**(250)**	118

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

28. Retained earnings

	2023 **£'000**	Restated 2022* £'000
At start of year	**(33,324)**	(26,485)
Acquisition of subsidiaries NCI	**-**	(290)
Retained loss for the year	**(12,826)**	(6,549)
At end of year	**(46,150)**	(33,324)

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 2023 or at 31 March 2022.

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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 (2022: £30,000). At the year end, £52,500 (2022: £22,500) 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 £498k (2022: £128k) in the year, of which £360k was for third party digital advertising. As at 31 March 2023 there was a debtor's balance of £49k (2022: £46k).

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. The Jaywing Facility has been provided to the Company on the same terms as those provided by the previous lender. At the year-end £11,435k (2022: £9,007k) was outstanding. Further details of these borrowings are provided in Note 18.

31. Standards and interpretations in issue at 31 March 2023 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 been adopted in the current year.

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.

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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 Company'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.

	2023 **£'000**	2022 £'000
Financial assets:		
Floating interest rate:		
Cash	**1,089**	714
Zero interest rate:		
Trade receivables	**3,723**	5,629
	4,812	6,343
Financial liabilities:		
Floating interest rate:		
Bank loans/revolving facility	**11,435**	9,007
Zero interest rate:		
Trade payables	**2,169**	3,686
	13,604	12,693

As at 31 March 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

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**
Bank 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**

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

31 March 2022	**Current**		**Non-current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**later than 5 years**
	£'000	**£'000**	**£'000**	**£'000**
Bank borrowings	9,007	-	-	-
Lease liabilities	197	198	1,448	-
Deferred consideration payable on acquisition of subsidiary undertakings	626	-	-	-
Trade and other payables	8,713	-	-	-
Total amount due	18,543	198	1,448	-

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 £104k (2022: £85k) lower, and if the interest rate on these liabilities had been 1% lower, loss before tax would have improved by £104k (2022: £85k).

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 before 31 March 2020 and 1 January respectively, 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 2023 of £82,000 (2022: £22,000) which has been provided accordingly.

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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:

	2023 **£'000**	Restated 2022* £'000
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	**3,910**	5,826
Cash and cash equivalents	**1,089**	714
	4,999	6,540
Financial liabilities:		
Financial liabilities measured at amortised cost		
Borrowings	**(11,435)**	(9,007)
Lease liabilities	**(3,018)**	(1,843)
Deferred consideration payable on acquisition of subsidiary undertakings	**(1,184)**	(626)
Trade and other payables	**(6,270)**	(8,713)
Provisions for liabilities	**(570)**	(42)
Financial liabilities measured at fair value		
Contingent consideration payable on acquisition of subsidiary undertakings	**(1,360)**	-
	(23,837)	(20,231)
Net financial assets and liabilities	**(18,838)**	(13,691)
Plant, property and equipment	**4,023**	2,173
Goodwill	**10,602**	21,705
Other intangible assets	**2,125**	69
Contract assets	**352**	453
Prepayments	**508**	589
Deferred tax asset	**620**	644
Deferred tax liability	**(592)**	-
Taxation (payable)/receivable	**(20)**	32
	17,618	25,665
Total equity	**(1,220)**	11,974

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:

	2023 **£'000**	2022 £'000
Total equity	**(1,220)**	11,974

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.

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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
Put and call options and other deferred consideration	Probability of meeting target	100%	Not applicable
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:

	Put/call options £'000	Contingent Consideration £'000
Balance at 31 March 2021	49	-
Amount recognised through retained earnings	(49)	-
Balance at 31 March 2022	**-**	**-**
Amount recognised through acquisition	**-**	**1,262**
Interest expenses	**-**	**98**
Balance at 31 March 2023	**-**	**1,360**

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33. Business combination

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.

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34. Prior year restatement

Withholding tax
Borrowings are in respect of lenders in low tax jurisdictions and as a result withholding tax is payable. Recognition of withholding tax within the interest expense and borrowing costs lines is required as this was omitted from the previous financial years results. For the year end 31 March 2021, the closing retained earnings was adjusted by £153k to recognise the withholding tax liability at 31 March 2021.

The following table summarises the impact of the prior period restatement in relation to the financial statements of the Group:

	2022 **£000**
Loss for the year as previously stated	(6,437)
Adjustment 1 - Recognition of withholding tax expense	(100)
Loss for the year as restated	(6,537)

	2022 **£000**
Total equity for the year as previously stated	12,227
Adjustment 2 - Recognition of withholding tax expense	(253)
Total equity for the year as restated	11,974

Statement of Comprehensive Income

For the year ended 31 March	2022	Adjustment 1	Restated 2022
	£'000		£'000
Revenue	23,324	-	23,324
Other operating income	40	-	40
Operating expenses	(29,450)	-	(29,450)
Operating Loss	(6,086)	-	(6,086)
Finance costs	(474)	(100)	(574)
Loss before tax	(6,560)	(100)	(6,660)
Tax (expense)/credit	123	-	123
Loss for the year	(6,437)	(100)	(6,537)
Loss for the year is attributable to:			
Non-controlling interests	12	-	12
Owners of the parent	(6,449)	(100)	(6,549)
	(6,437)	(100)	(6,537)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on retranslation of foreign operations	279	-	279
Total comprehensive loss for the period	(6,158)	(100)	(6,258)
Total comprehensive loss is attributable to:			
Non-controlling interests	12	-	12
Owners of the Parent	(6,170)	(100)	(6,270)
	(6,158)	(100)	(6,258)
Basic and diluted loss per share			
Loss per share	(6.90p)	(0.11p)	(7.01p)

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Statement of Financial Position

As at 31 March	2022	Adjustment 2	Restated 2022
	£'000		£'000
Non-current assets			
Property, plant and equipment	2,173	-	2,173
Goodwill	21,705	-	21,705
Deferred tax asset	644	-	644
Other intangible assets	69	-	69
	24,591	-	24,591
Current assets			
Trade and other receivables	6,415	-	6,415
Contract assets	453	-	453
Current tax asset	32	-	32
Cash and cash equivalents	714	-	714
	7,614	-	7,614
Total assets	32,205	-	32,205
Current liabilities			
Borrowings	8,754	253	9,007
Trade and other payables	7,931	-	7,931
Contract Liabilities	1,408	-	1,408
Current lease liabilities	395	-	395
Current tax liabilities	-	-	-
Provisions	42	-	42
	18,530	253	18,783
Non-current liabilities			
Non-current lease liabilities	1,448	-	1,448
	1,448	-	1,448
Total liabilities	19,978	253	20,231
Net (liabilities) / assets	12,227	(253)	11,974
Equity			
Equity attributable to owners of the parent			
Share capital	34,992	-	34,992
Share premium	10,088	-	10,088
Capital redemption reserve	125	-	125
Treasury shares	(25)	-	(25)
Foreign currency translation reserve	118	-	118
Retained earnings	(33,071)	(253)	(33,324)
Equity attributable to owners of the parent	12,227	(253)	11,974
Non-controlling interest	-	-	-
Total equity	12,227	(253)	11,974

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Statement of Cash Flows

As at 31 March	2022 £'000	Adjustment 1	Restated 2022 £'000
Cash flow from operating activities			
Loss after tax	(6,437)	(100)	(6,537)
Adjustments for:			
Impairment of Goodwill	6,131	-	6,131
Depreciation of property, plant & equipment	327	-	327
Depreciation and impairment of right of use assets	752	-	752
Amortisation of intangibles	730	-	730
Financial costs	474	100	574
Taxation expense/(credit)	(123)	-	(123)
Operating cash flow before changes in working capital	1,854	-	1,854
Decrease/(Increase) in trade and other receivables	(168)	-	(168)
(Decrease)/Increase in trade and other payables	(99)	-	(99)
Cash generated from operations	1,587	-	1,587
Interest paid	(58)	-	(58)
Net tax paid	(240)	-	(240)
Net cash flow from operating activities	1,289	-	1,289
Cash flow from investing activities			
Payment of deferred consideration	(442)	-	(442)
Acquisition of subsidiaries	-	-	-
Acquisition of property, plant and equipment	(163)	-	(163)
Net cash outflow from investing activities	(605)	-	(605)
Cash flow from financing activities			
Increase in borrowings	-	-	-
Repayment of Lease Liabilities (IFRS16)	(722)	-	(722)
Net cash inflow/(outflow) from financing activities	(722)	-	(722)
Net increase/(decrease) in cash and cash equivalents	(38)	-	(38)
Cash and cash equivalents at beginning of year	752	-	752
Cash and cash equivalents at end of year	714	-	714
Cash and cash equivalents comprise:			
Cash at bank and in hand	714	-	714

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35. Post balance sheet events

On 13 April 2023, post period end, the Company granted 1,152,000 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.

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.

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. This total includes the 1,200,000 CSOP Options granted to each of Andrew Fryatt (CEO) and Christopher Hughes (CFO) , and 2,240,000 CSOP Options granted to certain senior employees of the Company. 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.

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Company Financial Statements

Company Profit and Loss account

	Note	2023 £'000	Restated 2022* £'000
Turnover		**-**	-
Administrative expenses	2	**(10,275)**	(10,743)
Operating loss	3	**(10,275)**	(10,743)
Income from fixed asset investment	4	**-**	418
Other income	4	**505**	-
Finance Costs	5	**(1,100)**	(560)
Loss on ordinary activities before taxation		**(10,870)**	(10,885)
Taxation on ordinary activities	6	**125**	573
Loss and total comprehensive loss on ordinary activities after taxation		**(10,745)**	(10,312)

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

*The comparative information has been restated in the prior period as discussed in note 27.

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Company Balance Sheet

	Note	2023 £'000	Restated 2022* £'000
Non-current assets			
Tangible assets	10	**1,154**	1,040
Deferred tax	21	**717**	605
Investments	12	**20,457**	26,235
		22,328	27,880
Current assets			
Cash at bank		**1**	2
Debtors due within one year	13	**442**	575
		443	577
Current liabilities			
Borrowings	17	**(11,435)**	(9,007)
Creditors: amounts falling due within one year	14	**(14,757)**	(14,351)
Total assets less current liabilities		**(3,421)**	5,099
Non-current liabilities			
Creditors: amounts falling due after more than one year	15	**(2,625)**	(690)
Provisions	16	**(290)**	-
Net (liabilities)/assets		**(6,336)**	4,409
Equity			
Called up share capital	18	**34,992**	34,992
Share premium account	19	**10,088**	10,088
Treasury shares	20	**(25)**	(25)
Capital redemption reserve	19	**125**	125
Profit and loss account	19	**(51,516)**	(40,771)
Total equity		**(6,336)**	4,409

The Financial Statements were approved by the Board of Directors and authorised for issue on 6 September 2023.

Signed on behalf of the Board of Directors:

Andrew Fryatt
Director

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

*The comparative information has been restated in the prior period as discussed in note 27.

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Company Statement of Changes in Equity

	Called-up Share Capital £'000	Share Premium account £'000	Treasury Shares £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	**Total £'000**
At 1 April 2021 (as previously stated)	34,992	10,088	(25)	125	(30,355)	14,825
Prior year adjustment (see note 26)	-	-	-	-	(153)	(153)
At 1 April 2021 (restated*)	34,992	10,088	(25)	125	(30,508)	14,672
Release of Put / Call Option	-	-	-	-	49	49
Loss for the year and total other comprehensive income*	-	-	-	-	(10,312)	(10,312)
Total comprehensive income	-	-	-	-	(10,263)	(10,263)
At 31 March 2022*	34,992	10,088	(25)	125	(40,771)	**4,409**
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)**

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

*The comparative information has been restated in the prior period as discussed in note 27.

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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
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 Board has also considered downside risks and the potential impact of Covid-19 and the economic environment on the cash flows of the Group for a period to 31 March 2025. 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 outcome for the year and the forecasts prepared by the business show that we do not consider there to be same level of uncertainty now as there was 12 months ago.

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 confirming that the debt will not be called in and support will be provided for the foreseeable future. Details of this debt are contained in Note 18 and Note 30 in the consolidated financial statements.

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

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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: 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.

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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 11.

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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.

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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.

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.

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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 33 of the consolidated accounts). In particular, the fair value of contingent consideration is dependent on the outcome of the acquirees' future revenues (see Note 33 of the consolidated accounts).

2. Other operating charges

	2023	2022
	£'000	£'000
Impairment of investment (note 12)	**8,747**	9,185
Administrative expenses	**1,528**	1,558
Total administrative expenses	**10,275**	10,743

3. Operating loss

	2023	2022
	£'000	£'000
Operating loss is stated after charging:		
Impairment of investment (note 12)	**8,747**	9,185
Depreciation of owned fixed assets	**67**	73
Depreciation of right of use assets	**246**	241

4. Income from fixed asset investments and other income

	2023	2022
	£'000	£'000
Other income	**505**	-
Dividends received from subsidiary companies	**-**	418

Within other income this period 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.

5. Finance costs

	2023 £'000	Restated 2022* £'000
Bank interest payable	**748**	416
Withholding tax on borrowings interest expense	**180**	100
Interest on lease liability (note 11)	**47**	44
Interest on deferred and contingent consideration	**125**	-
Total	**1,100**	560

6. Tax on ordinary activities

The tax credit/(charge) is based on the loss for the year and represents:	2023 £'000	2022 £'000
UK corporation tax at 19% (2022: 19%)	**-**	(2)
Total current tax	**-**	(2)
Deferred tax:		
Origination and reversal of timing differences	**(125)**	(571)
Total tax credit	**(125)**	(573)

The tax credit can be explained as follows:	2023 £'000	Restated 2022* £'000
Loss before tax	**(10,870)**	(10,885)
Tax using the UK corporation tax rate of 19% (2022: 19%)	**(2,065)**	(2,068)
Effect of:		
Non-taxable income	**(505)**	-
Recognition of unused losses	**330**	(240)
Impairment of investments	**1,662**	1,745
Non-deductible expenses / (credits)	**453**	(10)
Current year credit	**(125)**	(573)

7. Auditor's remuneration

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

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8. Directors and employees

	2023	2022
Average number of staff employed by the Company	**5**	5

	2023	2022
Aggregate emoluments (including those of Directors):	**£'000**	£'000
Wages and salaries	**453**	584
Social security costs	**53**	73
Pension contribution	**12**	15
Total emoluments	**518**	672

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

Remuneration in respect of Directors was as follows:

	2023 **£'000**	2022 £'000
Emoluments receivable	**342**	554
Fees paid to third parties for Directors' services	**30**	30
Company pension contributions to money purchase pension schemes	**9**	15
	381	599

The highest paid Director received remuneration of £236k (2022: £284k).

9. Dividends

The Directors do not recommend the payment of a dividend for the current year (2022: £Nil).

10. Tangible fixed assets

	Buildings **£'000**	**Leasehold Improvements** **£'000**	**Office equipment** **£'000**	**Total** **£'000**
Cost at 31 March 2022	1,147	389	416	1,952
Right of use asset additions	427	-	-	427
Disposals	-	-	(5)	(5)
Cost at 31 March 2023	**1,574**	**389**	**411**	**2,374**
Depreciation at 31 March 2022	438	203	271	912
Charge for the year on owned assets	-	39	28	67
Disposals	-	-	(5)	(5)
Charge on right of use assets	223	-	23	246
Depreciation at 31 March 2023	**661**	**242**	**317**	**1,220**
Net book value at 31 March 2023	**913**	**147**	**94**	**1,154**
Net book value at 31 March 2022	**709**	**186**	**145**	**1,040**

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11. 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:

	2023	2022
	£'000	£'000
Right of use assets		
Buildings	**913**	709
Office equipment	**73**	97
	986	806
Lease liabilities		
Current	**135**	170
Non-current	**604**	690
	739	860

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2023	2022
	£'000	£'000
Depreciation charge of right of use assets		
Buildings	**223**	152
Office equipment	**23**	89
	246	241
Interest expense (included in finance cost)	**47**	44

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12. Investments

	Subsidiaries £'000
Cost at 31 March 2022	61,824
Additions	2,969
Cost at 31 March 2023	**64,793**
Impairment at 31 March 2022	35,589
Impairment in year	8,747
Impairment at 31 March 2023	**44,336**
Net book value at 31 March 2023	**20,457**
Net book value at 31 March 2022	26,235

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 an impairment was required to the carrying value of the Company's UK investments of £8.7m (2022: £9.2m) based upon sensitivities applied to forecast EBITDA.

On 14 April 2022 the following companies which were 100% owned by the group were dissolved; Alphanumeric Group Holdings Limited, Alphanumeric (Holdings) Limited, Dig for Fire Limited, Digital Marketing Network Limited, Digital Media and Analytics Limited, DMG London Limited, Hyperlaunch New Media Limited, Inbox Media Limited, Iris Associates Limited, Jaywing Information Limited, Jaywing North Limited, Shackleton PR Limited, The Comms Department Limited, Woken Limited.

On 26 August 2022 the group purchased 100% of the ordinary share capital of Midisi Limited for consideration of £3.3m, before discounting. Details of the business combination can be found in Note 33 of the consolidated financial statements.

At 31 March 2023 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.

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13. Debtors due within one year

	2023	2022
	£'000	£'000
Amounts due from Group undertakings	**192**	58
Prepayments	**128**	173
Other taxation and social security	**122**	344
	442	575

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

14. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	**352**	449
Amounts owed to Group undertakings	**13,509**	12,593
Other taxation and social security	**60**	19
Other creditors	**6**	-
Accruals	**172**	494
Lease liability	**135**	170
Deferred consideration payable on acquisition of subsidiary undertakings	**414**	626
Contingent consideration payable on acquisition of subsidiary undertakings	**109**	-
	14,757	14,351

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

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

	2023	2022
	£'000	£'000
Lease liability	**604**	690
Deferred consideration payable on acquisition of subsidiary undertakings	**770**	-
Contingent consideration payable on acquisition of subsidiary undertakings	**1,251**	-
	2,625	690

16. Provisions

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

	Dilapidations £'000
At 1 April 2022	-
Additional provisions	290
Amounts utilised	-
At 31 March 2023	**290**

The dilapidations provision of £290k (2022: £nil) 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.

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17. Borrowings

	2023	Restated 2022*
	£'000	£'000
Summary:		
Borrowings	**11,435**	9,007

Borrowings are repayable as follows:	**2023**	Restated 2022*
	£'000	£'000
Within one year:		
Borrowings	**11,435**	9,007
Total due within one year	**11,435**	9,007

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.

18. Share capital

Allotted, issued and fully paid:

	45p deferred shares Number	5p ordinary shares Number	**£'000**
At 31 March 2022	67,378,520	93,432,217	**34,992**
At 31 March 2023	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.

19. 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.

20. Treasury shares

	2023	2022
	£'000	£'000
At 31 March 2023 and 31 March 2022	**25**	25

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21. Deferred tax asset

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

	2023 £'000	2022 £'000
Accelerated capital allowances	**68**	52
Unused losses	**649**	553
Deferred tax asset	**717**	605

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

	2023 £'000	2022 £'000
Accelerated capital allowances	**(16)**	18
Unused losses	**141**	553
Total	**125**	571

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 with the legislation receiving Royal Assent on 10 June 2021. Deferred tax as at 31 March 2023 has been provided at a rate of 25% (2022: blended rate of 19% and 25%) which is based on when the deferred taxation is expected to crystalise.

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 2023 the amount thus guaranteed by the company was £9,200,000 (2022: £8,200,000).

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 £12,000 (2022: £32,000) with the financial year end pension creditor being £3,000 (2022: £2,000).

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27. Prior year restatement

Withholding tax
Borrowings are in respect of lenders in low tax jurisdictions and as a result withholding tax is payable. Recognition of withholding tax within the interest expense and borrowing costs lines is required as this was omitted from the previous financial years results.

The following table summarises the impact of the prior period restatement in relation to the financial statements of the parent company.

	2022 £000
Loss for the year as previously stated	(10,212)
Adjustment 1 - Recognition of withholding tax expense	(100)
Loss for the year as restated	(10,312)

	2022 £000
Total equity for the year as previously stated	4,662
Adjustment 2 - Recognition of withholding tax expense	(253)
Total equity for the year as restated	4,409

Statement of Comprehensive Income

For the year ended 31 March	2022	Adjustment 1	Restated 2022
	£'000		£'000
Turnover	-	-	-
Administrative expenses	(10,743)	-	(10,743)
Operating loss	(10,743)	-	(10,743)
Income from fixed asset investment	418	-	418
Other income	-	-	-
Finance Costs	(460)	(100)	(560)
Loss on ordinary activities before taxation	(10,785)	(100)	(10,885)
Taxation on ordinary activities	573	-	573
Loss and total comprehensive loss on ordinary activities after taxation	(10,212)	(100)	(10,312)

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Statement of Financial Position

As at 31 March	2022	Adjustment 2	Restated 2022
	£'000		£'000
Non-current assets			
Tangible assets	1,040	-	1,040
Deferred tax	605	-	605
Investments	26,235	-	26,235
	27,880	-	27,880
Current assets			
Cash at bank	2	-	2
Debtors due within one year	575	-	575
	577	-	577
Current liabilities			
Borrowings	(8,754)	(253)	(9,007)
Creditors: amounts falling due within one year	(14,351)	-	(14,351)
Total assets less current liabilities	5,352	(253)	5,099
Non-current liabilities			
Creditors: amounts falling due after more than one year	(690)	-	(690)
Net (liabilities) / assets	4,662	(253)	4,409
Equity			
Called up share capital	34,992	-	34,992
Share premium account	10,088	-	10,088
Treasury shares	(25)	-	(25)
Capital redemption reserve	125	-	125
Profit and loss account	(40,518)	(253)	(40,771)
Total equity	4,662	(253)	4,409

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27. Post balance sheet events

On 13 April 2023, post period end, the Company granted 1,152,000 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.

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.

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. This total includes the 1,200,000 CSOP Options granted to each of Andrew Fryatt (CEO) and Christopher Hughes (CFO) , and 2,240,000 CSOP Options granted to certain senior employees of the Company. 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.

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Shareholder Information

General Meeting
A General Meeting will be held on 28 September 2023 at the offices of Jaywing plc, Albert Works, Sidney Street, Sheffield, S1 4RG at 2:30pm.

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 2023.

Issued Share Capital
As at 31 August 2023 (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 31 August 2023 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.

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Company Information

Registered Office
Albert Works
71 Sidney Street
Sheffield
S1 4RG

Registered Number: 05935923
Country of incorporation: England

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Leeds
LS1 4BN

Nominated adviser and broker
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Registrars
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Halesowen
B62 8HD

Solicitors
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Company Secretary
Chris Hughes
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