NEXT...

NEXT15

Next 15 Group plc
Annual Report 2025

...we work together to make great things happen for our clients.

We are growth consultants.

Growth is ever more difficult to come by in today's fast-paced data and tech-driven world. That's where Next 15 comes in. We offer an ever-evolving range of specialist services designed to accelerate growth by generating leads, growing reputations, optimising customer experience, monetising retail inventory, creating innovative new services and more.

This Annual Report sets out our performance over the latest 12-month period and how we are evolving and simplifying our decentralised, autonomous structure to stay at the forefront of our industry.

More about our business
next15.com

Key numbers for 2025

Employees	Countries	Acquisitions
3,992	16	3
2024: 4,340	2024: 15	2024: 7
2023: 4,079	2023: 15	2023: 7

Financial highlights

Net revenue◆

£569.7m

(1.4)%

Adjusted operating profit margin◆

18.9%

Adjusted diluted earnings per share◆1

69.3p

(15.1)%

Adjusted profit before tax◆1

£101.4m

(14.0)%

Statutory revenue

£729.8m

(0.7)%

Statutory operating profit

£56.6m

(26.6)%

Net cash inflow from operating activities

£75.5m

(5.2)%

Dividend per share

15.35p

0%

1 For FY25 statutory diluted earnings per share is 37.9p (FY24: 50.3p) and statutory profit before tax is £62.5m (FY24: £80.3m). These measures have not been graphically represented as the movements are not meaningful.

Alternative performance measures

The report provides alternative performance measures ('APMs'), which are not defined or specified under IFRSs.

◆ Measures with this symbol are defined and their use explained in the Glossary section on page 188.

Contents

Our business

WE ARE A TECHNOLOGY AND DATA-BASED GROWTH CONSULTANCY THAT DELIVERS VALUE TO ITS CLIENTS THROUGH BEST-IN-CLASS SPECIALISTS.

Next 15 comprises four segments of growth consulting capabilities that work individually or together to solve customers' problems: Customer Insight, Customer Delivery, Customer Engagement and Business Transformation.

Customer Insight

Data and analytics, and the insights they reveal, are critical for helping our customers make the best growth decisions in a world that becomes ever more complex. Our insights sector generates both behavioural and perceptual data for our clients either directly or as part of other growth consulting projects. We continue to invest in new data analytics techniques and tools, including AI-techniques such as synthetic personas and data, to ensure we can offer our customers leading-edge solutions.

What we do

- Conduct primary market research to help clients make better decisions.
- Track opinion about brands and politics.
- Use transaction-level data to predict customer behaviours and recommend actions.
- Manage large-scale data sets for our clients.

Customer Delivery

Our Customer Delivery brands unlock latent value. Our specialist brands deliver revenue across both B2B and consumer markets using a combination of first-party and intent data, sophisticated AI-powered technology, highly tuned content and the monetisation of existing assets.

What we do

- Demand generation.
- Account-centric marketing.
- Retail media centre design, build and operate.
- Media buying and selling.
- E-commerce.

More about our brands
next15.com/what-we-do/our-brands

Customer Engagement

In the 21st century digital ecosystem, brands have to navigate an extraordinary variety of platforms, technologies and languages and get each just right while being true to their values. This has become as much science as art and, when done well, can add extraordinary amplification to an idea, product or service. We are experts in navigating this highly complex landscape and creating space for our clients in the minds of their customers.

What we do
- Create and amplify brands.
- Manage reputations and deal with crises.
- Build digital brand assets such as websites and apps.
- Create brand content and thought leadership.

Business Transformation

As a growth consultancy we are increasingly asked by our clients to help them address challenges for which the solutions are not simply to do more sales or marketing. The brands in our Business Transformation segment help their clients design entirely new solutions to complex problems. The range of these projects is extraordinary, covering building entirely new businesses, solving complex societal problems, growing the value of newly acquired business units, and helping to tap public finance markets.

What we do
- Create new, scale businesses.
- Build corporate venture funds.
- Help private equity companies optimise the value of their portfolios.
- Prepare companies to launch on the public markets.
- Redesign public services for the digital era.

Chair's statement

WE'RE SIMPLIFYING THE BUSINESS TO PROVIDE A MORE INTEGRATED SOLUTION FOR CUSTOMERS.

Penny Ladkin-Brand
Chair

Dear Fellow Shareholders,
It is in years like these that you learn the most about a business. This has in many respects been a difficult year for Next 15. We lost our largest customer and saw a drop in spend across our largest customer sector, technology, and a reduction in spend from our government customers. This has resulted in our share price falling to levels not seen in a while. We have taken these challenges as an opportunity to take a step back and reflect on how we can improve the management of the business and best generate value now and in the future. We have carried out a deep analysis of the businesses and their end markets to assess market fit and how we prioritise the Company's capital going forward.

Our internal review of strategy shows that we have built some incredible businesses across our four segments. Agent3, M Booth, M Booth Health, MHP, SMG and Brandwidth all saw strong performances in the last year. We have strong offerings across customer sectors such as technology and health which in the long term are destined to be growth markets for the services we offer. However, what it has also identified is that we need to simplify our structure so that we can offer customers a more integrated solution in areas such as B2B tech revenue generation. Indeed, the areas we are looking at for integration are all ones where we can see opportunities that arise from generative AI. The opportunities this technology generates are huge. To capture these opportunities, we need to focus on a small number of products that can drive the business forward.

As you will see in Tim Dyson's letter, we are also looking to determine the best ways to allocate our capital and review our portfolio to ensure that we remain the best owner for all our businesses, focusing on where we see the best opportunities for the Group.

Looking at the business today there are significant opportunities for growth. In data, for example, we see the opportunity for AI to create a series of exciting new products that will radically change the way our customers buy data and the corresponding insights from us. We believe it isn't the amount you invest in AI but rather the quality of your product design and the underlying data being used. Given this environment we believe in the potential for Savanta, our data insights business, to accelerate growth through focused product development in this area.

We believe the slowdown in spend from our technology customers to be the continued after-effect from the ramp up in spending we saw during Covid. This reflects the changes in sales growth our clients have seen. Data from firms such as Gartner suggests IT spend is due to pick up in the second half of 2025. If this pick up materialises, we should see a corresponding rise in client spend given the nature of the work we do for them.

"The Board is recommending a final dividend for the year of 10.6p per share."

We also saw a slowdown in spending from governmental customers. In calendar year 2024 we had a change in Government in the UK which resulted in a period where some of our work went on hold. Now the current Government's priorities are known, spend has returned and a new large increase in spend by the Department for Education underpins our budgets for the next two years.

With changes in the business, you often get changes in personnel. Next 15 is no exception. Earlier this year our CFO, Peter Harris, announced that he would be stepping down after 12 years with the Group. The Board would like to thank him for his service and passion for the business over this time. Peter's replacement, Mickey Kalifa, joins us in June and is working with Peter between now and then to ensure a smooth handover.

We have also recently announced changes to the Non-Executive Directors reflecting the skills which would be beneficial for the Board to have around the table during the next phase of the Next 15 journey. Mark Astaire joined us in February, following a 35-year career in corporate broking and investment banking, and Samantha Wren will join us in June as Senior Independent Director. Samantha has extensive accounting and auditing experience and has worked with founders in a portfolio company environment. With effect from the AGM, Robyn Perriss, Helen Hunter and Dianna Jones will be stepping down as Directors, having all made strong contributions to the Board and relevant committees for which I am very grateful.

Looking ahead we emerge from the challenges and disappointments of FY25 feeling confident about the refreshed business strategy and opportunities for long-term growth. Whilst in the short term we expect the macroeconomic outlook to remain volatile, the quality of our customer base, the talent of our people and our companies, along with the quality of product innovation they are generating, provides us with optimism for our future. The Board is recommending the payment of a final dividend for the year of 10.6p per share, which would represent a total dividend of 15.35p for the year, unchanged from the prior year.

I would like to thank all the employees of the Group for their continued dedication and service throughout the year. It is their energy and passion which create the businesses and leaves us optimistic for the journey ahead.

Penny Ladkin-Brand
Chair
14 April 2025

Chief Executive Officer's statement

EMBRACING CHANGE FOR FUTURE GROWTH.

Tim Dyson
Chief Executive Officer

Dear Fellow Shareholders,
The title of this year's Annual Report is, unsurprisingly, deliberate. The question shareholders are asking is what comes next for Next 15? This reflects the challenges of the year and the willingness of the Group to chart a new path for growth. The short answer to this simple question is a great deal of change to capitalise on the market shifts taking place across the worlds of marketing and consulting. That is a bland answer to a very important question and so I'd like to spend the bulk of this letter explaining what it really means. It's worth noting that in answering the question I need to address external and internal drivers of change. While there is some overlap, focusing on them as separate challenges and opportunities is crucial to our long-term success.

External drivers
Change in our industry is coming from all sides. Generative AI has been widely discussed in the media and is expected to drive huge amounts of productivity and innovation across all sectors of the service industry. All the hype about AI should be taken very seriously. Our own adoption of these technologies to deliver products and services is showing that the hype really isn't hype. You should expect us to roll out a series of new products that have AI at the core plus a number of internal productivity tools to make our work even better and more personalised. At its core AI enables a level of personalisation that simply isn't cost effective using traditional tools and technologies. Watch this space.

We foresee significant macroeconomic shifts influenced by current political landscapes. 'America first' policies are upending supply chains just as they had settled down after the Covid-19 pandemic. For our customers this is resulting in price changes, product reformulation and even retargeting of products and services. This applies to customers both in and outside the US. As we saw during Covid this type of change requires our customers to go through masses of internal change and ups their need for the products and services we sell. Change here is non-linear though. Put another way some sectors will go through massive change, the automotive industry for example, while others such as travel will be less impacted. Who we work with will determine how much we benefit from these changes.

The last big change I'll cover is that of demographics. China and India have impacted the world economy because of the rapid population growth and their ability to raise the standards of living for those in their countries. These economies are starting to see slower growth, in part because of trade wars but also because the demographics of these countries are changing. Shifting demographics in the western world are causing governments huge headaches as ageing populations put greater strains on economies. But these shifting demographics are also driving changes in marketing. Customer segments are being re-evaluated as are the ways they reach these people. You may have read about Gen Alpha and how through TikTok and Instagram micro trends will emerge and die in a matter of weeks, leaving our customers with the challenge of responding to these changes.

Put another way all of these challenges are testing the ability of our customers to adapt at speed to significant change from all sides. I believe this is very good news for us if we can adapt at least as quickly as they need us to.

Internal drivers

The business has not met our expectations in the last year. We are used to high levels of growth and profitability. While we have managed to protect our margins to a great degree, we have seen the loss of our largest customer and the impact of a slowdown in the tech sector, a slowdown that almost mirrors the relative boom during Covid. This has, as you'd expect, caused a great deal of introspection.

Back in September we talked about the need for us to simplify our business. This has become a major topic for those of us running the business. Simplification can be easy if you don't care about the impact on your customers. You can simply force businesses together and get a lower-cost delivery model, but in the process you often lose key people and end up delivering a lower-quality product. For these reasons we are taking a different approach. We are looking through a series of lenses. First on the list is whether a more integrated offering will give the customer a better solution. A good example of that is where we have a series of businesses that are focused on B2B revenue generation within the technology sector. The integration of these businesses makes total sense and is something we've spent the last six months designing. It will result in a more efficient business but more importantly we believe it will result in happier customers.

The next form of simplification is on the back-office side of the business. We currently operate a range of approaches here. Some businesses have a dedicated back-office team of their own that reports into Next 15, while others have elements of their own and rely on the central team within Next 15 for things such as IT, etc. This is something we are looking to improve. Again, it's not just about saving money, though. We believe that by driving the right changes we can give our leaders access to better management information.

The last change is potentially the biggest, though. For decades Next 15 has been an acquirer and builder of businesses. This has made us similar to a private equity ('PE') fund. Unlike PE, though, we have never sold any of our businesses. We are currently reviewing our assets, recognising that some may be better suited under different ownership. This could reflect their investment needs or could simply be that the direction their business is heading is taking them away from our core offerings. All decisions will be made within the framework for capital allocation we have been using for a number of years.

At its core, Next 15 thrives on entrepreneurship, embracing change, creativity and innovation. However, any analysis of our balance sheet over the last decade will show that we are fiscally conservative. I mention this as I believe shareholders should know that while I believe we will take some brave decisions in the next year, we will do this in a way that reflects our values. We understand that the way capital allocation is managed is at the core of any well-run business. As a result, you can expect this to be central to the decisions we make in the year ahead.

Tim Dyson
Chief Executive Officer
14 April 2025

"Next 15 thrives on entrepreneurship, embracing change, creativity, and innovation."

The markets we operate in

GROWTH CONSULTANCY IS A HUGE AND GROWING MARKET. WE DIVIDE IT INTO FOUR MAJOR SEGMENTS.

Customer Insight

2023 market size
£187.48b

CAGR growth 2023-2028
15.28%

FY25 Next 15 net revenue
£55.4m

2023 breakdown
(growth 2023-2028 CAGR %)

Market research
£66.14b (4.0%)

Data management
£15.61b (17.4%)

Data analytics and implementation
£34.02b (27.1%)

Customer Relationship Management implementation
£71.71b (12.6%)

Customer Engagement

2023 market size
£422.69b

CAGR growth 2023-2028
14.13%

FY25 Next 15 net revenue
£262.0m

2023 breakdown
(growth 2023-2028 CAGR %)

Customer experience
£10.51b (15.2%)

Content, communications and creative
£412.18b (13.06%)

Customer Delivery

2023 market size
£146.44b

CAGR growth 2023-2028
15.6%

FY25 Next 15 net revenue
£109.6m

2023 breakdown
(growth 2023-2028 CAGR %)

E-commerce implementation
£6.73b (18.1%)

Search Engine Optimisation
£58.93b (18.3%)

Media buying and planning
£62.19b (4.6%)

Social media management
£16.16b (22.8%)

Lead generation solutions
£2.43b (14.4%)

Business Transformation

2023 market size
£1,294.18b

CAGR growth 2023-2028
10.72%

FY25 Next 15 net revenue
£142.7m

2023 breakdown
(growth 2023-2028 CAGR %)

Strategy consulting
(inc. Environmental, Social and Governance (ESG) and People Change Management)
£158.69b (6.3%)

Digital transformation
£41.80b (13.16%)

Big data and analytics
£107.63b (12.8%)

Other
(inc. supply chain and logistics, legal, HR advisory, finance and tax)
£986.05b (8.73%)

2023 data has been used as a baseline to ensure a uniform comparison across the data given an absence of publicly published data for 2024 in several of the above capabilities. Sources for this page are on page 200.

Our strategy

OUR CORE STRATEGY

Our strategy is to:

- continually evolve and simplify our Group to deliver the leading-edge specialist growth consultancy that our clients require;
- work together to solve our clients' most pressing growth problems;
- develop our key talent; and
- make sure we leave the world a better place than we found it.

We target high-growth markets where we have credibility and deep expertise. These include technology, healthcare, financial services, consumer passions and public sector.

For those markets we focus on the key things that our clients need: exceptional customer experience that provides sustainable competitive advantage; transformation consultancy to cope with the high volume of change that is the new normal for all businesses; high-quality data to drive optimal decisions; tools to maximise revenues; and the ability to tell their story and build reputation.

Our capabilities are already being accelerated by Generative AI and we see this as a source of considerable growth and potential competitive advantage over the coming years.

Build our growth consultancy model

Our priorities

Growth has never been more important to our clients, whether that's to deliver financial returns or societal outcomes. Growth is what Next 15 offers, and we continue to evolve our Group to offer clients a leading-edge service. We will continue to invest in talented, entrepreneur-led businesses that bring new capabilities that our customers need. Our focus remains primarily in the UK and US.

Progress in FY25

- Created Next 15 Labs as a means to explore how we can best apply AI to our clients' needs and accelerate the adoption of new technologies into our brands.
- Acquired several smaller companies as bolt-ons for existing brands, particularly to develop our communications, AI and transformation consulting capability.
- Launched Marker Collective, which brings together the capabilities of Archetype, Outcast and Nectar in a more co-ordinated and product-led scale business.
- Continued to grow SMG at pace, particularly into the key US market as well as resecuring key UK contracts.
- Launched new client products such as Delve (a customer insight tool), with more innovative new products in planning stages in our Customer Delivery and Customer Engagement segments.

Priorities for FY26

- Launch Savanta Labs to stay at the cutting edge of AI-led insights innovation for our clients.
- Continue to reshape our Group to optimise our ability to solve client problems, innovate and take acquisition opportunities as they present themselves. An example of collaboration of our B2B tech marketing agencies is set out on page 13.
- Accelerate our build-out in our key US market, especially where we see significant untapped opportunity such as in retail media and B2B demand generation.
- Continue development of our proprietary AI technology, including a new 'operating system' product that is already in pilot with some of our brands.
- Consider whether targeted divestments could free capital that could be reinvested in our highest-growth opportunities.

Our strategy continued

Use the power of Next 15

Our priorities

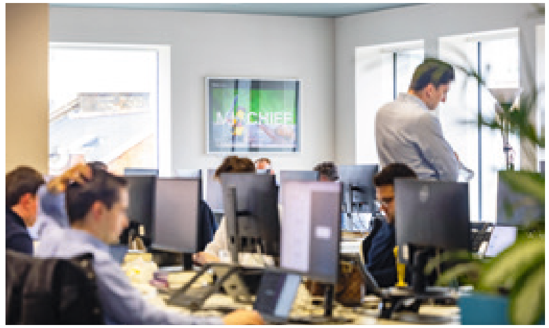
We will use our shared insight, scale and capabilities to better serve customers without losing our Group's entrepreneurial spirit or deep specialist expertise. We invest in AI-driven capabilities, tech, data and products that our businesses can share.

Progress in FY25

- Next 15 Labs has developed a range of IP and prototype products for our brands.
- Accelerated AI-powered product and automation development efforts with shared code and ideation across our brands.
- Started development of a new AI-powered tool that will act as the 'operating system' of our brands in the future, focusing their experience, expertise and methodologies on client problems.

Priorities for FY26

- Continue to review opportunities to simplify our portfolio and leverage scale, innovation and product development more widely.
- Continue to exploit the intellectual property being developed by Next 15 Labs for the benefit of all our brands.
- Acquire and generate new data sources to power our brands' products.
- Bring additional automation to bear on our back-office services to reduce overheads and better serve our brands.



Focus on doing better

Our priorities

Being values-aligned across the business continues to be important to us. Continuing to strengthen our ethical values ensures we are increasingly consistent in our approach to both how we operate and the work we produce, which includes asking ourselves the right questions when it comes to establishing new clients or partners.

Progress in FY25

- Deepened our understanding of our emissions through collaboration within the business including with our brands using our science-aligned approach.
- Established our approach to capturing critical data points with Working Group collaborations across both media and production-related emissions.
- Worked collectively with Head Office and brands in progressing towards more accurate supplier related emissions reporting through improved internal data capture.
- Continued to strengthen our foundations and values alignment through further refinement of our Next 15 Framework, including our Client Ethics Policy and launching our Sexual Harassment Policy and Anti-bias Training.

Priorities for FY26

- Progress emissions measurement and reporting through further refinement of data and data collection processes in line with our science-aligned approach.
- Leverage our existing supplier engagement programme which focuses on risk in areas including ESG, to further deepen our understanding of our Scope 3 emissions.
- Continue maturity of media and production-related emissions Working Groups, establishing best practice for capturing critical data in collaboration with wider industry.
- Further strengthen foundations and values alignment through improved awareness and stronger engagement with Next 15 Framework of policies, including Client Ethics Policy and Environment Policy.
- Ensure Next 15 is aligned and future facing in context of changes to the sustainability reporting landscape.
- Revisit Next 15 Materiality Assessment to ensure it is still relevant and aligns with our Group trajectory.

Our strategy continued

Celebrate and develop our people

Our priorities

We are a group of businesses built by the talent of our people. We use our growth consultancy model internally to attract, develop and retain the best staff. When we acquire new businesses we trust entrepreneurial talent to drive their own businesses and consult with us, and provide them with the freedom to innovate whilst maintaining strong governance.

Progress in FY25

- Our managers' hub content grew to include training around new topics such as AI.
- Introduced a management apprenticeship focused around the skills and behaviours needed to progress with the Group environment.
- Developed bespoke AI training content in conjunction with our AI Labs team for all brands.
- Implemented structured action plan toolkits for our Equity, Diversity and Inclusion ('EDI') maturity model.
- Introduced cross-Group employee resource community for neurodiversity called NeuroMinds.

Priorities for FY26

- Continue to build out cross-Group Employee Resource Groups through our EDI Council.
- Up-level the employee value proposition for all brands to ensure benefits reflect the needs of our people.
- Continue to refine our data sources to enable better predictability, as well as deeper insight into our people across the Group.
- Strive to achieve high levels of psychological safety in our brands, improving all working environments.

Case study: Designing a new type of company

SIMPLIFYING AND INNOVATING THROUGH COLLABORATION.

Transforming our B2B offer

Why change and why now?

All four of our UK-based B2B tech marketing agencies in the UK have seen challenging trading conditions over the last 18 months.

The process of buying tech has got more complicated. Traditional funnel-based marketing approaches are increasingly less effective.

However, adversity can also present opportunity...

We estimate that enterprise tech marketing alone is worth $30b p.a. globally, growing around 8-9% p.a. Of that, approximately 50% is spent in the US, 10% in the UK and 40% RoW. It's predicted to grow faster than other categories.

At Next 15, we're building a new business that will capitalise on this disruptive moment to deliver innovation to B2B marketing.

Estimated value of the enterprise tech marketing sector

$30b p.a.

Estimated annual growth rate

8-9% p.a.

"We've been concept testing the new business with clients for several months and received great feedback."

What will the new business offer?

We are not building another agency. This will be a tech-led platform business that combines the latest marketing thinking, innovative product design, proprietary data and new developments from Next 15's AI labs.

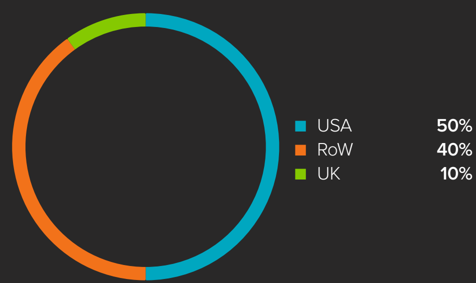
The new business's tech platform and proprietary data will create stickier, high-margin client engagements based on value rather than time. Clients will utilise a platform that optimises their marketing in real-time and for execution (creative content, media buying etc.) that the business will make a strong margin on.

What comes next?

We believe the new business will define a new category for B2B marketing acceleration and become a world-class player that offers superior ROI to clients vs. competitors.

We're aiming for external launch in September under a new brand name while the existing four B2B brands will be retired over time.

Estimated enterprise tech marketing share by region



Key performance indicators

HOW WE MEASURE OUR PERFORMANCE.

Our key performance indicators ('KPIs') represent the most important metrics we, as a management team, use to evaluate and compare the performance of Next 15 brands, and of the Group as whole.

FY25 saw the loss of a major client and continued tough trading in our key technology and public sector markets. However, effective cost management has ensured that our margins have largely been maintained, reflecting a resilient performance in an uncertain and unpredictable macroenvironment. Staff retention remained consistent in what continued to be a challenging market for talent.

Financial KPIs

Adjusted operating profit margin◆

18.9%

Adjusted operating margin is a key measure of the health of our business that balances our drive to be efficient with the need to continually reinvest in our brands to grow and evolve their offer.

Performance

Margin decreased to 18.9% as result of investment in the expansion of SMG into the US and weak revenue at our more highly operationally geared Tech businesses.

Organic net revenue (decline)/growth◆

(4.0)%

As a growth consultancy, organic growth is exceptionally important because it shows that our brands are offering what customers want, and are focused on the activities that will allow them to outperform.

Performance

The Group saw an organic decline in net revenue as a result of the uncertain and unpredictable macroenvironment, as well as the loss of Mach49's significant contract.

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 188.

Non-financial KPIs

Number of clients spending over £2.5m

35

Average client spend is a good proxy for the depth and importance of our client relationships as it takes time and consistent delivery to grow a relationship to the £2.5m+ level and beyond.

Performance

In FY25 we saw a small reduction in this group which we believe represents a good performance in a challenging market.

Number of £2.5m revenue clients working with more than one brand

21

As we grow our growth consultancy model, the number of customer relationships that are serviced by more than one of our brands is becoming more important.

Performance

Multibrand relationships saw a modest decline in FY25 as tech clients continue their cautious approach. This also reflects the growth of large clients working exclusively with one brand which gives us further opportunity for expansion in the future.

Staff retention

69.1%

We are a people-first business and our ability to attract and retain key talent is paramount.

Performance

In FY25, there was a reduction in the overall headcount by approximately 10% due to ongoing economic instability. This reduction had a slight impact on staff retention. Nonetheless, our commitment to prioritising people remains unwavering, as evidenced by our recent eNPS survey, where employees highlighted their teams as a key factor in their willingness to recommend their Brand.

Financial review

RESILIENT PERFORMANCE IN AN UNCERTAIN AND UNPREDICTABLE MACROENVIRONMENT.

Peter Harris
Chief Financial Officer

See also:

Audit and Risk Committee Report p75

Financial statements p102

Review of trading performance

In FY25 the Group delivered a resilient performance in an uncertain and unpredictable macroenvironment. The loss of Mach49's significant contract was announced in September 2024 and reduced Group revenues by approximately £7m in the year and will reduce revenues by £75.9m in the year to 31 January 2026. The tech sector continued to be challenging, whilst our government revenues in the UK were impacted by political instability when an early general election was called in July 2024. Our brands reacted to the weaker than expected revenue performance by undertaking significant cost reduction exercises at a one-off cost of £17.0m. This resulted in a total headcount impact of over 500 roles which equates to over 10% of our global headcount at an annualised saving of approximately £45m, of which £16m relates to employees previously engaged within Mach49. Of the remaining £29m, approximately £9m has been realised in the year.

The Group saw a decline in its net revenues of 1.4% with organic net revenue decline of 4.0%. The Group delivered an adjusted operating profit of £107.4m at a margin of 18.9%, compared to 21.0% in the prior year due to investment in the expansion of SMG into the US and weak revenue at our more highly operationally geared Tech businesses.

The Group acquired two small businesses for its UK-based communications business, MHP Group, which performed strongly in the year. The acquisitions were made to build out its range of products and services in the tech and content areas.

Our Customer Delivery segment delivered organic revenue growth largely due to a stellar performance from SMG, our retail media business, whilst our Engage, Data and Insights and Business Transformation segments experienced organic revenue declines, mostly due to softness in the tech sector.

	Year to 31 January 2025 £m	Year to 31 January 2024 £m	Decline %
Adjusted results◆			
Net revenue	**569.7**	577.8	(1.4)%
Adjusted operating profit	**107.4**	121.1	(11.3)%
Adjusted operating profit margin	**18.9%**	21.0%	
Adjusted profit before income tax	**101.4**	117.9	(14.0)%
Adjusted diluted earnings per share	**69.3p**	81.6p	(15.1)%
Statutory results			
Revenue	**729.8**	734.7	(0.7)%
Operating profit	**56.6**	77.1	(26.6)%
Profit before income tax	**62.5**	80.3	(22.2)%
Net cash generated from operations	**96.1**	105.0	(8.5)%
Diluted earnings per share	**37.9p**	50.3p	(24.7)%

◆ Alternative performance measures. Measures with this symbol are defined and reconciled in the Glossary section on page 188.

Review of trading performance continued

The Group's strategy is to acquire and then enhance entrepreneurially led businesses, where management teams are incentivised to deliver growth over the medium term. This often results in the Group acquiring companies in the early stages of their development where their future performance is uncertain, leading to significant changes in the estimates used for future earn-out payments.
We continue to examine the impact of these material changes in estimates on the statutory results and have an additional glossary to the Annual Report to separately show the alternative performance measures used. The Glossary section set out at the end of the Annual Report and Accounts provides reconciliations between the statutory and the adjusted results in order to help the readers of the accounts to interpret the results.

In order to assist shareholders' understanding of the performance of the business, the following commentary is focused on the adjusted performance for the 12 months to 31 January 2025, compared with the 12 months to 31 January 2024, in particular the net revenue performance, adjusted operating profit and adjusted diluted earnings per share.

The Directors consider these adjusted measures better reflect the trading performance of the business as well as aligning with how shareholders value the business. They also give shareholders more information to allow for understandable like-for-like, year-on-year comparisons and more closely correlate with the cash and working capital position of the Group. The Group also presents net revenue which is calculated as statutory revenue less direct costs as shown on the Consolidated Income Statement and is more closely aligned to the fees the Group earns for its products and services.

In line with industry peers, the adjusted profit measures take account of items which are not related to underlying trading in the year including acquisition accounting related-costs, brand equity incentive schemes, costs associated with restructuring and certain other items. In order to provide comparability with industry peers, amortisation of acquired intangibles is also adjusted for.

Reconciliation of statutory operating profit to adjusted operating profit

	Year to 31 January 2025 £m	Year to 31 January 2024 £m
Statutory operating profit	**56.6**	77.1
Interest on lease liabilities	**(0.9)**	(1.1)
One-off charges for employee incentive schemes	**0.2**	6.6
Employment-related acquisition payments	**9.5**	10.0
Deal costs	**0.6**	0.7
Costs associated with operational restructuring	**17.0**	5.2
RCF fees write-off	**—**	0.6
Property impairment	**0.6**	—
Intangible write-off	**1.4**	—
Goodwill impairment	**3.0**	—
Amortisation of acquired intangibles	**19.4**	22.0
Adjusted operating profit	**107.4**	121.1

Adjusted operating profit decreased by 11.3% to £107.4m (2024: £121.1m) and we made a statutory profit before tax of £62.5m (2024: £80.3m).

When comparing to the adjusted operating profit, the lower statutory profit before tax was mostly due to acquisition-related accounting, including the amortisation of acquired intangibles, offset by the reduction in the expected Mach49 earn-out payment. The statutory operating profit reduced by 26.6% to £56.6m (2024: £77.1m). Diluted earnings per share reduced to 37.9p (2024: 50.3p), principally reflecting higher net finance charges in the year and lower operating profit as a result of significant restructuring costs.

Financial review continued

Review of trading performance continued

At each balance sheet date we are required to estimate the value of future earn-out payments for all of our acquired businesses. The Mach49 estimate is the largest and most judgemental of these calculations. As at 31 January 2024, we estimated the total value payable under the earn-out to be US $250m on an undiscounted basis, but noted at the time this was an area of significant judgement. When reflecting the historic trading performance, we have reduced the estimate of the total earn-out to US $219m, a reduction of US $31m year on year with US $91m of the earn-out remaining to be paid as at 31 January 2025. Accordingly, in the year this resulted in a £22.6m credit to the profit and loss, reflecting the reduction in the remaining earn-out liability on a discounted basis. This change in estimate has been included as a credit to the profit and loss account within net finance income/expense.

Review of adjusted results to 31 January 2025

Group profit and loss account

As shown in the previous table, we incurred £0.2m of one-off charges for employee incentive schemes relating to new growth shares for MHP, and £9.5m in relation to employment-related acquisition payments. We incurred £0.6m of deal costs in relation to business combinations and acquisitions made during the year. We also incurred £1.4m intangibles write-off, £0.6m property impairment and £3.0m goodwill impairment. Amortisation of acquired intangibles was £19.4m in the year. We also incurred £17.0m of operating restructuring costs as we reacted to the reduction in demand for our services at a number of our agencies. All of the above resulted in an adjusting operating profit of £107.4m.

Taxation

The adjusted effective tax rate on the Group's adjusted profit for the year to 31 January 2025 was 27.4% (2024: 26.3%), compared to the UK enacted statutory rate of 25% (2024: 24%), refer to note 8. The adjusted effective tax rate was higher than the rate achieved in the prior year largely due to the impact of the higher rates of taxation related to overseas profits as well as the increase in the UK enacted statutory rate. We expect the tax rate for the period ending 31 January 2026 to drop to 26%. This projected rate drop is mainly driven by expectation that withholding taxes suffered by the Group will be significantly less due to the loss of the significant Mach49 client.

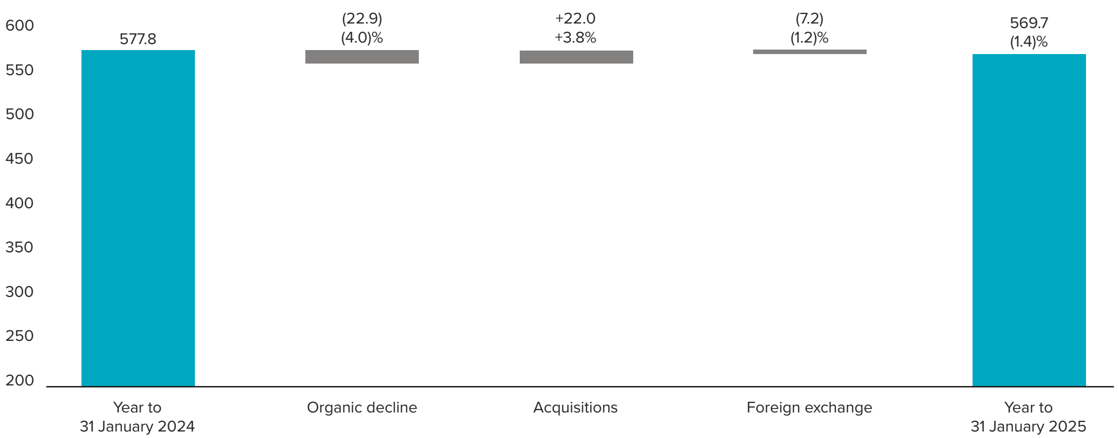
We anticipate that overseas international tax pressures will continue to have an adverse impact on the Group's adjusted effective tax rate over the coming years. The impact of differing overseas tax rates and withholding taxes is captured in note 8.

We inherited a complicated corporate structure with the acquisition of Engine in 2022 and we continue to progress an outstanding tax enquiry, which we believe we have adequately provided for. The Board takes a low-risk attitude to tax compliance and endeavours to pay the appropriate level of tax in all markets the Group operates in.

Earnings

Adjusted diluted earnings per share has reduced by 15.1% to 69.3p for the year to 31 January 2025, compared with 81.6p achieved in the prior year, as a result of the reduced profitability on an adjusted basis.

Net revenue bridge (£m)



Segmental review

In order to assist shareholders' understanding of the key growth drivers of the Group, we have included an analysis of the results by the operational segments we used to monitor the performance of the business for the year ended 31 January 2025. The four operational segments were Customer Insight, Customer Engagement, Customer Delivery and Business Transformation.

Customer Engagement

This segment includes M Booth, M Booth Health, Outcast, Archetype, Nectar, Brandwidth, MHP and House 337. M Booth, M Booth Health, MHP and Brandwidth delivered organic growth in the tough macroenvironment whilst our more tech and project-based agencies showed revenue declines for the year. The segment's net revenue declined 0.4% to £262.0m, with an organic revenue decline of 2.4%, and delivered an adjusted operating profit of £53.9m at an improved adjusted operating margin of 20.6%.

Customer Delivery

This segment includes our Activate, The Agent3 Group, Twogether and SMG agencies. This segment is focused on solving short-term revenue challenges for its clients usually through digital products, which makes it easier to determine their return on investment. SMG had a stellar year winning significant new customers such as ASDA and Deliveroo in the UK and WHSmith Travel in the US and extended its contractual relationship with its largest customer Morrisons for a further four years.

Our B2B tech-focused agencies had a tough year as their clients continued to delay spend due to the weak macroenvironment. The segment delivered net revenue growth of 1.8% to £109.6m with organic revenue growth of 2.7%. The adjusted operating profit decreased to £23.9m at a still very healthy adjusted operating profit margin of 21.8%, principally due to the investment by SMG in US expansion.

Customer Insight

This segment includes Savanta and Plinc. Savanta had a weaker year than expected and we made a leadership change and a significant restructuring as a result. Plinc grew its retail client base and continued to develop a suite of new products for its target market. Total net revenue for the segment reduced by 3.6% to £55.4m with an organic decline of 9.5%, whilst the adjusted operating profit decreased by 32.3% to £7.0m at a reduced adjusted operating margin of 12.7%.

	Customer Engagement £'000	Customer Delivery £'000	Customer Insights £'000	Business Transformation £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Net revenue◆	**262,001**	**109,599**	**55,404**	**142,692**	**—**	**569,696**
Organic net revenue (decline)/growth◆	**(2.4)%**	**2.7%**	**(9.5)%**	**(9.3)%**	**—**	**(4.0)%**
Adjusted operating profit/(loss)◆	**53,854**	**23,857**	**7,009**	**40,045**	**(17,319)**	**107,446**
Adjusted operating profit margin◆	**20.6%**	**21.8%**	**12.7%**	**28.1%**	**—**	**18.9%**
Year ended 31 January 2024						
Net revenue	263,120	107,653	57,476	149,590	—	577,839
Organic net revenue (decline)/growth	(6.3)%	5.1%	4.3%	8.7%	—	0.3%
Adjusted operating profit/(loss)	53,178	29,117	10,358	48,253	(19,825)	121,081
Adjusted operating profit margin	20.2%	27.0%	18.0%	32.3%	—	21.0%

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 188.

Financial review continued

Segmental review continued

Business Transformation

This segment includes Mach49, The Blueshirt Group, Palladium and Transform. In September 2024 we announced the loss of the significant contract by Mach49, which reduced expected revenue by £7m in the year and will lead to a reduction in revenue of £75.9m in the year to January 2026. Transform had a weaker year due to the political instability and the early election in the UK. It secured a major contract win with the Department of Education, which should result in a much improved performance in the year to January 2026. The Blueshirt Group and Palladium suffered revenue and profit declines due to weakness in the Tech IPO and PE advisory markets.

Overall, the segment delivered a net revenue decline of 4.6% to £142.7m with an organic revenue decline of 9.3%. The adjusted operating profit declined by 17.0% to £40.0m at an adjusted operating profit margin of 28.1%.

Geographical review

US

In the year to 31 January 2025, total US net revenues declined by 3.9% to £282.5m from £294.1m, which included organic decline of 3.9%. We saw continued weakness from our B2B tech businesses, whilst our B2C agency M Booth and its sister agency M Booth Health improved their performances as the year progressed and confidence returned to their key customers.

	UK £'000	EMEA £'000	US £'000	Asia Pacific £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Net revenue◆	**258,897**	**12,330**	**282,492**	**15,977**	**—**	**569,696**
Organic net revenue (decline)/growth◆	**(4.1)%**	**2.0%**	**(3.9)%**	**(6.6)%**	**—**	**(4.0)%**
Adjusted operating profit/(loss)◆	**44,526**	**2,641**	**75,686**	**1,912**	**(17,319)**	**107,446**
Adjusted operating profit margin◆	**17.2%**	**21.4%**	**26.8%**	**12.0%**	**—**	**18.9%**
Year ended 31 January 2024						
Net revenue	254,281	12,399	294,054	17,105	—	577,839
Organic net revenue (decline)/growth	(0.4)%	6.1%	0.9%	(3.6)%	—	0.3%
Adjusted operating profit/(loss)	45,731	2,345	91,139	1,691	(19,825)	121,081
Adjusted operating profit margin	18.0%	18.9%	31.0%	9.9%	—	21.0%

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 188.

Mach49 lost its biggest contract during the year, whilst The Blueshirt Group had a fall in revenues due to a dearth of Tech IPOs. All businesses reacted to the tougher trading conditions by managing cost bases tightly. The adjusted operating profit from our US businesses decreased by 17.0% to £75.7m compared with £91.1m in the previous 12 months to 31 January 2024, at a still very healthy operating margin of 26.8% compared with 31.0% in the prior year.

UK

The UK businesses delivered a mixed performance over the last 12 months, with net revenue increasing by 1.8% to £258.9m from £254.3m in the prior period. This growth was supported by two bolt-on acquisitions for MHP. Our UK businesses delivered an organic revenue decline of 4.1%. The adjusted operating profit decreased to £44.5m from £45.7m in the prior year with the adjusted operating margin decreasing to 17.2% from 18.0% in the prior year.

EMEA

The EMEA business continued to perform relatively well with net revenue reduced marginally to £12.3m (2024: £12.4m) and an adjusted operating profit of £2.6m at an adjusted operating margin of 21.4%.

APAC

In the APAC region net revenue declined by 6.6% to £16.0m (2024: £17.1m). The operating profit increased to £1.9m at an operating margin of 12.0%.

Cash flow

The net cash inflow from operating activities before changes in working capital for the year to 31 January 2025 decreased to £103.1m from £115.7m in the prior period reflecting the reduction in profit. We had a net outflow from working capital of £7.0m due to the reduction in deferred income and bonus accruals across the Group. This resulted in our net cash generated from operations before tax being £96.1m (2024: £105.0m). Income taxes paid reduced to £20.7m from £25.4m.

Dividends paid to Next 15 shareholders during the year were £15.5m (2024: £14.8m).

Net interest paid to the Group's banks increased to £6.0m (2024: £3.2m) as we settled acquisition-related payments and we were also impacted by central banks increasing interest rates to combat rising inflation.

The Group spent £5.3m from a previously announced share buyback programme during the year. In total, we spent £9.8m buying back 1,211,111 shares which have been cancelled. Currently, no further share buyback is planned.

Balance sheet

The Group's balance sheet remains strong, with a modest net debt position as at 31 January 2025 of £38.4m (2024: £1.4m) and net assets of £181.2m (2024: £156.2m).

Contingent consideration saw a significant decrease to £72.7m as at 31 January 2025. Primarily, due to settlements of £62.0m during the year and a £29.7m change in estimate, primarily driven by the revised assumptions for the latest trading performance for the Mach49 business.

Cash flow KPIs

	Year to 31 January 2025 £m	Year to 31 January 2024 £m
Net cash inflow from operating activities before changes in working capital	**103.1**	115.7
Changes in working capital	**(7.0)**	(10.7)
Net cash generated from operations	**96.1**	105.0
Income taxes paid	**(20.7)**	(25.4)
Investing activities	**(12.3)**	(17.9)
Dividend paid to shareholders	**(15.5)**	(14.8)
Net debt	**(38.4)**	(1.4)

Treasury and funding

Post the year end, the Group strengthened its banking facilities by agreeing to access an additional £25m of the accordion which is a component of the revolving credit facility ('RCF') with a consortium of HSBC, Bank of Ireland, NatWest Bank, Citibank and CIC. This takes the Group's committed facilities to £175m. The facility is available until December 2027 with an option to extend for a further year. The facility is primarily used for acquisitions and is due to be repaid from the trading cash flows of the Group. The facility is available in a combination of sterling, US dollar and euro at an interest margin dependent upon the level of gearing in the business. The Group also has a US facility of US$7.0m (2024: US$7.0m) which is available for property rental guarantees and US-based working capital needs.

As part of the facility agreement, Next 15 has to comply with a number of covenants, including maintaining the multiple of net debt after deferred consideration to adjusted EBITDA below 2.5x. Next 15 has ensured that it has complied with all of its covenant obligations with significant headroom.

Peter Harris
Chief Financial Officer
14 April 2025

Stakeholder engagement

HOW WE ENGAGE WITH OUR STAKEHOLDERS.

The Board's decisions are guided by a desire to achieve long-term sustainable performance and growth for the benefit of its stakeholders. It is acknowledged that engagement with all key stakeholders is essential in order to run a successful business.

Different stakeholders require different engagement, but we take time to engage with, and listen, to all stakeholders and take into account their views in our decision-making process. We set out below the various stakeholder groups and how we engage with them.

See also:

Our strategy p9

Corporate governance p64

Employees

We are a people-first organisation and our belief is that our people are fundamental to us achieving our goals and ambitions. At the Group level, we support all of the brands and we work to guide and counsel them in the best possible way, always focused on ensuring they aspire to benchmarks that are better than their competitors when it comes to their people. With five generations in the workforce, we ensure that we are always adapting, sharing best practise and developing processes and policies that are progressive, unbiased and inclusive.

How we engage at Board level

- Paul Butler continues to be the Non-Executive Director responsible for workforce engagement. We held listening sessions in person in New York and London during FY25, along with a number of online discussions around the internal and external forces impacting our workforce.
- Relevant people data, including the employee net promoter score ('eNPS'), demographic data, average salary data, and outturns of the maturity model scorecard, is shared with the Board.
- The Board is kept up to date on succession planning of the Group's senior management team, as well as having regular updates on the employee base.

How we engage across Next 15

- Regular employee net promoter score surveys are carried out with results forming a component of Executive Director bonus.
- With the majority of UK businesses and US brands now sharing office space with Next 15 in London, New York and San Francisco, this allows much more cross-brand interaction and allows Next 15 to have more face-to-face time with the brands.
- Our global green team, Green 15, held events in various offices, such as sustainable fashion swap shop and healthy food sampling for all staff to attend.
- 'The Framework' (a set of policies and guidance for the brands) continues to be improved to give the brands' guidance on what is managed centrally and what is managed within the brands. More online training videos and quizzes have been added to the platform, and a new induction programme for new staff is being rolled out.
- Our confidential third-party whistleblowing platform is available to all employees globally. This aims to embed an open culture where employees feel able to raise concerns.
- Using cross-Group messaging platforms such as Slack to keep staff informed and allow easy access to management.
- As a global business, the global people strategy is complemented by local strategies and in-brand strategies that are specific to a region of a brand. These may relate to employee wellbeing, talent attraction and training and development. Whilst our brands are all part of the Next 15 Group, they equally have their own identity and culture that are important to recognise and develop.

Customers

Focusing on meeting the needs of our clients is critical to the success of each of our businesses. We work with some of the world's best-known brands as well as smaller start-ups and government departments. We acknowledge that there is no 'one size fits all' approach to engaging with customers. We aim to partner with our clients to ensure we understand how best to serve client needs based on what they tell us.

How we engage at Board level

- Executive Directors, in particular our CEO, regularly meet with clients to understand their challenges and growth priorities.
- The Board receives regular updates from management regarding the brands' performance, including major new client wins.
- We encourage our Non-Executive Directors to share their experience of working with clients in their other roles and seek collaboration with client teams where they can add value to client relationships.

How we engage across Next 15

- We have a standard client onboarding process to ensure we understand our clients and they understand us better.
- Regular client satisfaction surveys are carried out to ensure we continue to meet client needs.
- Giving brands access to the Ethics Group as detailed in the ESG Report on page 38 to ensure clients fit with our strategy and values.
- Sharing new client wins and industry awards and events across all brands encourages employees from all parts of the business to understand our key clients and how we support them.

Investors

The Board continues to recognise the critical importance of open dialogue, transparency and fair consideration of the Company's shareholders. Executive Directors engage with shareholders regularly throughout the year to discuss the Group's performance and ensure they are appraised on our strategic plans and financial results.

How we engage at Board level

- The Chair, CEO and CFO regularly meet with major shareholders following interim and full-year results announcements, and are available at other times if requested.
- Direct consultation takes place for relevant decisions such as ESG Strategic Priorities and key remuneration matters.
- Capital markets days are held from time to time, with presentations from the Group's Executive Directors as well as senior management from the brands.
- The Directors attend the Annual General Meeting ('AGM'), which is an opportunity for all shareholders to meet the Board and discuss the Annual Report and Accounts and the work of the Board Committees.

How we engage across Next 15

- Our Annual Report and Accounts is prepared each year to give shareholders details on the Company's strategy, the performance of the Group and the operation of the Board.
- We maintain an up-to-date website to provide key Company information and publications, as well as additional resources and links to all of our brands.
- Key shareholders are encouraged to meet members of the senior management team at regular capital markets day events or at other times upon request.

"Focusing on meeting the needs of our customers is crucial to the success of our businesses."

Stakeholder engagement continued

Suppliers

We have many suppliers across the Group and the nature of our business means that we are not dependent on any one of them. We aim to work with partners that match our aims and values.

We want to ensure that our suppliers are engaged on suitable terms and meet the expectations of the Group.

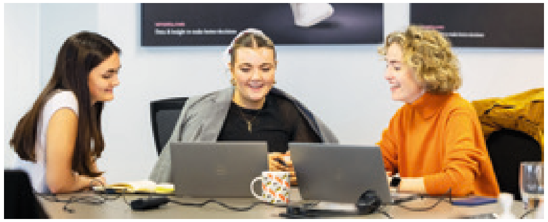
How we engage at Board level

- The Board receives updates on supplier and partner relations, and the matters reserved for the Board ensure that major new and renewing supplier contracts are referred to the Board for approval.

How we engage across Next 15

- A standard supplier onboarding process has been rolled out across all brands to help minimise risk and ensure suppliers meet our ethical standards and values.
- We use formal contracts with suppliers to ensure they are engaged on appropriate terms.
- For major new suppliers, a member of our senior management team will act as a sponsor to oversee the selection, negotiation and onboarding process.

Our brands



The Group has many different brands and we want to ensure that Next 15 maintains the personal connection with our brands that has been key to our success. It is also crucial for all our leaders to have an opportunity to get to know the Board and, where appropriate, our shareholders as part of their career progression and personal development.

How we engage at Board level

- Monthly meetings for all Group CEOs with the Executive Directors.
- Regular 1:1 meetings with Next 15 Executive Directors.
- Annual strategy sessions with the Next 15 Board.
- Key management from our brands periodically attend Board meetings of Next 15 to present their budget and strategy.

How we engage across Next 15

- Next 15 facilitates and encourages regular meetings across multiple Group functions to address matters such as talent management, business disruption, AI, data privacy, EDI, cyber security and financial controls.

"We want to ensure that Next 15 maintains the personal connection with its brands."

Section 172(1) statement

Under S172(1) of the Companies Act 2006 ('S172'), the Directors of the Company are obligated to act in the way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole (its stakeholders including shareholders). In doing so, the Directors must have regard (among other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between shareholders of the Company.

See also:

Stakeholder engagement p22

Corporate governance p64

The duties of Directors also include a duty to identify and engage with stakeholder groups and ensure the interests of those groups are taken into account in decision-making. Next 15's governance framework is conducive to Board-level decisions being made with stakeholder interests, and the longer-term impact, in mind. The Directors are conscious of the continued evolution of the governance landscape, and the need to take into account the requirements of different stakeholder groups.

In order to ensure the needs of all stakeholders are considered, the Directors follow a thorough decision-making process:

- the Directors are provided with Board and Committee papers which provide the necessary information and state clearly what is required from the relevant Committee and/or the Board. The potential impact of various stakeholder groups will be included in such papers as is appropriate;
- the Directors discuss the papers, making sure there is sufficient information to ensure that actions are within strategy and will take into account section 172 matters. If there is not sufficient information, management will be actioned to provide further input;
- once the Board is satisfied that it has taken into account the section 172 matters, it will make a decision and any actions will be documented; and
- Board decisions are communicated to stakeholder groups as required.

Engagement with our stakeholders is detailed on pages 22 to 24, as well as in the Corporate Governance Statement on pages 65 to 72.

The principal long-term risks to the Group are set out on pages 52 to 61, together with the mitigating actions explained on those pages detailing how the Directors consider those risks and the resulting actions taken.

Set out here are examples of how the Board considered certain matters and reached decisions, demonstrating how it had regard for section 172 when discharging its decisions during the year.

Transactions through the year

Matters discussed

The Board discussed a number of potential acquisition targets as either stand-alone acquisitions or bolt-ons to existing brands as well as whether to make any targeted investments.

Section 172 considerations

(a) (b) (c) (e) (f)

How the Board considered section 172

For all potential acquisitions, the Board receives a rationale paper from management setting out the ways in which the target business adds value to Next 15 and how Next 15 can add value to the target business. It considers how it fits into the long-term strategy of the Company, whether it is earnings enhancing and the payback period. Any employee issues will be highlighted and considered.

Following due diligence, which covers commercial, financial, employment, technology and data privacy, legal and ESG, a report is prepared for the Board to consider the findings and approve if the transaction should proceed.

Decisions were made not to pursue certain acquisitions due to the outcome of due diligence, which identified that the target business would not fit with our values, culture, ESG standing or level of maturity or financially were not justified.

Outcomes

- The Company has made a number of acquisitions that add capabilities and services to existing brands.
- The Company worked on its acquisition strategy to ensure that it targets those businesses which would add value to the Group and the wider stakeholders.
- Consideration given as to whether certain assets could be divested to free up capital.

Section 172(1) statement continued

Continued to develop its strategic plan

Matters discussed

The Board reviews the Group strategy and approves changes which drive the future of the business.

Section 172 considerations

(a) (b) (c) (d) (e) (f)

How the Board considered section 172

In discussing the strategy, the Board reviewed a number of papers and held a one-day strategy day. When considering the Group strategy, the Board takes into consideration all stakeholders. It looked at the likely consequences of any strategic plan for the long term and how this will impact investors, employees, clients and suppliers. It considered the role that Next 15 plays in supporting, guiding and managing the brands and how this impacts the employees in the brands, as well as customers and suppliers. The strategy aims to bring long-term growth to the Group for the benefit of its shareholders.

The Board considered the impact of AI and how this may affect its brands, its employees and clients.

Outcomes

- The Company continued to develop its strategy as set out in this Annual Report, taking into account all stakeholders.
- The Company took steps to bring together the capabilities of Archetype, Outcast and Nectar into a more co-ordinated and product-led business, and launched 'Marker Collective'.
- The Company approved the collaboration of its UK-based B2B tech marketing agencies as set out on page 13.

Appointment of a new Non-Executive Director

Matters discussed

The Nomination Committee and the Board regularly review the composition of the Board.

Section 172 considerations

(a) (b) (e)

How the Board considered section 172

Stakeholder engagement by the Chair indicated that the Company could benefit from additional skills in the areas of investment banking and mergers and acquisitions. Shareholders wanted comfort that the Board had the right skills and experience as Next 15 continues to evolve. The Chair considered the strategic and governance requirements of the Company and took on board the feedback from shareholders. The Chair discussed this with the Nomination Committee and the wider Board, including Executive Directors.

An extensive search was carried out using an external search company to ensure that the new Director would have the relevant skills, as well as being able to be part of the Company's culture. The Directors had regard to the likely positive consequences of a new appointment on the Group's long-term success, given the skills and experience that a new Non-Executive Director could bring.

Outcome

Mark Astaire was appointed to the Board with effect from 1 February 2025. Mark has 35 years of investment banking experience and brings great new skills to the Board to help the Company continue to evolve. Mark's biography is set out on page 63. After the year-end, further changes to the composition of the Board have been made as set out on page 67.

ESG report

COLLABORATING IS...

See also:

ESG report
p27

Non-financial and sustainability information statement
p40

...MOVING FORWARD WITH PURPOSEFUL ACTION AND STRATEGIC INTENT AT OUR CORE.

As Chair of the ESG Committee, I am pleased to present our fourth Environment, Social and Governance ('ESG') Report. This year has been a pivotal moment for Next 15 – one where we've transformed ESG from a set of foundational commitments into a lever for long-term value creation, business resilience, and stakeholder trust.

ESG is no longer a parallel workstream – it is embedded in our commercial strategy and operational decision-making. In a year of business introspection and reorientation, we have taken deliberate steps to ensure our ESG priorities support the Group's transformation agenda, from portfolio simplification to targeted innovation investment.

We continued to deepen our understanding of our environmental footprint, advancing our science-aligned emissions tracking and target-setting.

Dianna Jones
Chair of the ESG Committee

At the same time, we made material progress in embedding equity, diversity, and inclusion ('EDI') more fully into our brand-level cultures and leadership pipelines. These efforts, shared on pages 11 and 12 of this report, were not only about doing what's right – they were about preparing our people and operations to thrive in a values-aligned, investor-conscious market.

Our work this year focused on ensuring that ESG is a source of differentiation, not just compliance. We aligned our reporting and metrics frameworks to emerging global standards, strengthened our internal governance, and worked closely with our brands to embed accountability. These changes are enabling us to make faster, smarter decisions on issues from responsible supply chains to sustainable growth investments.

We also advanced our ESG data capabilities, helping the business move from qualitative storytelling to quantifiable outcomes. These insights will serve as a foundation for more transparent disclosure and continuous improvement in the years ahead.

Looking forward, ESG will be instrumental in helping the Group deliver long-term value in a fast-changing environment. Whether it's managing climate risk, attracting purpose-driven talent, or aligning with investor expectations, our ESG strategy is designed to be forward-looking, integrated, and impactful.

The ESG Committee will continue to work closely with the Board and management to ensure our strategy remains ambitious yet actionable. In FY26, our focus will shift from building foundations to accelerating impact – translating purpose into performance.

We remain committed to listening, learning, and leading with integrity. The work ahead is complex, but we are confident that our disciplined approach to ESG will strengthen our business, enhance stakeholder trust, and create sustainable value for years to come.

Lastly, as noted elsewhere in this report, I have made the decision not to stand for re-election at the 2025 AGM. It has been a privilege to serve as Chair of the ESG Committee during such a formative and dynamic period. I'm incredibly proud of the progress we've made – especially in embedding ESG more deeply into how we think, operate, and grow as a business. Over the coming months, I will work closely with Paul Butler, who will be stepping in as Chair, to ensure a smooth transition. I have every confidence that he will build on the strong foundations we've laid and continue to drive meaningful impact across the Group.

Dianna Jones
Chair of the ESG Committee
14 April 2025

ESG Strategic Priorities Roadmap
Visit us online to look back at progress FY22 to FY25
next15.com/sustainability/strategic-priorities/roadmap

Next 15 ESG Strategic Priorities

Contribute to sustainable growth for our clients

Our business

Manage our own impacts and enhance our sustainable growth expertise.

Each brand to be clear and engaged on its contribution to sustainable growth.

Acquire brands that are committed to sustainable growth.

Support brands working towards B Corp certification.

Create an environment where diversity is valued at every level.

Measure and set emission reduction targets in line with our science-aligned approach.

Our clients

Support clients to improve their social and environmental impacts.

Work on client projects where there is a clear commitment to sustainable growth.

Measure, wherever possible, the impact creating our work has.

Our enablers

Put in place the foundations that allow us to deliver sustainable growth.

Make Next 15 a great place to work.

Ensure robust governance and decision-making.

Support causes and initiatives close to the hearts of our people and the communities in which we are based.

Our business strategy is to:

Continually evolve our Group to deliver the leading-edge specialist growth consultancy that our clients require

Work together to solve our clients' most pressing growth problems

Develop our key talent

Make sure we leave the world a better place than we found it

Environment

A science-aligned approach

Collectively deepening our understanding

Our commitment to taking action against climate change has continued and expanded across the business over the past year, with significant engagement and collaboration across Next 15, at both a Head Office level and with our brands globally. Together we moved to a deeper level of understanding of our emissions-related data, gaining clarity around what is applicable to us in our context in line with our science-aligned approach, as shared in our reporting boundary on this page. It was an insightful year for all, as we focused on key emission impact areas, gaining a heightened appreciation for the rigour required in order to continue to achieve more accuracy in our emissions reporting, along with the value of educating along the way. As we move further into FY26 we remain ambitious on our path of continual improvement in refining our key data points and improving our data collection processes. Our decision to allocate our carbon budget in FY25 to brand-level engagement, reimbursing brands on ESG charges made in return for their engagement, proved beneficial, evident from the progress we made.

More about our positive impact work

next15.com/sustainability/our-impact-plan

Included within current reporting boundary (as at January 2025)

Scope 1
All on-site energy fuel consumption (natural gas, other fuels (e.g. diesel used in back-up generators and CO_2 canisters for office drinks)).*

Scope 2
Purchased electricity.

Scope 3
Energy transmission and distribution, waste, water, business travel, commuting, working from home, purchased goods and services, production, media planning and buying, downstream leased assets, upstream transportation and distribution, and investments.

* There were no measured fugitive losses from refrigeration and air conditioning equipment in FY25.

Reporting boundary as at January 2025

Total location-based and market-based emissions for FY25, broken down by Scope

	FY25 Location-based	FY25 Market-based
Scope 1 tCO_2e	166.33	166.33
Scope 2 tCO_2e	626.34	431.86
Scope 3 tCO_2e	54,948.03	54,893.62
Total tCO_2e	**55,740.70**	**55,491.81**
Total tCO_2e – normalised by FTE	**13.21**	**13.16**

Climate action

Scope 1 and Scope 2

Energy management and efficiency initiatives

We continued to leverage our Next 15 Framework of policies such as our environmental policy, influence behaviour through our global green team, Green 15, and improve our Environmental Management System, particularly at our London Head Office where we continue to drive efficiencies through our upgraded Building Management System and with our continued support of the London Mayor's Business Climate Challenge. We deepened engagement across our global office locations, helping improve our insights into energy source and fuel mix. These steps supported the ongoing refinement of our emissions reporting.

Environment continued

Climate action continued

Scope 1 and Scope 2 *continued*

Energy management and efficiency initiatives continued

Where we use shared leased office space primarily for our operations across regions, we have limited influence over energy usage, particularly in the context of our renewable energy transition ambitions. But we are continuing to nurture relationships with landlords and building management, and influence where we can by seeking alignment with our own ambitions. See Renewable Energy on page 48 of our Climate-related Financial Disclosures Report for how we performed in FY25 as well as revised our targets as we continue forward.

Office footprint

We demonstrated continued value through our hybrid working model and effective management of our office footprint. While market-based emissions under Scope 2 rose from 353.20 tCO_2e in FY24 to 431.86 tCO_2e in FY25, this was largely due to leases ending at locations with renewable energy and the increased diligence of our data reporting. Despite this, we achieved a 13% reduction in our office-based emissions globally, from 1,196 tCO_2e in FY24 to 1,039 tCO_2e in FY25, thanks to measures such as consolidating spaces and using co-working environments aligned with our science-aligned approach.

Next 15 office count globally in FY25

Leased	Subleased	Co-working*	Co-working (dedicated)
49	1	8	7

* Emissions for 'Co-working' only do not need to be captured as part of our science-aligned emissions reporting; however, for due diligence we have included the complete number of office locations here.

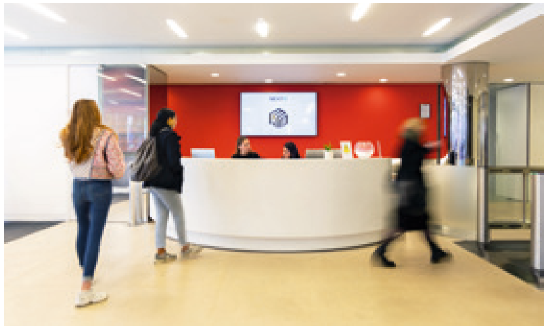
Scope 3

Suppliers

As part of 'purchased goods and services', Category 1, our most significant category under Scope 3, we were persistent in our determination to further grow our understanding of these emissions. In collaboration with our environmental consultants at Green Element, Head Office and our brands, we set about fine-tuning our reporting by refining how we capture supplier information in our Maconomy system. In FY25, Category 1 made up 83% of Next 15's Scope 3 emissions and 82% of the total footprint (location-based) – a respective 1% and 2% decrease from FY24. More accurate application of spend factors is key to continual improvement in our emissions reporting. We look forward to continuing our work and leveraging our existing supplier engagement programme which focuses on risk in areas including ESG, to further deepen our understanding of our Scope 3 emissions.

Production and media emissions

Our two Working Groups – digital advertising and media-related emissions, largely led by encore, Publitek, SMG and Brandwidth, and production-related emissions, largely led by elvis, House 337 and Twogether – also made strong leaps forward this year. Together, with support from Green Element, we moved closer to establishing our critical emission data points and commenced brand-level data gathering as a result, all of which has been invaluable. We have continued to lean into the wider industry through AdGreen, with its production calculator and resources, and Ad Net Zero, who are guiding the advertising industry



towards net-zero, and responsible for the next phase of what was the Global Alliance for Responsible Media ('GARM') methodology, now the Global Media Sustainability Framework. We look forward to starting to move away from spend-based to activity-based emissions reporting, where our digital advertising and media-related emissions are concerned in the years ahead.

ESG report continued

Environment continued

Climate action continued

Scope 3 *continued*

Waste and water

Through closer engagement and collaboration, we saw positive momentum in our efforts to track our waste and water consumption data. Based on total office space (by m^2), we have updated data on water usage for 59% of Next 15's office locations, up 6% from FY24, and on waste we have updated data for 50% of Next 15's office locations, up 32% from FY24. Figures are reflective of measures in place, especially at our London Head Office, where continued use of zip taps, sensor flushes and taps and transitioning to a more sustainable waste management company Bywaters, has given us the opportunity to minimise our waste and water usage where we can. We will continue to implement appropriate measures, and where office locations are less in our control, to further cement positive relationships, and embed behaviour change through our global green team, Green 15.

Commuting and working from home

We expanded our survey in FY25 to include not only our employees, but contractors and freelancers too, ceasing the opportunity to start moving away from spend-based reporting. For our employee headcount we achieved a 36% response rate (a 281 response count increase from FY24) – another result of deepening our engagement with the business around our emissions measurement. For our contractors and freelancers, while we had minimal traction, it proved additive in combination with some contractor data collected from other parts of the business.

Business travel

Our business travel emissions slightly increased in FY25 to 1.35 tCO_2e/FTE. While not in the direction we wanted, we were encouraged by the progress we made in gathering activity-based data from Head Office, along with some of our brands (House 337, elvis, Brandwidth, Twogether and Transform) and travel management companies too. However even before accounting for our activity-based emissions, based on spend alone, our emissions had already increased. We remain proactive and ambitious with our efforts as we continue forward. To that end we have put measures in place to better capture key data through Maconomy, to leverage our Next 15 Framework, Travel and Expenses Policy, and, as part of that, to include data collection templates to help further educate, guide and support our business globally on the granularity of information that is needed. We remain positive that our efforts will be better reflected in our business travel reporting next year.

Business travel emissions have increased from 1.16 tCO_2e/FTE in FY24 to 1.35 tCO_2e/FTE in FY25:

1.35t

Our green benefits

Our 'help-to-buy' electric vehicles through a leasing arrangement with the Octopus Green Car Scheme continues. To date, we have 56 cars on the road, saving 165.23 tonnes of carbon emissions per annum according to the Octopus Green Car calculator – that's as much as 82,619 trees can absorb. In addition, because of our partnership with Charles Cameron & Associates, with whom our people can avail of mortgage broker services, in association with their climate partner, Earthly, we planted 43 trees in FY25.

Environment continued

Our target work

Target setting methodology to date

At the start of FY25, we planned to submit our targets to the Science Based Targets initiative ('SBTi') for validation in 2025. However, the last year saw significant changes including in Group headcount that impacted our plan to rebaseline to FY25 and underscored the need for deeper understanding and more precise reporting of emissions in our decentralised model.

As a result, we have determined that we cannot provide a suitable emissions baseline for SBTi validation at this time. Nevertheless, our commitment to being science-aligned in our approach remains firm, and we will continue refining our emissions data so we can move forward with clarity, purpose, and impact in preparation for recommitting to the SBTi in the critical years ahead.

Target update

We will continue to share our targets following our existing methodology, still aiming for near-term and net-zero reduction targets from our FY20 baseline while refining our methodology to suit our decentralised model.

While overall our emissions have increased, we are still encouraged that our Scope 1 and 2 emissions have decreased in FY25 compared to FY24 (by 36% for Scope 1 and 8.4% for Scope 2). And whilst Scope 3 emissions have continued to increase, FY25 saw a slow down in this increase, rising by just 5.2% between FY25 and FY24, compared to the previous increases of 45% between FY22 and FY23 and 29% between FY23 and FY24. Furthermore, we have reported our market-based emissions for the second year running, further demonstration of our commitment to improving our emissions reporting over the coming years.

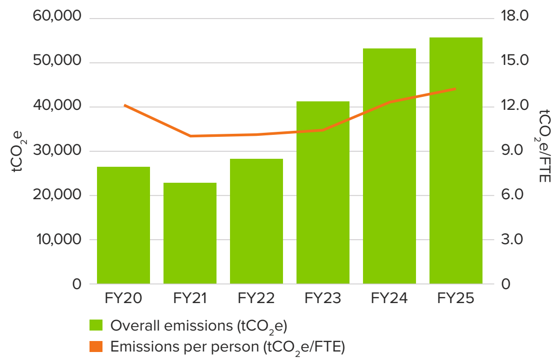
Tonnes of CO_2 per FTE for FY25 (tCO_2e/FTE):

13.21t

Tonnes of CO_2 per FTE target for FY26 (tCO_2e/FTE):

9.05t

Overall and normalised emissions per year



Overall and normalised emissions per year

	Overall emissions (tCO_2e)	Emissions per person (tCO_2e/FTE)
FY20	26,410.90	12.10
FY21	22,881.60	10.00
FY22	28,316.00	10.10
FY23	41,286.70	10.40
FY24	53,167.60	12.25
FY25	**55,740.70**	**13.21**

ESG report continued

People

Diverse, inclusive and kind at our core

At Next 15, we put our people first. Our philosophy is that everyone performs at their best when they feel trusted, included and heard.

As an ever-growing network of brands, our impact is greater than ever. In FY26 we are continuing to weave Equity, Diversity and Inclusion ('EDI') through every aspect of our work, and the whole organisation. We recognise that at times there can be some misunderstanding around diversity; however, diversity is not just a word or activity, it is a fundamental aspect of our daily working life. It shapes our interactions, our decisions and our environment. Embracing diversity means recognising and valuing the unique differences each person brings to the table, which foster creativity, innovation and growth. This collectively is what brings value and a positive future to our collective of businesses.

Diversity is critical to the success of our business.

Our clients have to reach a diverse group of customers. A diverse workforce increases our capabilities to help our clients reach those customers with compelling communication and relevant products and services.

Our priorities remain focused around:

1. building a diverse and inclusive workforce and an equitable workplace;
2. attracting and retaining engaged talent;
3. employment practices and remuneration; and
4. employee health, safety and wellbeing.

Equity, Diversity and Inclusion ('EDI')

Diversity metrics

Measuring and monitoring our progress is essential if we are to make an impact in EDI. Our data project kicked off in FY24 to improve the accuracy and timeliness of our Group-level data collection. This allows us to have a much clearer picture of our workforce and correlate the data with other sources for better analysis and prediction. In FY26, we will be upskilling our brands on the why, what and how of collecting diversity data and the insights that can be gained to help grow and shape areas such as representation across our brands.

In the UK we now have two brands over the headcount threshold requiring us to report the gender pay gap. With our improved reporting capability, we are also running gender pay gap reports internally, for all brands with over 150 employees.

EDI maturity model

In FY25 we rolled out our EDI maturity model. Each of our brands assessed themselves across a set of questions in three categories (representation, talent management, mobility, promotion and advancement and HR policies and procedures) with regards to where they were on their EDI journey. At the end of each set of questions, we asked them to rank themselves against one of five levels on the maturity model, consisting of compliance, emerging, committed, championing and Innovating. We have now established the baseline of where each of our brands is, which will help us track brands progress. We will be spending FY26 working with brands on their action plans ensuring they have the support and guidance needed to succeed. We have already seen SMG for example, set more difficult metrics across their recruitment process to improve the diversity in their brand.

The results also highlight the fact that every brand is doing something they can be proud of. The activities include programmes and process improvements, training and awareness campaigns, internal and external community engagement, inclusive HR practices and policies, deployment of technology applications to support their employees, and focused talent development planning.

Across the Group, we remain committed to embedding a sense of belonging into our workplaces. We will continue to monitor and measure the individual journeys each brand is on, and support them by building communities across the Group.

In FY25 we established a framework to enable our teams to set up and sustain these communities. The NeuroMinds Community has now been launched, with plans for more communities in FY26.

EDI learning

One of the priorities for FY26 is to implement customised EDI learning content aligned with Group values. It is essential that the learning provided educates and increases awareness effectively.

People continued

Attracting and retaining engaged talent
Our maturity model assessment includes recruitment, retention, remuneration and development, and through our EDI Council we now have direct engagement with each brand on how they can improve in all areas of their people management. Centrally, we monitor retention, eNPS, gender pay gaps and general salary benchmarking in each region we operate. This allows us to identify any issues as they arise.

Staff retention:
69%

Training and development
Our Next 15 Academy continues to provide Group-wide learning and proactive training and development across the Group. FY25 has seen a push around sexual harassment training and anti-bias and discrimination training in line with new legislation.

We have been working closer with some of our brands to support their strategic learning goals and create bespoke programmes as needed. Specifically, we have worked with SMG to shape its learning and development strategy.

Additionally, we have launched toolkits including change management and finance processes to establish structure to support our brands' growth.

Our managers' hub continues to grow, and we have introduced an Apprenticeship in Management and Leadership that can be accessed by all UK employees, and an abridged version suitable for our US employees.

Group-wide Academy engagement:
88%

Employee engagement
Our Employee Listening sessions, sponsored by our Non-Executive Director Paul Butler, continue to be a great source of insight into how our people are feeling and what is top of mind for them. The most successful session for FY25 was conducted in New York following the US presidential election and the feedback was extremely positive. People were grateful for a safe space to discuss the future and to extend their connections within the Group environment.

Employee net promoter score ('eNPS'):
13 on a scale of -100 to 100

Incentivising around positive impact
eNPS remains our one non-financial quantitative measure used to calculate Executive Director and CEO bonuses. With FY25 being a difficult year for trading and a large restructuring exercise undertaken, it is not surprising our eNPS dropped to 13.

We saw a slight decline in the response rate but still received responses from all brands. The verbatim feedback has provided some valuable insight and it was encouraging to see our employees be so open and comfortable to express their views. We identified a number of actions which will form part of the three-point plan for brands.

Employee health, safety and wellbeing
We continue to review and ensure we provide access to the best resources and advice for our people's physical and mental wellbeing. Employee Assistance Programmes and effective healthcare schemes continue to ensure our people get early access to advice and support.

We have also started including a coaching approach into our management training in order to better equip our managers with skills to have wellbeing conversations with their team members. This includes ensuring managers are also equipped to have conversations that they may not have previously felt comfortable having such as menopause support, neurodiversity and how employees work to manage their personal circumstances.

Employee benefits
We are constantly reviewing our benefits offerings to ensure they work for our employees and respond to their changing needs.

Community

What community means to us

Everything we do benefits from us working as a collective and being supportive of one another. We want this intention to be reflected both in all we are trying to achieve and who we are as people. This is determined by our relationships, both with each other and with our respective communities, including those we continue to support financially where we can.

Due to a reduction in headcount at Head Office in FY25, we needed to be realistic and reprioritise what was within our reach to achieve and most pressing for us to do to support our people and brands. While less in a position to engage in community outreach and volunteering, we made sure that where possible and needed, we supported our brands on their own journeys.

But amidst all, we have continued growing our community of green champions through Green 15, communicating and sharing through our ESG Collective and leaning into The Fitzrovia Partnership where there has been opportunity to do so. And as we look ahead, we are excited to support our brands in growing and expanding what community means to them, including our Connected Communities across the Group, focusing on areas including family and neurodiversity.

% of net revenue donated to charity during the last fiscal year:

0.02%

Green 15

We feel proud of what we've achieved as part of our global green team, Green 15. Led by the Head of Sustainability, in collaboration with our offices and brands globally, its primary goal is to continually build awareness and create as much opportunity to engage everyone in our initiatives across the Group and positively influence in support of a greener, more sustainable way of living. Since launching in 2022, our series of monthly events and communications across the Group globally has continued, aimed at encouraging positive impact engagement and behaviour change.

Highlights from this year were our photography competition in May in support of Mental Health Awareness, our speaker event with ocean advocate and plastic pollution expert Emily Penn in July, and, once again, our Sustainable Fashion September initiative which went even further this year with swap shops hosted across our London, New York and San Francisco offices, supporting charities doing important work in these regions – Housing Works, Las Casa de las Madras, Goodwill and Oxfam. Furthermore, as part of our September initiative, our brand M Booth enjoyed teaming up with its client, Return to Vendor, on a lunch and learn at our New York office.

ESG Collective

Our ESG Collective has been running for a number of years and comprises stakeholders from our family of brands across the Group, all keen to keep abreast of everything we are collectively doing to move things forward, and enthusiastic to lean in where they can. The brand-level engagement in the context of our impact area work this past year further strengthened this important assembly not only in terms of numbers, but in our alliance, too. Through monthly gatherings our Head of Sustainability continued to keep the business globally up to date with what was happening across ESG and sustainability, giving everyone an opportunity to ask questions, collaborate and play a part.

Community continued

The Fitzrovia Partnership
Business Improvement District

The Fitzrovia Partnership

When we moved our Head Office into 60 Great Portland Street in 2022, one of our priorities was to engage with the local community, by cementing our relationship with The Fitzrovia Partnership, which had started with our brand Archetype a few years before. Through The Fitzrovia Partnership, we have been able to play our part in the London Business Climate Challenge, led by the Mayor of London, as part of which we've had an opportunity to be a voice in the community. And now with the newly established Fitzrovia Sustainability Group as of 2025, chaired by Peter Bonfield, Vice Chancellor of the University of Westminster, our Head of Sustainability has joined other senior leaders from the Fitzrovia community to lean in and help progress The Fitzrovia Partnership's sustainability strategy.

ESG report continued

Governance

Reinforcing our foundations

Next 15 Framework

Our Next 15 Framework continues to be the foundation for both managing risk across the Group and ensuring we are values-aligned as a business. This year we further bolstered our Next 15 Framework. Along with our Next 15 Sexual Harassment Policy and Anti-bias Training, we spent a considerable number of months establishing our expanded Next 15 Client Ethics Policy – a significant and invaluable step forward for the business, bringing greater clarity and robustness to our ethical considerations and ethics process. As planned, we introduced rotational representation as part of this policy, to encourage broader participation and greater diversity of thought across the Group. Being values-aligned has never been more important as we continue to travel forward on a terrain that is sure to present even more complex and challenging conversations and decisions in the years ahead.

We look forward to focusing on increasing engagement with our Next 15 Framework as a whole, to ensure that embedded processes as part of our policies, such as our Safecall line in our Whistleblowing Policy, are clear and understood by all.

Next 15 Framework – policy areas

Company Secretariat	Legal
Tax	Supplier
Finance	Health and Safety
People	Data Privacy
Sustainability	Global Mobility
Cyber Security	Client Ethics

Ratings and recognition

It is encouraging to see the increasing number of clients across our business aligned with our values and who do not hold back in asking us to demonstrate ours in action. We gladly do this in a number of ways.

Our **Environmental Management System ('EMS')** at Next 15, which in FY25 included our Head Office in both London and New York, as well as two of our office locations in Manchester and Marlow, maintained ISO 14001 certification following a surveillance audit in November. We look forward to continual progression with our ongoing efforts where we can, as we now prepare for a full re-audit of our EMS in 2025.

> **"The organisation's context is well defined, leadership has been effectively demonstrated and commitment levels are evident."**
>
> **NQA Auditor**

Governance continued

Ratings and recognition continued
Our commitment to **EcoVadis** continues. In 2024 we earned a Committed badge. It is an important sustainability rating given its credibility and the breadth and depth of its focus. It very much holds us to account every year on the progress we've made, or have yet to make, across each of its vital areas. We are hopeful that the progress made in FY25 will be very much reflected in next year's score.

CDP Discloser 2024

Another reflection of our values alignment with our stakeholders is through our **CDP** disclosure, where once again we were asked to report across a number of areas, some more relevant to us in our context. CDP significantly revamped its disclosure platform this year applying greater rigour, which raised the bar considerably for all disclosing organisations, including Next 15. This is why we were especially delighted to retain our score of B- for climate, and, with the expansion of the CDP disclosure platform, managed to achieve a C- for forests and D for water security. We are far from complacent, appreciating that with rising expectations for continual improvement not least through ever-changing regulation we will need to consistently demonstrate how we are making meaningful progress as we journey forward from here.

Our **B Corp** community continues to thrive, with elvis, Archetype UK and Archetype US still leading the way. We are continuing to support, as we are committed to, through our ESG Strategic Priorities, and as part of that our commitment to EDI, embracing disclosures such as CDP, by ensuring strength in our governance including with our Client Ethics Policy, and through our commitment to remaining aligned with sustainability reporting requirements.

Clients

Growing our impact, positively

Progressing our portfolio of positive impact work is an important part of our ESG Strategic Priorities at Next 15. But our approach is not just about the work we are creating, it is an all-encompassing way of working that reflects the increasing needs and expectations of our clients, the conversations we are having, along with our increasing efforts to understand better the impact creating our work has, as discussed in the context of our advertising and production-related emissions on page 31. We are passionate and progressive in furthering our collective understanding of where we are at and need to get to.

Visit us online to see how we are focused on creating client work that promotes a more sustainable world
next15.com/sustainability/our-impact-plan/clients

Strengthening our values in decision-making
Our approach to client ethics, as detailed on page 38, demonstrates the importance to Next 15 of being values-aligned as a business, that it is our positive intent to not only engage where it is deemed positive and progressive to do so, but where we know we will achieve the outcomes we are aiming to achieve as we collectively try to leave the world in a better place than we found it.

Non-financial and sustainability information statement

CLIMATE-RELATED FINANCIAL DISCLOSURES ('CFD') AND STREAMLINED ENERGY AND CARBON REPORTING ('SECR').

As we enter our second year of climate disclosure reporting, we continue to acknowledge the ongoing and intensifying challenges of climate change and the increasing importance to our stakeholders of understanding the broader impact of a company's operations beyond financial metrics. We continue in our commitment to climate action, a commitment firmly embedded in our ESG Strategic Priorities.

The past year has very much reinforced this commitment and the urgency of the need to take action to address climate-related risks due to global weather events. We are embracing the important role that we can play as part of that in our context and in collaboration with the wider industry.

Alongside this is the increasing importance of disclosures as part of corporate reporting, testament to the growing recognition that climate change is not only an environmental issue, but a material financial one, too. Which is why one of our key priorities as we move forward into 2025 is to ensure we are fully aligned with regulatory requirements. To that end we look forward to aligning with the new UK SRS Standards, based on IFRS S1 and IFRS S2, due to be finalised by the Financial Conduct Authority ('FCA') in 2025.

Climate-related Financial Disclosures ('CFD')
We are continuing in our commitment to running a sustainable organisation that displays leadership in governance and values. We recognise our ongoing responsibility to identify climate change and climate-related risks in a transparent manner. Here we present our second response in line with CFD requirements, as per the table below, building on from the initial Task Force on Climate-related Financial Disclosures ('TCFD') groundwork carried out in 2023. It's our goal to be consistent with being transparent, acknowledging that we have work to do, which we are committed to doing in the coming year, around better understanding the climate landscape in the context of our service-based organisation and industry, as part of which we will more closely assess the impacts of climate change on our long-term viability.

CFD recommended disclosures	Next 15 response
(a) A description of the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.	See Governance section on page 41
(b) A description of how the Company identifies, assesses and manages climate-related risks and opportunities.	See Risk management section on page 41
(c) A description of how processes for identifying, assessing and managing climate-related risks are integrated into the Company's overall risk management process.	See Risk management section on pages 41 and 42
(d) A description of – (i) the principal climate-related risks and opportunities arising in connection with the Company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed.	See Strategy section on pages 42 and 43
(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy.	See Strategy section on pages 42 and 43
(f) An analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios.	See Strategy section on pages 42 and 43
(g) A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	See Metrics and targets section on pages 48 and 49
(h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.	See Metrics and targets section on pages 48 and 49

Governance

Last year we described our environmental governance structure in detail from our shareholders, to our Board, down though our four Committees, including our ESG Committee, to our Executive Leadership Team ('ELT') underpinned by the key groups which support the ELT in overseeing day-to-day climate-related risks and opportunities and monitoring the environmental governance roadmaps which keep us on track.

The Board continues to provide ultimate oversight over the Group's strategy, including climate-related risks and opportunities. The Board relies on the support of each of the Board's Committees and reporting groups that have roles and responsibilities to help the Board establish, monitor and oversee climate-related goals and targets. Committee updates, including climate matters, are provided to the Board at least twice a year as part of Board meetings.

ESG matters are delegated to the Board's ESG Committee, which meets quarterly and oversees the selection and management of any climate-related risks and opportunities, as determined by management. Management of risks and opportunities includes a review of our ESG Strategic Priorities as detailed on page 29. The ESG Committee also oversees the setting and reporting of appropriate sustainability metrics and targets.

The Audit and Risk Committee is responsible for monitoring the Group's risk management systems. The Audit and Risk Committee also undertakes an annual review of our principal risks. As part of this review, it takes into account any material climate-related risks determined by management and reviewed by the ESG Committee. In addition, it reviews the Group's management of any material climate-related risks, and due to its closer involvement with such issues, is supported by recommendations from the ESG Committee on these matters.

This process provides the Audit and Risk Committee with assurance that climate-related risks are assessed and managed throughout the year. The members of both the ESG and Audit and Risk Committees comprise both Executive Directors and Non-Executive Directors, and details of their membership and meeting attendance can be found on page 65 to 70.

The Executive Leadership Team, supported by the brands and the ESG Team, is responsible for identifying and overseeing the day-to-day climate-related risks and opportunities and ensuring that there is a comprehensive strategy in place to mitigate any risks in line with our risk appetite and to maximise any potential opportunities. Our ELT is reviewing the ways in which we track both our brands' progress and alignment to ESG commitments.

During FY25, the Risk and Compliance Team collaborated with the ESG Team to move forward in the context of our Next 15 Climate-related Financial Disclosures roadmap. This has been reflected in our governance structure on page 65 of this report.

Risk management

Our risk management systems and process are described on pages 53 and 54. The same principles, which are used for risk management across the business, continue to be applied, not least in monitoring our climate-related risks, using an impact criteria that takes into account not only financial impact, but non-financial factors too, which as identified in 2023, in our context are linked to business disruption and reputational damage. Our risk management approach continues to be used by all our brands and key stakeholders, so that an ongoing and consistent process is maintained across the Group.

The responsibility for identifying, assessing and managing climate-related risks is shared between the brand CEOs and ESG Team, and supported by the Risk and Compliance Team. During their annual risk identification and assessment cycle, brands, depending on their business model, would identify how relevant climate-related risks are for their business. A similar exercise would be performed at a corporate level by the ESG Team with support from the Risk and Compliance Team. Where climate-related risks are identified, business and functional leaders are required to assess them in line with our risk management process. This includes an impact and likelihood assessment along with an assessment of existing mitigating controls and activities.
The outcome of this assessment then determines the relative significance of that risk and related management activities. If climate-related risks are assessed as being critical to our operations, they would be included in our 'principal risks', which are reviewed and approved by the Board. The ESG Team, on an ongoing basis, reviews the climate risk profile of the entire Group – any significant movements in the risk profile are discussed at the relevant governance forums including the ESG Committee.

Non-financial and sustainability information statement continued

Risk management continued

The impact criteria that we use to assess risks is not just restricted to financial impact but also includes non-financial factors such as disruption to business operations and reputational damage. This forms a consistent framework for assessment of risks across Next 15 and the same criteria are used to assess climate-related risks.

The nature of our business and the diversified nature of our portfolio mean that we have an inherent resilience to certain types of risks including market risks.

Our main climate-related risks continue to take the form of physical risks and transition risks. These risks are considered as part of our risk management process and included within our risk registers.

1. Physical risks: Extreme weather conditions and scarcity of key resources such as water/ electricity impacting us or our supply chain leading to a loss of productivity.
2. Transition risks: Exposure to sectors/clients with higher exposure to climate-related risks.

We continue to actively consider the risk of climate change as part of our ongoing risk management procedures. Annually, impacts, likelihood and consequences of the risks and mitigations are considered.

As part of how we manage our principal risks, we have recently hired someone with the sole responsibility of leading our Business Continuity Planning at Next 15. See under Operational and compliance risks on page 56.

In addition, we have launched a further expanded Client Ethics Policy with more robust ethical considerations aimed at further reducing risk in the context of working with clients and/or on projects with potentially negative ethical and/or environmental impacts or with significant exposure to climate risk, and who are failing to demonstrate a robust level of commitment towards reducing their own negative impact on climate change. See Governance on page 38 of this report.

Strategy

In this section, we have included an update on progress made and planned next steps based on the primary risks and opportunities related to climate change in our context, with an understanding of their potential impact on our business and risk rating and how we are managing those impacts.

We have outlined in this report, as with our report for FY24, the primary risks and opportunities related to climate change, along with their potential impact on our business. We have indicated our strategic response and the level of resilience implicit in that response. This analysis was originally performed in October 2023 and will be applied to our climate-related modelling in FY26.

We still plan to use three time horizons designed to indicate the level of risk and opportunity in the short, medium and long term. The time periods are aligned to our current near and long-term targets for environmental emissions, meaning that medium term is aligned to our current 2030 near-term target, and long term is aligned to our 2050 net-zero target. Short term refers to the next three years. We have classified risks and opportunities as low, medium or high based on a qualitative assessment of impact.

We will still consider these impacts using three emissions pathways, which form our interpretation of Intergovernmental Panel on Climate Change ('IPCC') guidance[1].

- **IPCC-aligned pathway:** Ambitious climate policies are introduced to limit global temperature rises to below 1.5ºC by 2050, consistent with the Paris Agreement. This is expected to involve:
  - immediate and smooth policy reaction from government, with levers, such as a carbon tax, removal of subsidies for fossil fuel industry and introduction of subsidies for green industries, such as renewable energy; and
  - circular economy[2], transition disrupts traditional industries in a meaningful and far-reaching way, providing products and services which enable a reduction in over consumption, climate change and biodiversity loss and an increase in inclusion, wellbeing and job creation. Impetus for this transition comes from both consumers, who recognise that the current system is not environmentally sustainable and demand change, and businesses, which drive innovation in multiple sectors.

Strategy continued

- **Delayed Transition:** Global emissions do not meaningfully reduce until 2030. Our current approach continues until 2030, when increasing climate change and major weather events force change and we limit global temperature rises to below 2ºC by 2050. This is expected to involve:
  - minor changes until 2030, with science-based targets remaining largely voluntary. Multiple pathways and competing initiatives arise that do not adequately capture the system change required;
  - government policies are introduced from 2030 onwards, which have a significant impact on encouraging sustainable behaviours; and
  - the pace of transition from 2030 onwards leads to traditional industries being severely disrupted and economic loss for businesses that fail to adapt. There are a lot of winners though who are able to successfully implement a circular economy.
- **Business as Usual:** Implemented policies are preserved but limited meaningful new action occurs, resulting in global temperature rises of >2ºC by 2050. This is expected to involve:
  - slow, incremental changes;
  - concern and anger with increasingly severe impacts of climate change leading to civil unrest, significant inequality, resource scarcity and mass migration, which makes it even harder to reach consensus on change; and
  - a circular economy is not realised and the 'take, make, waste' model remains widespread.

We believe that the 'Delayed Transition' pathway is the most likely to occur. We expect that this scenario will result in an overall low negative impact on our business; however, we are supportive of this approach because we consider the 'Business as Usual' pathway far more damaging to the environment and our business.

We expect that the market opportunity from a transition to a circular economy will have a net positive impact on our business. This is driven by our strategic intent to contribute to accelerating positive impacts (such as circularity, inclusion, wellbeing and job creation) and/or reduce negative impacts (such as overconsumption, climate change and biodiversity loss) through client work. However, there are some climate-related risks that may offset this, for example government levers such as carbon taxes are more likely to be implemented and would impact both our business and that of our stakeholders.

The 'Business as Usual' pathway is considered detrimental because it would present less opportunity for us and would also significantly increase the level of physical and transition risk.

In FY26 we are also planning to commence our climate scenario analysis exercise to start to understand the financial implications of our climate-related risks and opportunities. We will also move forward with our supplier outreach pilot programme to start improving our understanding of the carbon footprint of our supply chain, further deepening our knowledge of the underlying activity of our Scope 3 emissions.

And with increased understanding of the physical risks in the context of our business globally, we also aim to establish the financial impact of climate on any of our geographical office locations deemed high-risk.

1 IPCC, 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change: H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, B. Rama (eds.). Cambridge University Press. Cambridge University Press, Cambridge, UK, and New York, NY, US, 3056 pp., doi:10.1017/9781009325844.

2 According to The Ellen MacArthur Foundation, the circular economy is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste and pollution, by decoupling economic activity from the consumption of finite resources.

Non-financial and sustainability information statement continued

Key: Low Medium High
Positive Negative

Strategy continued

In the table below, we have updated, where possible, our response to both mitigating risks and accelerating opportunity.

Climate-related risk or opportunity	Potential impact	< 3 years (short term)	By 2030 (medium term)	By 2050 (long term)	Response and resilience
Physical risks and opportunities					
Risk **Acute:** Increased severity of extreme weather events (including flooding, heatwaves, wildfires and hurricanes). **Chronic:** Chronic alterations (including rise in mean temperatures and extreme variability in weather patterns). In the UK office, the most significant physical risk is heatwaves. In the US offices, the most significant physical risks are wildfires and hurricanes.	There could be a decline in productivity of employees and other stakeholders in the supply chain both at home and in office spaces due to both acute and chronic climate events, impacting margins. Extreme weather events also pose the risk of damage or loss of physical assets, notably hardware. The effect of such events could be exacerbated by lack of affordable and readily available mitigation solutions such as heating and cooling systems. There could be an increase in energy costs during heatwaves. There could also be an increase in insurance costs to protect our physical assets. Failure to reduce our own environmental emissions could negatively impact our reputation.	**IPCC-aligned pathway:** Low, Negative On this pathway, impacts of major climate events are manageable and can be contained. **Delayed Transition:** Low, Negative Despite limited action until 2030, the impacts of major climate events are manageable and can be contained. **Business as Usual:** Low, Negative As above.	**IPCC-aligned pathway:** Low, Negative As noted in the short term. **Delayed Transition:** Low, Negative As noted in the short term. **Business as Usual:** Low, Negative As noted in the short term.	**IPCC-aligned pathway:** Low, Negative Efforts made keep global temperatures below 1.5ºC and mean impacts can be managed. **Delayed Transition:** Low, Negative Efforts made keep global temperatures below 2ºC and mean impacts can be managed (albeit to a lesser extent than in the IPCC-aligned pathway). **Business as Usual:** Medium, Negative In an increasingly volatile world, insurance and energy costs spike and productivity begins to be more significantly impacted.	Emissions measurement is disclosed on pages 30 to 33 of this report. We disclose our emissions, targets and initiatives to reduce our emissions. Business continuity is vital to Next 15. We have an understandable reliance on our IT systems, office spaces and people. To aid operational management and reduce risk as far as possible we use Software as a Service ('SaaS') tools to carry out our daily work. These are cloud-hosted services, rather than on-premise deployments, that we can access easily and securely via a browser from any location. We have confidence in the SaaS providers we rely on and that their own Business Continuity Plans are robust. Our reliance on physically located on-premise software is low and continues to be reduced. Energy costs, such as those related to our office locations, are an ongoing consideration. We are continuing to transition offices to renewable energy where it is within our reach to do so, meaning that for those working in the office, any increase in cooling required would be at a low environmental impact. We would expect that any financial impact may be softened by market trends towards a reduction in energy costs, such as renewable energy solutions expanding and/or government subsidies. We are also continuing to consolidate our leased office spaces where we can, and move to smaller leased, or co-working spaces where possible, thereby reducing energy usage. Refer to Metrics and targets on page 49 for our current position. At our London Head Office we continue to maximise use of our Building Management System installed in 2023, and have continued implementation of LED lighting. With full control over our energy management and usage at this location, between FY24 and FY25 our electricity usage decreased by -9.5%, and our gas usage decreased by -17.6%. Insurance costs are something for which we continue to seek competitive rates, as we do expect these to continue to increase.

Key: Low Medium High
Positive Negative

Strategy continued

Climate-related risk or opportunity	Potential impact	< 3 years (short term)	By 2030 (medium term)	By 2050 (long term)	Response and resilience
Transition risks and opportunities					
Opportunity **Increasing revenue:** From clients who are committed to sustainable growth.	We believe that there is plenty of opportunity presented by the transition to a more sustainable world, for example the transition towards a circular economy (such as through renewable energy sources, replacement of man-made materials with organic and reduction in waste). Revenue opportunities are expected to increase over time through exposure to the circular economy.	IPCC-aligned pathway: Medium, Positive A fast transition to a low-carbon economy would present a wide variety of opportunities. Given this would involve a high degree of innovation, this would result in opportunities both in strategy in helping clients to navigate a fast-changing world and execution, for example helping clients and their customers to reimagine a more positive future. This would include industries such as renewable energy and electronics. Delayed Transition: Low, Positive Little impact observed from lack of meaningful action. Business as Usual: Low, Positive As above.	IPCC-aligned pathway: Medium, Positive As noted in the short term. Delayed Transition: Low, Positive As noted in the short term. Business as Usual: Low, Positive As noted in the short term.	IPCC-aligned pathway: High, Positive In this pathway, we expect there would be more opportunity in the period 2030-2050 as innovation becomes more widespread. Delayed Transition: High, Positive Although the effects would only happen from 2030, the opportunity would still be large. Business as Usual: Low, Positive As noted in the short and medium term.	We are committed to working with clients who share our values. Our sustainable growth strategy is centred on contributing to a better world, by helping to accelerate positive impacts (such as circularity, inclusion, wellbeing and job creation) and/or reducing negative impacts (such as overconsumption, climate change and biodiversity loss), through our client work. Our brands are continuing to adopt the AdGreen technology to calculate the potential carbon footprint of productions. AdGreen helps inform decisions on the environmental impact of productions and will become central to business decisions on the best way to provide such services. This will be primary to realising the expansion of our low-carbon goods and services offering, and realising the opportunity of developing this further in order to meet our Group and brand carbon-reduction targets. Our brands are also working together to help us all understand the emissions associated with how we are developing our digital advertising/media-related client work. We had already started our journey of understanding our downstream emissions last year through some initial collaboration with partners such as Good Loop, but this year, as we strive to ensure our emissions reporting is in line with our science-aligned approach, we have been collaborating internally with our environmental consultants at Green Element and with the wider Ad Net Zero industry as detailed on page 31 as we all move towards adopting a framework which will be the standard for measuring media-related emissions across the industry.

Non-financial and sustainability information statement continued

Key: Low Medium High
Positive Negative

Strategy continued

Climate-related risk or opportunity	Potential impact	< 3 years (short term)	By 2030 (medium term)	By 2050 (long term)	Response and resilience
Transition risks and opportunities continued					
Risk **Exposure to client sectors with transition risk:** Next 15 works with a broad range of clients across multiple sectors and geographies, all of whom are subject to some form of climate risk. We expect this may take the following forms: • economic disruption: climate change could result in disruption to supply chains and infrastructure, which could reduce financial growth; and • changing consumer behaviour: increasingly, purchasing decisions are being impacted by environmental concerns, which is prompting disruption of traditional clients.	There is a risk that if we work with sectors with the highest levels of transition risk, such as oil and gas, we lose revenue as they struggle to adapt to different climate scenarios. This could also negatively impact our reputation.	**IPCC-aligned pathway:** (Low, Negative) We expect this will result in some loss of revenue in industries which do not transition effectively, but we expect the impact to be low given the initial impact in this time period is expected to be limited, and we have a relatively low level of clients subject to high levels of transition risk. **Delayed Transition:** (Low, Negative) Little impact observed from lack of meaningful action. **Business as Usual:** (Low, Negative) Little impact observed from lack of meaningful action.	**IPCC-aligned pathway:** (Medium, Negative) Given the greater time period, we expect a more marked impact as the transition takes hold. **Delayed Transition:** (Low, Negative) Due to lack of meaningful action, the impact is expected to be low, albeit increases in major weather events may increase the likelihood of economic disruption in this period. **Business as Usual:** (Low, Negative) As above.	**IPCC-aligned pathway:** (Medium, Negative) We would expect some loss of client revenues caused by economic disruption due to major weather events and disruption to traditional industries caused by circular economy transition, partly offset by stabilising global temperatures and our low level of clients subject to high levels of transition risk. **Delayed Transition:** (Medium, Negative) As above. **Business as Usual:** (High, Negative) We would expect widespread economic disruption as a result of unmitigated climate change.	We expect there to be an increasing level of risk arising as extreme weather events impact clients' ability to do business in the traditional ways. We track our revenue by client sector in order to ensure we limit our exposure to sectors with transition risk. Our exposure to sectors with the highest levels of transition risk is limited. For example, we do not work with clients in the fossil fuel extraction sector unless it is to help them materially change the course of their business to have a more positive impact or to improve the impact they are having. This approach is supported by our new, more robust Client Ethics Policy at Next 15, which we have relaunched this year, complete with a fully aligned scorecard process and a reporting requirement. Our new policy lays out our ethical considerations and uses B Lab as an external benchmark and validation to ensure we're aligned in our understanding of what is deemed a contentious industry so that we are all clear, in agreement and moving forward together. However, where we do have some exposed risk we are mitigating it by working with clients who are committed to a transition to a low-carbon economy.

Key: Low Medium High
Positive Negative

Strategy continued

Climate-related risk or opportunity	Potential impact	< 3 years (short term)	By 2030 (medium term)	By 2050 (long term)	Response and resilience
Transition risks and opportunities continued					
Risk **Policies and legal:** We expect the trend towards increasing compliance to continue. We expect this may take the following forms: • greenwashing legislation: there have been increasing instances of companies being publicly accused and sanctioned for greenwashing in advertising; • disclosure requirements: we are already subject to mandatory legislation, such as SECR and CFD, and compliance requirements may well increase, for example with UK SRS being introduced in 2025. For the advertising sector, for example, there is ongoing discussion around the optional disclosure of 'advertised emissions' – the emissions that arise from the uplift in sales generated by advertising, which could become mandatory over time. This landscape is expected to also impact our clients and supply chain and have impacts on their business models; and • carbon pricing: governments around the world may introduce additional levers, such as carbon taxes over time, to incentivise climate progress. This could impact us and our clients.	Meeting these requirements increases our compliance costs. If we fail to meet these requirements, it could result in fines and also impact our reputation, which could have knock-on effects on revenue. Carbon taxes, if introduced, would likely have the biggest impact before we fully reduce our emissions. So far, industry practice has been to voluntarily bake in the environmental cost of doing business into their financial statements via offsetting, but we would expect mandatory taxes to become more common over time. These risks are considered low in the short term but are expected to increase over time, especially in a scenario where the world fails to apply the appropriate attention to these issues and, as a result, temperatures warm by greater than 2°C.	**IPCC-aligned pathway:** The most significant impact would come from introduction of mandatory carbon taxes because it would reduce our margins and those of our clients. **Delayed Transition:** Minimal impacts from increased compliance requirements, such as internal and external time. **Business as Usual:** As noted in the Delayed Transition pathway.	**IPCC-aligned pathway:** As in the short term. **Delayed Transition:** As in the short term. **Business as Usual:** As in the short term.	**IPCC-aligned pathway:** A greater impact than the short term due to further embedding of policies and greater time period, albeit still medium risk. **Delayed Transition:** As above, albeit from a lower base. **Business as Usual:** As in the short and medium term.	Non-compliance is a serious risk to our business and to our brands, so we manage it through multiple mitigation channels: (a) Awareness: we rely on our regularly updated employee policies and training to raise awareness among management and staff in relation to their roles and responsibilities when it comes to meeting our legal and regulatory obligations. (b) In-house and external expertise: the Group maintains a Risk and Compliance function and an in-house Legal function and also uses external legal counsel to advise on local legal and regulatory requirements. Other external advisers, such as our auditors, often check in to ensure we are aware of legislative changes. (c) Assurance: consideration of regulatory compliance is included in the assurance programme led by the Risk and Compliance function. (d) Accreditation: we maintain a number of accreditations and registrations to meet a number of contractual and statutory obligations. SECR disclosure is included on pages 50 and 51. CFD disclosure is included here. Emerging regulation impacts our clients, whether mandatory or optional, such as disclosure requirements, advertised emissions and carbon taxes. Our intention is to work with clients who have sustainable business models and are committed to the low-carbon transition. This should limit the impact of these risks over time.

Non-financial and sustainability information statement continued

Metrics and targets

In our FY25 Impact Environment Report from pages 30 to 33, we share an update on our carbon footprint and the work that has been carried out in FY25 to strengthen our foundations in order for us to further our journey in line with our science-aligned approach. We significantly deepened our understanding of our Scope 3 emissions in FY25 as a result of high levels of engagement and cross-functional collaboration with both Head Office and our brands. This has led to further improvements in the quality of our emissions reporting since FY24, all of which will support our climate scenario analysis work in FY26. On pages 30 and 31, and on this page, we share an update on our renewable energy transition progress and plans for how we move forward from here including taking into account the wider geopolitical landscape.

The following table shows an update of the most relevant and material metrics alongside some associated targets used by us to assess climate-related risks and opportunities in line with our strategy and risk management process and metrics which help and/or will help us to continue to track progress against our overall climate ambitions.

Metric	Target (existing or planned)	Mapping to climate risk or opportunity
GHG emissions We began measuring our Scope 1, 2 and 3 emissions in February 2021 and disclose the items now included in our reporting boundary on page 30 of this report. On page 33, we disclose our overall emissions by year (tCO_2e), as well as our emissions per person (tCO_2e/FTE) for the period FY20 (our current baseline) to FY25. On pages 50 and 51, we disclose in accordance with SECR legislation.	In addition, on page 33, we disclose our current targets and performance against those targets. On our path to net-zero by 2050, it was our original goal as reshared in our 2024 Annual Report that by FY30 we would aim to reduce our tCO_2e per FTE emissions by 42%. However, our emissions have increased again this year, from 12.25 tCO_2e per FTE in FY24 to 13.21 tCO_2e per FTE in FY25. While continued expansion of our reporting boundary and improved data collection through increased engagement across the business have played a part in this, it is also clear that we still have work to do in minimising any further rise in our emissions. Our actions and progress to mitigate this have been shared on pages 30 to 33 of our ESG Report.	**Acute and chronic (physical risks):** (measuring and reducing our emissions help to mitigate climate-related risks). Policies and legal (this will help us comply with disclosure requirements).
Renewable energy As disclosed on this page, we track the percentage of energy consumed from renewable energy sources, which is currently 54% globally, split by region as follows: • UK: 81% • EMEA: 61% • APAC & NA: 0%	We want to ensure we are being realistic, but without losing ambition, in the context of how much control and/or influence we have in reality over office locations globally, and with the shifting priorities and challenges across the geopolitical landscape. We have therefore revised our targets for the percentage of energy we are aiming to consume from renewable energy sources and by when, as follows: • UK & EMEA 90% to 100% by 2030 • US & APAC 50% to 60% by 2040 • All regions 100% by 2050	**Acute and chronic (physical risks):** (adopting renewable energy where it is in our control to do so, or establishing relationships with building management where we can positively influence by aligning with our own ambitions, helps to mitigate climate-related risks). See pages 30 and 31 in our ESG Report for wider measures in place to help progress our transition in the coming years.

Metrics and targets continued

Metric	Target (existing or planned)	Mapping to climate risk or opportunity
Percentage of revenue from various sectors and limiting exposure to sectors with risk We track our revenue by client sector in order to ensure we limit our exposure to sectors with transition risk and increase our exposure to sectors with transition opportunity. We align our ethical values, including around greenwashing, through our Client Ethics Policy, which includes a robust scorecard process and quarterly reporting requirement. See page 38 of our ESG Report.	Our revenue by client sector is monitored annually and spans technology, healthcare, professional & financial services, public sector, consumer passions and industrial/other. We do not yet have a target in place for this metric.	**Market opportunity:** increasing revenue from clients who are committed to sustainable growth. **Market risk:** exposure to client sectors with transition risk. **Market risk:** in the coming year, with implementation of our new Client Ethics Policy as part of which we have incorporated mandatory quarterly reporting, we'll be able to share a number of perceived opportunities, i.e. those with associated risks that we avoided.
Working model and office locations globally Both our hybrid working model and our ongoing approach to office consolidation (which includes moving to co-working spaces where possible) and flexibility help us manage the physical risks associated with where our brands are based.	We do not yet have a target in place related to our office locations, but please refer to the table on page 31, which details our office locations globally.	**Acute and chronic (physical risks):** removing any sublets from our portfolio of office locations as we have done in FY25 and leveraging where we can the opportunity to shift to co-working spaces where it makes sense to do so, helps us to reduce any risk associated with being tethered to a specific office location.

Streamlined Energy and Carbon Reporting ('SECR')

Next 15 has reported Scope 1 and Scope 2 (and associated Scope 3) GHG emissions in accordance with the requirements of SECR. This includes emissions for the 12 months to 31 January 2025.

Methodology

Responsibilities of Next 15 and Green Element

Next 15 was responsible for the internal management controls governing the data collection process. Green Element was responsible for data collection, data aggregation, GHG calculations and the emissions statements. Emissions were calculated according to the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. Data was gathered from exact information where possible, with some information based on pro rata extrapolation where verifiable data was not available.

Scope and subject matter

The report includes sources of environmental impacts under the operational control of the Next 15 Group in the UK. This includes three UK entities in FY25:

- Next 15 Communications Group Limited;
- Savanta Group Limited; and
- MHP Group Limited.

In accordance with the UK Government's Environmental Reporting Guidelines, these companies meet the mandatory reporting requirements and the figures disclosed below relate only to these companies. However, the emissions reporting and targets on pages 30 to 33 cover the entire Next 15 Group.

Our SECR disclosure changed and expanded in scope in FY24, but has reduced in scope again in FY25 as the UK entities previously included, House 337 Limited and Transform UK Consulting Limited, do not meet the SECR threshold. All three inclusions in FY25 are based at 60 Great Portland Street Head Office, but with some Savanta and MHP office locations elsewhere in the UK. We will focus on reducing the emissions from energy through efficiency, maximising usage of our BMS, measures such as sensor appliances and zip taps, LED and continued procurement of a 100% renewable electricity tariff.

GHG sources included in the process:

- Scope 1: natural gas for energy generation;
- Scope 2: purchased electricity (with dual location and market-based reporting); and
- Scope 3: upstream transport and distribution losses and excavation and transport of fuels.

Types of GHG included, as applicable: CO_2, NO_2, and CH_4. The figures were calculated using DEFRA conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e).

Energy efficiency action

Changes to the way we work have continued to reduce our energy demand. During the reporting period, we continued to focus on ensuring our offices are using a low baseload of energy during periods of low occupation where possible. Using market-based reporting, in the context of our SECR Report, our total market-based Scope 1 and 2 emissions have reduced by 14%, from 26.19 tCO_2e in FY24 to 22.51 tCO_2e in FY25, and our total market-based Scope 3 emissions have reduced by 15.0%, from 13.90 tCO_2e in FY24 to 11.81 tCO_2e in FY25. As disclosed in our CFD Report on page 48, we have reviewed our targets this year and will continue to review in the coming years.

Please note our overall global emissions for the Group are detailed on pages 30 to 33 of our ESG Report.

Streamlined Energy and Carbon Reporting ('SECR') with dual location and market-based reporting*

Energy consumption used (kWh)	UK FY24	UK FY25	% change Y-o-Y
Electricity (kWh)	538,163	**460,409**	(14.4)%
Gas (kWh)	128,397	**123,098**	(4.1)%
Transport fuel (kWh)	—	**—**	
Other energy sources (kWh)	—	**0.00****	
Total	666,560	**583,508**	(12.5)%

Emissions (tCO_2e)	UK FY24	UK FY25	% change Y-o-Y
Scope 1			
Emissions from combustion of gas	23.49	**22.51**	(4.1)%
Emissions from combustion of fuel for transport purposes	—	**—**	—
Scope 2			
Emissions from purchased electricity – location-based***	111.44	**95.33**	(14.5)%
Emissions from purchased electricity – market-based****	2.70	**0.00**	(100.0)%
Scope 1 and 2			
Total Scope 1 and 2 emissions (location-based method)	134.93	**117.84**	(12.7)%
Total Scope 1 and 2 emissions (market-based method)	26.19	**22.51**	(14.0)%

	UK FY24	UK FY25	% change Y-o-Y
Scope 3			
Emissions from business travel in rental cars or employee vehicles where Company is responsible for purchasing the fuel	—	**—**	—
Emissions from upstream transport and distribution losses and excavation and transport of fuels – location-based	40.36	**35.10**	(13.0)%
Emissions from upstream transport and distribution losses and excavation and transport of fuels – market-based	13.90	**11.81**	(15.0)%
Total location-based tCO_2e	175.29	**152.95**	(12.7)%
Total market-based tCO_2e	40.08	**34.33**	(14.4)%

Intensity ratios	UK FY24	UK FY25	% change Y-o-Y
Number of full-time employees within financial year ('FTE')	669	**673**	0.6%
Intensity ratio: tCO_2e/FTE (location-based)	0.26	**0.23**	(13.3)%
Intensity ratio: tCO_2e/FTE (market-based)	0.06	**0.05**	(14.9)%

Certification

Calculated as accurate by Green Element Limited and Compare Your Footprint Limited, UK.

* FY24 SECR energy consumption and associated emissions have been restated this year, excluding two previous entities that were included but that did not meet the mandatory threshold (House 337 Limited and Transform).

** There are CO_2 gas canisters used to carbonate drinks on site, but the conversion of CO_2 gas to kWh = 0. Other energy sources (kWh) have therefore been reported as 0, but associated emissions have been included.

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

**** Market-based electricity (Scope 2) emissions reporting uses the supplier-specific fuel mix of the reporting company's tariff. Market-based is optional.

Any discrepancies between total and breakdown figures are due to rounding based on the number of significant figures being reported.

Principal risks and uncertainties

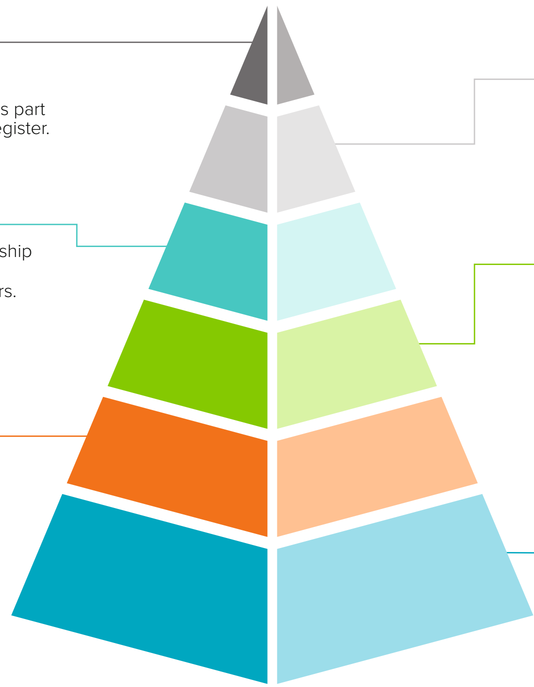
Overview

In FY25, Next 15 has experienced restructuring and organisational change and has faced a more volatile risk environment, shaped by fluctuating macroeconomic conditions and increased geo-political tensions/uncertainty. Despite these challenges, we have strengthened our risk management position by proactively enhancing our risk framework.

Key developments over the past two years have been instrumental in bolstering our risk management posture. The establishment of dedicated second-line functions, including a Risk and Compliance unit, a Data Privacy team, and the appointment of a new Head of Cyber Security, have been pivotal. Initially set up in FY24, these functions have now become fully integrated into our operations, providing robust support at both a Group and a brand level as we steer through the complexities of the current business landscape.

This strategic reinforcement of our risk management capabilities underscores our commitment to maintaining high standards of governance and safeguarding our stakeholders' interests amidst an ever-evolving risk environment.

Governance structure



Board
- Overall responsibility for risk management.
- Monitor risk exposure annually as part of review of the corporate risk register.
- Set risk appetite.

Risk and compliance
- Overall responsibility and ownership for maintaining risk register.
- Receive updates from risk owners.
- Ensure risk management is embedded into all processes at Group and brand level.
- Review Group risk profile and co-ordinate risk management.

Functions
- Proactive risk management at functional level.

Audit and Risk Committee
- Receive updates from executive risk owners and Risk and Compliance.
- Monitor functional progress.

Executive risk owners
- Ensure that risks are being effectively understood, managed and mitigated.
- Identify significant risks that the Board needs to consider in detail.
- Monitor management of risks they own.

Brands
- Risk management at brand level.

How we manage our risks

At Next 15, we recognise that effective risk management is the cornerstone of sustainable growth and client confidence. Our approach is both strategic and proportionate to our size and culture, ensuring that we not only anticipate potential challenges but also seize opportunities in a controlled manner. We are committed to developing a culture of vigilance and adaptability, where risk awareness is embedded across all levels of our organisation.

Governance and risk oversight

Next 15 employs a strong governance model to manage risks effectively. Our Board of Directors has overall responsibility for our risk management strategy, ensuring we meet our legal and regulatory requirements and maintain a good internal control framework. The Audit and Risk Committee, a subset of the Board, closely monitors risk and assurance, reviewing detailed reports from our management teams and auditors. In FY25, the Board/Audit Committee met on two occasions to discuss principal risks and to evaluate Next 15's risk appetite.

The day-to-day operation of the risk framework is the responsibility of our dedicated Risk and Compliance function, which works closely with brand management, Group functions and the executive leadership to ensure key risks are identified, assessed and mitigating actions are considered. Together with other second-line functions, they promote effective controls to manage risks across the Group. Assurance is obtained through a programme of compliance checks and an annual management representation and self-assessment by each brand. Furthermore, our Group Internal Audit function provides an independent layer of assurance through their risk-based annual plan. The findings from all assurance activities are routinely reported to the Audit and Risk Committee, providing transparency over the Group's risk management endeavours and progress.

Risk appetite

Our risk management process involves identifying risks and categorising the most significant ones as 'principal risks'. For each of these, we have established a clear risk appetite, which has been endorsed by the Board. This risk appetite acts as a guiding principle, setting out the levels of risk we are willing to accept in pursuit of our objectives, and is aligned with our corporate values, strategic aims, and overall tolerance for risk.

Risk methodology

Identify

What could happen.

Define risks.

Assess

Assess likelihood of a given thing happening and the extent of its potential impact/consequence.

Address

Take steps to either treat, transfer, terminate or tolerate risk.

Review and report

On efficacy of risk treatment/ prevention and transfer/ reactive mitigations.

What we evaluate:

Likelihood and impact: consistency applied 5x5 scoring scale.

Gross risk: our risk score before we apply mitigating controls.

Control measures: activities we undertake to reduce our risk.

Net risk: our risk score following introducing control activities.

Risk appetite: defined to reflect our openness to risk and our tolerance thresholds for such risk. These are defined for principal risk areas.

Risk ownership: each principal risk has an executive owner.

Principal risks and uncertainties continued

How we manage our risks continued

Risk appetite continued

This articulation of risk appetite enables us to strategically allocate our resources. We concentrate our efforts on mitigating risks in areas where our tolerance is low, while pursuing opportunities in areas where we are prepared to accept and manage higher levels of risk. We are committed to continually refining our risk appetite to ensure that we manage and monitor our risk exposure effectively.

Risk management approach

In FY25, we fully implemented our updated risk management methodology, which was introduced in the prior year. Our approach is comprehensive, combining top-down strategic guidance from the Next 15 Executive Leadership team with detailed bottom-up risk assessments at the functional and brand levels. This ensures that risk management actions are taken where they are needed, allowing us to respond swiftly to changes in our business environment both centrally and at an individual brand level.

Top-down and bottom-up integration

At the Group level, we facilitate risk workshops and regular updates with functional management and the executive leadership to evaluate and prioritise risks that affect our entire operation. This strategic overview is balanced by a thorough bottom-up process, where brand management teams conduct reviews of risks pertinent to their operations, maintaining up-to-date brand risk registers. These registers are scrutinised by the Risk and Compliance function, which then engages in collaborative discussions with brand teams. This dialogue helps shape local risk mitigation strategies and brings to light any local issues that could have wider implications for the Group. Our dual approach ensures that we have a comprehensive understanding of our principal risks and that appropriate mitigations are in place, consistent with our risk appetite. The details of our principal risks are outlined on pages 55 to 61.

Risk mitigation efforts

We have implemented a suite of control frameworks to manage risks across the Group. These include entity-level controls, finance minimum controls, and enhanced data protection processes through our Data Protection and Privacy function. Our Cyber Security team has also intensified its focus on cyber security risks. Building on last year's progress, we have continued to deploy policies that set out the minimum standards for our brands within our federated model.

Identifying emerging threats

Our engagement with external parties helps us stay abreast of emerging risks that could affect our business in the near to medium term. This involves discussions with internal auditors, external research, analysis of audit findings, and participation in industry forums. While we actively track climate change and broader ESG trends, we have recognised that these areas, whilst important, no longer fall under 'Emerging risks' as we have assessed that both physical and transition climate-related risks have little near-term impact on our business model. Nonetheless, we will keep monitoring and evaluating these through our corporate risk register process. Artificial Intelligence ('AI'), previously categorised as an 'Emerging' risk, is now integrated into our 'Failure to Evolve Business Model' risk due to its significance to our business strategy. We are committed to promoting responsible AI governance and staying vigilant to regulatory and risk landscape changes related to AI. With this in mind, we are proactively updating the AI policy and guidance to our brands, keeping in mind the changing AI regulatory landscape. Additionally, we have, through our Internal Auditors commissioned an independent maturity assessment of our AI governance and processes.

The Board has evaluated the principal risks that are likely to affect the Group. These are described in the table on the following pages.

For ease of presentation, we have classified our principal risks into five categories:

Market and business model risks – external risks and risks relating to our operating model.

Operational and compliance risks – affecting our internal processes, systems or regulatory obligations.

Financial management risks – relating to our financial operations or the potential of losses.

Information security and data privacy risks – relating to risks around cyber security and the protection of data.

Human capital risks – relating to our workforce and culture.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Market and business model risks

Risk trend ↑

We are observing an upward trend in these risk areas, primarily driven by two key factors. Firstly, there is an increase in macroeconomic uncertainty due to geopolitical tensions. Additionally, the potential for economic and political volatility in the US, including the prospect of tariff disputes is heightened. These factors, among others, have contributed to a more cautious approach to marketing spend among technology firms, traditionally a strong sector for our services. Secondly, we may be vulnerable to the risk of failing to evolve our business model in response to these changes. While we have encountered challenges such as slower growth and less predictable revenue streams, we are actively addressing these through strategic initiatives. The downturn in technology sector spending, both structural and cyclical, alongside the possibility of a varied response by our brands to integrating AI into client offerings and operational efficiencies, increases the need for agility and proactive change management across all business areas. We are committed to enhancing our adaptability and ensuring our services remain aligned with market demands and client expectations. In past reports, we have identified the reliance on key clients as a principal risk. However, this year, following the conclusion of significant contracts and the inherent risk mitigation provided by our diverse portfolio of brands, we no longer view this as a principal risk at the Group level. Presently no single brand has a client that represents more than 3% of the Group's net revenues. Nonetheless, reliance on key clients remains a vital consideration at the individual brand level, where it is managed through brand-specific risk registers and targeted mitigation strategies.

Principal risk areas	Potential impact	Key mitigating actions
Macroeconomic uncertainty and societal change	Macroeconomic and geopolitical developments could disrupt Next 15's strategic goals, with global conflicts and market volatility potentially leading to reduced client spending and impacting our financial performance.	Next 15 mitigates these risks through: • a decentralised model that allows brands to swiftly adapt to local market conditions; • regular risk assessments and strategy reviews by the Board and executive leadership; • prudent financial management, including cost control, to strengthen our economic resilience; and • investment in innovation, such as AI, to maintain industry leadership and relevance.
Failure to evolve business model	Stagnation in adapting to market/technological changes and its operational demands, including AI integration, could diminish Next 15's competitive position, market share, and shareholder value, affecting long-term viability and growth.	Next 15 proactively addresses this risk by: • aligning Group and brand strategies with annual Brand three-point plans; • implementing control frameworks across the Group to maintain high standards while fostering brand autonomy; • our Board's active oversight of performance and strategic alignment; • pursuing a strategic M&A approach; and • maintaining second-line functions like Risk and Compliance and the Data Protection and Privacy Office to provide assurance and support growth without impeding brand innovation.

Principal risks and uncertainties continued

Operational and compliance risks

The operational and compliance risks within Next 15 remain stable, thanks to our diversified brand portfolio which provides a natural buffer against business continuity risks. Regulatory risks are well-managed through established structures that facilitate compliance with our obligations as a listed company. Furthermore, enhancements in tax and reporting processes, particularly with the successful adoption of ADP as an out sourced payroll provider in the US, have solidified our position in managing tax and reporting compliance risks, despite initial implementation challenges.

Risk trend

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Principal risk areas	Potential impact	Key mitigating actions
Business continuity risk	Disruptions from incidents such as technology failures, cyber-attacks or natural disasters could significantly affect Next 15's operations, client services, and financial health, necessitating a swift recovery to uphold service delivery and client trust.	Next 15 ensures operational resilience through: • Business Continuity Plans ('BCP') are in place at the brand level for some of our brands and further work is planned in FY26 to cover the remaining brands and to enhance our business continuity processes across the Group. This will be a task for the newly appointed Business Continuity Manager; • establishing IT Business Continuity Planning ('IT BCP') and Disaster Recovery ('DR') protocols for critical IT functions; • developing Group-wide BCP principles for a unified business continuity strategy; and • preparing key contact listings for prompt communication in the US and UK during major incidents.
Regulatory risk	Non-compliance with laws and regulations could lead to legal penalties, fines, and reputational harm for Next 15, especially given the complex regulatory landscape across different global jurisdictions affecting privacy, bribery and corruption, competition, and other regulatory areas.	Next 15 addresses regulatory risk in many ways: • through established functions such as Risk and Compliance, dedicated legal and governance teams and the Data Protection and Privacy Office; • conducting staff training, through access to LearnAmp (our learning and development portal) and through topic specific workshops; • performing regular audits and compliance checks to proactively identify and address risks; • implementing a suite of comprehensive Group-wide policies covering critical risk areas, establishing minimum standards across all brands; and • securing insurances to mitigate financial losses from legal and compliance issues.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Operational and compliance risks continued

Principal risk areas	Potential impact	Key mitigating actions
Tax and reporting compliance risk	Next 15 faces the risk of financial, legal, and reputational repercussions due to non-compliance with complex international tax regulations, changes in tax laws, and increased enforcement actions.	Next 15 mitigates global tax risks through: • mandatory tax training and regular check-ins with brands to ensure they understand and comply with tax obligations; • recruiting a specialist tax resource and implementing a new payroll system in the US to streamline payroll tax compliance; • encouraging the use of external advisers by brands for complex tax matters, including international regions and transfer pricing; and • establishing comprehensive tax policies and procedures across the Group.

Financial management risks

In the financial management area, there is a modest upward trend in risk. Our focus has expanded from currency risk to a broader treasury risk perspective, reflecting the Group's financial position, rising financing costs, and the additional cost of funding to support strategic objectives and acquisitions. These factors contribute to the increased treasury risk profile. Concurrently, the gross risk of fraud and misreporting has escalated, partly due to the enhanced cyber threats associated with emerging AI technologies and the potential for financial performance pressures to influence wrongdoing. However, our comprehensive mitigation strategies, which include specialised cyber threat training and meticulous cash flow monitoring, are effectively managing this risk, keeping it within our defined risk appetite

Risk trend ↗

Principal risk areas	Potential impact	Key mitigating actions
Treasury risk	Adverse currency movements, principally is relation to the US dollar as the Group's functional currency is sterling, challenges in securing additional funding, and rising financial costs could affect Next 15's financial results, potentially hindering strategic progress and failing to meet stakeholder expectations.	Next 15's treasury risk is mitigated by: • maintaining a dedicated finance and treasury team for robust financial and currency management; • diversifying borrowing arrangements to reduce reliance on single banks; • conducting daily reviews of the Group's cash position to ensure financial stability; • ability to draw down against the revolving credit facility ('RCF') in various currencies for financial agility; • sweeping surplus international cash balances into the UK account to minimise currency risk, • regular reviews of banking covenants and ensuring adequate headroom against all reported measures; and • maintaining strong relationships with banks and external debt advisers.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Financial management risks continued		
Principal risk areas	Potential impact	Key mitigating actions
Fraud and misreporting risk	The risk of fraud and misreporting within Next 15 includes the pressure to meet financial targets, the influence of management within brand environments, and the complexities introduced by AI, such as sophisticated phishing attacks. The decentralised nature of the Group could lead to inconsistencies in applying stringent controls, particularly in newly acquired businesses. Such conditions could result in the misappropriation of assets, inaccurate financial reporting, and ultimately, damage to Next 15's reputation and financial position.	Next 15 addresses fraud and misreporting risks by: • enforcing delegation of authority, segregation of duties, and access control processes; • conducting detailed financial reviews by the Head Office finance team supported by audits and a cyclical compliance checking programme; • maintaining open communication and dual reporting lines between Head Office and brand finance teams for greater transparency; • establishing policies and controls for critical financial operations; • standardising financial processes with common finance and banking platforms; • driving centralisation of financial functions through shared services to improve control and efficiency; • providing targeted training and routine spear phishing tests to provide greater employee awareness and help combat sophisticated phishing attacks; and • responding to new legislation in UK around the Failure to Prevent Fraud (part of the Economic Crime and Corporate Transparency Act), through developing awareness training to be rolled out this year.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Information security and data privacy risks

The information security and data privacy landscape at Next 15 has maintained a stable risk trend, despite the evolving challenges of increased cyber threats and the integration of AI technologies. Our cyber security measures are robust, keeping pace with the risks posed by AI advancements and geopolitical shifts that could potentially lead to a surge in cyber-attacks. Our commitment to data protection and privacy remains strong, with robust policies, processes, and ongoing training effectively mitigating risks, particularly in response to ongoing organisational changes and new technology adoption.

Risk trend

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Principal risk areas	Potential impact	Key mitigating actions
Cyber security risk	Next 15 faces significant risks in cyber and information security, with the increasing sophistication of threats, particularly from the weaponisation of AI, and impending regulatory changes. A security breach could compromise sensitive data and systems, undermining client trust, attracting legal action, and incurring financial penalties, which could affect client retention and the Company's reputation.	Next 15 mitigates these risks through: • implementing a cyber security control framework to unify and enhance security measures across the Group; • conducting regular employee training and awareness campaigns to address threats like phishing; • utilising the Cyber Security Framework ('CSF') dashboard for ongoing risk monitoring; • managed SOC services, applying regular system updates, advanced anti-virus solutions, and managing mobile device security; • adopting a cloud-based strategy for improved reliability and security; • enforcing strict access controls and identity management to safeguard information; • securing cyber security insurance for financial protection and specialist support; and • establishing an incident response team to determine and execute appropriate actions.
Data protection and privacy risk	Data breaches or failure to comply with regulations like GDPR could lead to severe fines, diminished customer confidence, and legal action. The Group's varied and international brand portfolio complicates the consistent application of privacy laws, and the ongoing restructuring heightens the risk of personal data loss and increased Data Subject Access Requests ('DSARs'). A breach could significantly damage Next 15's reputation, leading to client loss and legal challenges, while the integration of AI technologies further escalates the potential for sophisticated data breaches.	Next 15 addresses data protection and privacy risks by: • establishing the Data Protection and Privacy Office ('DPPO') and implementing a comprehensive policy suite to standardise data protection across the Group; • delivering targeted training by the DPPO and conducting awareness campaigns to emphasise data security; • utilising data loss prevention tools to safeguard sensitive information; • conducting a gap analysis with Internal Audit to proactively identify and mitigate vulnerabilities; • maintaining clear HR processes to handle employee relations and associated data or DSAR requests effectively; and • providing targeted training to combat sophisticated phishing attacks.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Human capital risks

The human capital risk category is experiencing a modest upward trend, primarily driven by challenges in talent attraction and retention amidst restructuring efforts. Our more recent trading performance, coupled with a more cautious approach to spend by our B2B tech clients adds complexity to securing top talent. Additionally, the reliance on brand leadership underscores the importance of robust succession planning, where unplanned departures and unclear succession strategies could pose risks to the Group's stability. Furthermore, the ongoing restructuring, coupled with a global shift in the perception of Equity, Diversity, and Inclusion ('EDI'), has introduced a degree of uncertainty that could potentially heighten employee relations issues, thereby increasing the EDI risk.

Risk trend ↗

Principal risk areas	Potential impact	Key mitigating actions
Attraction and retention risks	Next 15's ability to attract and retain a skilled workforce is crucial to our growth and industry leadership. The competitive market for digital consultancy talent, particularly in emerging AI technologies, and the need for a supportive work environment present challenge in maintaining our talent pool.	Next 15 is actively managing talent risks by: • offering comprehensive training through the Next 15 Academy to support ongoing professional development; • promoting a diverse and inclusive culture via the EDI Council; • utilising annual employee surveys to inform improvements and address workforce concerns; and • providing clear role definitions and conducting regular performance reviews to enhance job satisfaction and retention.
Succession planning risks	Effective succession planning is vital for Next 15's stability and growth, ensuring leadership continuity and the safeguarding of client relationships and brand success. The absence of a clear succession strategy could lead to operational disruption, loss of key knowledge, and reduced confidence from clients and stakeholders.	Next 15 addresses succession planning risks by: • integrating succession planning into each brand's strategic planning process; • facilitating cross-Group visibility of talent through collaborative initiatives to identify and develop future leaders; • the Executive Leadership Team actively overseeing succession planning, balancing internal promotions with external recruitment; and • clustering brands to leverage existing leadership and enhance succession options.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Human capital risks continued

Principal risk areas	Potential impact	Key mitigating actions
Equity, Diversity and Inclusion ('EDI')	Next 15 recognises that a failure to embed EDI within the Company culture could stifle innovation and damage our reputation, making us less appealing to prospective employees and clients. Ongoing restructuring heightens the risk of employee relations issues and related claims.	Next 15 is actively enhancing EDI by: • operating a cross-functional EDI Council to lead and embed EDI initiatives across the Group; • delivering regular training to foster awareness and cultivate an inclusive environment; • implementing community programs that reflect our commitment to broader societal EDI values; and • ensuring recruitment practices are equitable, aiming to attract diverse talent and minimise bias.

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Board of Directors and Company Secretary

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Committee membership

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- E ESG Committee
- Chair of Committee

THE BOARD IS RESPONSIBLE FOR THE STRATEGIC DIRECTION, INVESTMENT DECISIONS AND EFFECTIVE CONTROL OF THE GROUP.

1. Penny Ladkin-Brand

N R

Chair

Appointed July 2017 (8 years)

Penny is Non-Executive Chair, Chair of the Nomination Committee and a member of the Remuneration Committee. Penny joined Next 15 as a Non-Executive Director and Chair of the Audit and Risk Committee. In April 2020 she was appointed as Senior Independent Director, and from February 2021 became Chair of the Board. Penny was a member of the Audit and Risk Committee, but resigned from the Committee with effect from 1 February 2023.

Skills and experience

Penny is Chief Executive Officer at Taylor & Francis, one of the world's leading publishers of advanced, emergent and applied academic research and advanced learning. Prior to that, Penny was Chief Financial Officer at Future plc, a global platform for specialist media. She was reappointed after serving a year as Chief Strategy Officer and prior to this Chief Financial Officer. Penny brings considerable experience of digital transformation and M&A to the Board. Penny qualified as a Chartered Accountant with PwC before moving into corporate finance.

2. Tim Dyson

Chief Executive Officer

Appointed August 1988 (37 years)

Tim joined the Group in 1984 straight from Loughborough University and became CEO in 1992.

Skills and experience

As one of the early pioneers of tech PR, Tim has worked on major corporate and product campaigns with such companies as Cisco, Microsoft, IBM and Intel. Tim moved from London to set up the Group's first US business in 1995 in Seattle, and is now based in California. Tim oversaw the flotation of the Company on the London Stock Exchange and has managed a string of successful acquisitions by the Group. Tim has also driven the evolution of the Group from a marcom business into a growth consultancy grounded in data and technology. Outside Next 15, Tim has served on the advisory boards of a number of emerging technology companies. Tim was named an Emerging Power Player by PR Week US and subsequently in PR Week's Power Book. Tim was also recognised on the Holmes Report's In2's Innovator 25, which recognises individuals who have contributed ideas that set the bar for the industry.

3. Peter Harris

Chief Financial Officer

Appointed March 2014 (11 years)

Peter joined Next 15 as Chief Financial Officer in November 2013 and was appointed as an Executive Director in March 2014.

Skills and experience

Peter's financial experience spans 30 years and he has extensive media experience, having spent the last 25 years in finance roles in the media sector.

From July 2013 until December 2018, he was a Non-Executive Director of Communisis plc and Chair of its Audit Committee. He was previously the Interim Finance Director at Centaur Media plc, Interim CFO of Bell Pottinger LLP, CFO of The Engine Group, and CFO of 19 Entertainment. Prior to that, he was Group Finance Director of Capital Radio plc. Peter has considerable experience in UK and US-listed companies with international exposure.

4. Jonathan Peachey
Chief Operating Officer
Appointed April 2022 (3 years)
Jonathan joined Next 15 in July 2018 and became Chief Operating Officer in 2019. He was appointed as an Executive Director in April 2022.

Skills and experience
Jonathan has 35 years' experience in digital transformation. At the BBC, he led the myBBC programme that introduced customer data at scale to drive better ways to commission, discover and consume content. Before the BBC, he founded and led an award-winning consultancy that specialised in using digital technology to improve government delivery. As part of that role, Jonathan launched a dedicated TV channel to support ongoing teacher development, and wrote the UK Government's digital strategy, which led to the creation of gov.uk. Jonathan sold that business to The Engine Group where he subsequently became Chief Operating Officer. Jonathan qualified as a Chartered Accountant with PwC before moving into management consultancy and subsequently working in commercial television delivering some of the first interactive services.

Jonathan is heavily involved in the UK tech start-up scene, having founded a number of companies and invested in or mentored numerous others.

5. Helen Hunter
A N R
Non-Executive Director, Senior Independent Director
Appointed June 2019 (6 years)
As a Non-Executive Director of Next 15, Helen chairs the Remuneration Committee and is a member of the Audit and Risk, and Nomination Committees. From 1 February 2023, Helen was appointed as Senior Independent Director.

Skills and experience
Helen is Chief Data and Analytics Officer at Barclays UK, where her remit is to strengthen its approach to data and its role in improving customer experience. Previously, Helen was Chief Product and Analytics Officer for Customer and Data at Sainsbury's plc. Before joining Sainsbury's, Helen held a variety of commercial and marketing roles at Home Retail Group, Woolworths Group, and Kingfisher Group, and was a Governor of Lancing College.

6. Robyn Perriss
A E N
Non-Executive Director
Appointed November 2020 (5 years)
As a Non-Executive Director of Next 15, Robyn chairs the Audit and Risk Committee and is a member of the Nomination and ESG Committees.

Skills and experience
Robyn has extensive experience in both the technology and media industries, together with core skills in finance, having served as Finance Director at Rightmove plc (a FTSE 100 business), the UK's largest property portal, until June 2020. Robyn previously held senior roles at Rightmove, including as Financial Controller and Company Secretary. Before joining Rightmove, Robyn was Group Financial Controller at Auto Trader, another media sector disruptor. Robyn is currently a Non-Executive Director and Chair of the Audit Committee at Softcat plc, a leading provider of IT infrastructure services and solutions. She is also a Non-Executive Director and Chair of the Audit Committee at Dr. Martens plc, an iconic British consumer brand, and a Non-Executive Director of the nutrition brand Huel. Robyn qualified as a Chartered Accountant in South Africa with KPMG and worked in both audit and transaction services.

7. Dianna Jones
E N R
Non-Executive Director
Appointed April 2022 (3 years)
As a Non-Executive Director of Next 15, Dianna chairs the ESG Committee and is a member of the Nomination and Remuneration Committees.

Skills and experience
With nearly 20 years of experience spanning the energy and technology industries, Dianna brings expertise in global ethics and legal compliance, business risk mitigation in both mature and scaling environments, and ESG. Dianna is Director of Legal Compliance at Uber Technologies, Inc. She was previously Regional Compliance Counsel – Western Hemisphere at John Wood Group plc, a global leader in engineering and technical consulting services for the energy and infrastructure industries. Prior to that, she was with the international law firm Greenberg Traurig, LLP, where she advised national and multinational companies on complex M&A transactions, reorganisations and restructurings. Dianna is licensed by the State Bar of Texas.

8. Paul Butler
A E N
Non-Executive Director
Appointed June 2022 (3 years)
Paul joined Next 15 as a Non-Executive Director and is a member of the Audit and Risk, Nomination and ESG Committees. Paul is also Next 15's Non-Executive Director responsible for workforce engagement.

Skills and experience
Paul is an expert in business development, strategy and operations, with more than 20 years of experience in the media, entertainment and consulting industries. He is currently President & Chief Transformation Officer at New America, a US-based think tank founded in 1999. Before this, he was Chief Operating Officer at sparks & honey, the Omnicom-owned cultural intelligence consultancy.

9. Mark Astaire
Non-Executive Director
Appointed February 2025
Mark Astaire joined the Next 15 Board on 1 February 2025 as a Non-Executive Director.

Skills and experience
Mark has over 35 years of investment banking experience, having held a number of senior leadership positions including Chairman of Corporate Broking at Barclays and Head of Corporate Broking at Bank of America Merrill Lynch. Mark was also a member of the Takeover Panel. Mark is a Non-Executive Director at Cavendish plc and a member of the Sky News Board, and is a senior adviser to Brunswick Group.

10. Mark Sanford
General Counsel and Company Secretary
Appointed February 2021 (4 years)

Skills and experience
Having qualified as a solicitor at Eversheds, Mark worked in its Corporate team before moving to his first in-house role at Premier Farnell plc. Mark first joined Next 15 in 2003 as General Counsel and Company Secretary. In 2009 he set up his own boutique law firm Baker Sanford LLP, while continuing to provide an outsourced legal and company secretarial function to Next 15. In 2017 Mark became General Counsel and Company Secretary of Ebiquity plc, an AIM-listed media consultancy business, before rejoining Next 15 in February 2021.

Governance introduction

AS CHAIR, I AM RESPONSIBLE FOR LEADING THE BOARD AND FOR ITS GOVERNANCE OF THE GROUP.

An introduction from our Chair
On behalf of the Board I am pleased to present the Corporate Governance Report for the year ended 31 January 2025.

The Directors recognise that shareholders look to the Board to deliver growth and long-term shareholder value and I recognise that an efficient, effective and dynamic governance framework is crucial to achieving this.

This year, the Board's activities have focused on the long-term strategic direction and how we best govern ourselves to build sustainable growth and shareholder returns. We held a strategy day in London, which provided an opportunity to discuss the strategic direction of the Group and to share information and ideas with our brand leaders. Much of the focus of the day was on the opportunities and investments the Group is making, particularly in artificial intelligence. These opportunities are helping the Group evolve in a way that simplifies and strengthens the business while retaining the specialist model that sets us apart.

Penny Ladkin-Brand
Chair

On 6 September 2024, the Company announced the loss of the Group's largest client following the non-renewal of the contract. Given the impact of this news, the Board commissioned an internal review of the matters leading up to the client loss and whether lessons can be learned on portfolio company governance. Further details of this are on page 71.

We are committed to ensuring that the Board continues to be diverse and dynamic, and we regularly review the composition of it to ensure it maintains a balance of skills, experience and diversity to reflect the current and expected future needs of the business and to determine how the strategy and business should evolve. Over the past few months we have, in conjunction with our existing Non-Executive Directors, discussed how best to resize and refresh the Board composition for the next stage of the Next 15 journey, recognising that today the Group is at a different juncture in terms of market capitalisation, proportion of US revenues and strategic growth drivers.

On 30 January 2025 we announced that Peter Harris had confirmed his intention to step down from the Board and his role as CFO. We further announced on 26 March 2025, that Mickey Kalifa will join the Board as Peter's replacement from 1 June 2025. Mickey is a Chartered Accountant with experience across the media, technology and gaming sectors. Peter is continuing as CFO and is fully supporting the Board until Mickey joins.

Mark Astaire joined the Board on 1 February 2025 as an independent Non-Executive Director. Mark brings with him over 35 years of investment banking experience. We have also announced the appointment of Samantha Wren as a further independent Non-Executive Director with effect from 1 June 2025. Samantha has extensive accounting and auditing experience and has worked with founders in a portfolio company environment.

We believe these board appointments ensure we have the appropriate skillset to provide support, challenge and leadership for the business going forward.

I would like to extend my thanks to Helen Hunter, Robyn Perriss and Dianna Jones who will be stepping down as Board directors at the next AGM and am grateful for their strong collective contributions at both a Board level and within the business functions that their respective committees have supported.

As Chair I am responsible for leading the Board and for its governance of the Group, and with the support of the Company Secretary work to ensure continual improvements to the Group's governance in order to promote its continued long-term success.

We continue to welcome dialogue and feedback from our shareholders at all times.

Penny Ladkin-Brand
Chair
14 April 2025

Corporate governance statement

Statement of compliance

Next 15 has adopted the QCA Code (2018) and is compliant with all of its principles. The Board believes these are proportional to the size, risks, complexity and operations of the businesses within the Group. The QCA Code underwent its latest revision in 2023, (the "QCA Code (2023)") and this was formally adopted by the Board with effect from February 2025. Accordingly we will apply the updated principles in line with best practice and report against the QCA Code (2023) in next year's Annual Report. Disclosures required by the QCA Code have been made both in this Annual Report and on our website. Further information on the Company's compliance with the QCA Code can be found on the Group's website at www.next15.com.

Company purpose

The Company's purpose is to strive constantly to make our people and our customers the best versions of themselves they can possibly be. This purpose drives everything we do, including our annual strategy creation process, our ESG Strategic Priorities and the way we manage our brands.

Governance framework

Opposite is a summary of the Group's governance structure.

Shareholders

The Board

Responsible for providing leadership, including setting the Group's purpose, strategic direction, culture and values, and promoting its long-term success while considering the balance of interests between shareholders, employees, customers and the community. A full schedule of matters requiring Board approval is available at next15.com.

Committees

To ensure that it maintains an appropriate level of oversight, the Board has established Committees to support it. The Terms of Reference for the Audit and Risk and Remuneration Committees are available at www.next15.com.

Nomination Committee evaluates Board and Committee composition and ensures that there is a formal, rigorous and transparent procedure for appointment to the Board and senior management. Gives full consideration to succession planning, identifying skills and expertise with a view to the future needs of the Board.

Audit and Risk Committee monitors and reviews the integrity of the financial statements, the Group's financial reporting, accounting and disclosure policies, the risk management framework and internal controls systems. Oversees the relationship with, and the effectiveness of, the External Auditor and monitors and reviews the effectiveness of the Internal Audit function.

Remuneration Committee is responsible for determining executive remuneration policies and practices, aligned with the Company's purpose, strategy and culture and taking account of its stage of development, appetite for risk and the pay practices and policies across the Group's workforce.

ESG Committee oversees all ESG-related policies, procedures, practices and performance, and assists and challenges the Board on current and emerging topics. Reviews the effectiveness of the strategy and the successful delivery of targets. Considers all ESG-related reporting and advises the Audit and Risk Committee on ESG-related risks, including climate-related risks.

Executive Leadership Team

meets regularly and oversees day-to-day operations and is responsible for executing the Group's strategy as set by the Board. The team is led by the CEO and also comprises the CFO, COO, CPO, Deputy CFO and Company Secretary.

Brand CEOs

Ethics Group

The organisation

Corporate governance statement continued

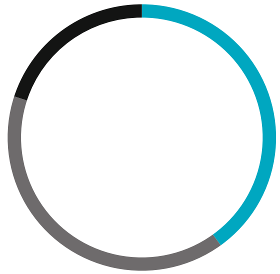
Board roles and division of responsibilities

The Board sets the strategy of the Group ensuring long-term success for customers, investors and wider stakeholders. The key responsibilities of how the executive and non-executive roles are directed are as follows:

Board member	Responsibilities
Chair	• Leads the Board in the determination of its purpose, strategy and culture and in achieving its objectives. • Sets the Board agenda with regard to key issues, both operational and financial, with regular reviews of the Company's strategy, its overall implementation and how it's fulfilling its stated purpose. • Promotes a culture of openness and debate, encouraging effective contribution that brings together the various characteristics, skills, capabilities and experience of the other members of the Board. • Oversees the adoption, delivery and communication of the Company's corporate governance model. • Leads and oversees the Board evaluation process with the assistance of the Company Secretary. • Ensures compliance with all corporate governance requirements with explanations for any non-compliance. • Ensures that Directors receive accurate, timely and clear information and that there are good information flows within the Board and its Committees, as well as between Non-Executive Directors and senior management.
Chief Executive Officer	• Develops strategies to be proposed to the Board alongside the Group's Executive Leadership Team. • Leads the Group on a day-to-day basis and within the authorities delegated by the Board. • Together with the CFO and COO, represents the Group to external stakeholders. • Ensures the Board as a whole has a clear understanding of the views of the Company's shareholders. • Is accountable for the financial and operational performance of the Group. • Has responsibility for implementing the agreed strategy and policies of the Board.
Senior Independent Director	• Acts as a sounding board and intermediary for the Chair or other Board members. • Is available to act as an intermediary between the shareholders and the Board. • Meets with the Non-Executive Directors annually to appraise the Chair's performance.
Non-Executive Directors	• Bring an external perspective to support, constructively challenge and inspire the performance of management. • Assist in developing, communicating and executing the Company's strategy and offer specialist advice based on their skills and experience. • Monitor and maintain high standards of probity and integrity in the effectiveness of the Group's financial reporting, internal controls and risk management systems.
Company Secretary	• Acts as a trusted adviser and confidential sounding board to the Chair and the Board. • Ensures the Board operates in accordance with the corporate governance framework and that there are good information flows between the Board and its Committees. • Provides information, advice and guidance, ensures that the Board and its Committees have the resources required to operate effectively, and organises training and induction programmes. • Maintains the books and records of the Group, and prepares minutes of Board meetings.

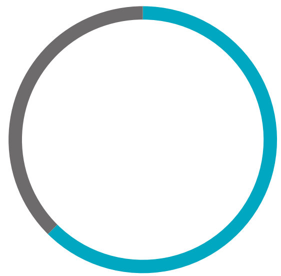
Board overview
as at 31 January 2025

Non-Executives' tenure



0–3 years	2
3–6 years	2
6+ years	1

Balance of the Board



Non-Executive	5
Executive	3

Board composition

As at 31 January 2025, the Board consisted of an independent Non-Executive Chair, three Executive Directors and four independent Non-Executive Directors.

As mentioned in the Governance introduction, Mark Astaire joined the Board on 1 February 2025. Mickey Kalifa will replace Peter Harris as CFO with effect from 1 June 2025, and Samantha Wren will join the Board with effect from the same date. Helen Hunter, Robyn Perriss and Dianna Jones will step down from the Board from the AGM on 26 June 2025. Samantha will join the Board as Senior Independent Director and become Chair of the Audit and Risk Committee when Robyn steps down. Mark will become Chair of the Remuneration Committee and Paul Butler will become Chair of the ESG Committee.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and knowledge, including a range of financial, commercial and entrepreneurial experience. The Board is also satisfied that it has a suitable balance between independence (of character and judgement) and knowledge of the Group to enable it to discharge its duties and responsibilities effectively.

The Non-Executive Directors are considered to be independent. No single Director is dominant in the decision-making process. The Directors have complementary skills and experience in terms of sectors, geography and diversity.

Conflicts of interest and external appointments

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's Articles of Association allow the Directors to authorise conflicts and the Board has adopted a policy for managing and approving potential conflicts of interest.

Directors' skills matrix

Skill area	Non-Executive	Executive
Strategy	●●●●●●	●●●
Financial performance	●●●○○○	●●○
Risk and compliance oversight	●●●●○○	●●○
Executive management	●●●●○○	●●●
Board experience	●●●○○○	●●●
Commercial experience	●●●●●○	●●●
M&A/business development	●●●●○○	●●●
International experience	●●○○○○	●●●
Strong City relationships	●●●●○○	●○○
Capital markets	●●●○○○	●○○
Marketing/sales	●●○○○○	●○○
HR/people	●○○○○○	●○○
Executive remuneration	●●●●●○	●○○
Technology	●●●●○○	●●○
CIO	●○○○○○	●○○
Business transformation	●●●○○○	●●○
Financial	●●●○○○	●○○
Strong network	●●●●○○	●●●
Digital	●●●●●○	●●●
Data	●●●○○○	●○○
ESG	●●○○○○	●○○

Corporate governance statement continued

How the Board spends its time in Board meetings

Category	Percentage
Financial matters	32%
Strategic	47%
Governance and RIsk	18%
Operations	3%

Conflicts of interest and external appointments continued

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported by the Directors. All potential conflicts authorised by the Board are recorded in a register, which is maintained by the Company Secretary. Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

Each Director keeps the Board informed of any significant external commitments or appointments and these are monitored to ensure that each Director has sufficient time to meet their responsibilities to the Company. The Directors' significant commitments are set out in their biographies on pages 62 and 63.

Board activities

The Board is responsible for providing leadership, including setting the Group's purpose and values, strategic direction and promoting its long-term success.

Its responsibilities are discharged through an annual timetable of meetings, of which six were held virtually and two in person, with an additional strategy session. Details of attendance at the scheduled meetings can be found on page 70. Additional ad hoc meetings took place throughout the year to manage matters arising outside the formal schedule of meetings.

The Chair, with support from the Company Secretary, sets each agenda primarily focused on strategy and purpose, finance, governance, performance and operations, people and accountability and ensures that the Group's key stakeholders are considered throughout its discussions.

Board packs are distributed electronically before the meeting, and following the meeting minutes are recorded and action items followed up. Each Director has access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors of the Company. Each Director also has access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advising the Board on all governance matters.

Meeting timeline

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Board of Directors	●*		●		●		●	●		●	●*	●
Audit and Risk Committee			●		●			●			●	
Remuneration Committee		●	●								●	
ESG Committee			●					●			●	
Nomination Committee					●			●	●			●

* Board trading update.

The Board's responsibilities and processes

The principal matters considered by the Board during the period included:

Key area	Matters considered
Financial matters	• Reviewed the Annual Report and Accounts as a whole including the clarity of the disclosures and that the narrative in the front section reflected the performance as detailed in the Group financial statements, as recommended by the Audit and Risk Committee. • Reviewed the half-year accounts, including the material judgements and estimates as recommended by the Audit and Risk Committee. • Reviewed the half-year and full-year results announcements and trading statements. • Reviewed the Group FY26 budget and budget forecasts. • Reviewed the Group's refinancing, banking relationships and banking facilities. • Considered the Group's performance and outlook, including that of individual brands. • Considered the Group's capital allocation strategy. • Considered a share buyback programme to return excess cash to shareholders.
Strategic matters	• Reviewed the Group's long-term strategic direction opportunities and portfolio. • Reviewed and approved acquisition proposals. • Worked with management to formulate and approve new and updated strategic priorities for the Group, including the building of credible AI and data strategies.
Operations	• Post-integration monitoring of acquisitions. • Reviewed the Group's risk management and internal controls. • Reviewed and monitored ESG proposals and initiatives. • Considered and consolidated the Group's property portfolio.
Governance	• Monitored QCA Code compliance and updates. • Monitored the regulatory environment and any changes relevant to the Group. • Board and Committee evaluations and outcomes. • Succession planning. • Reviewed and approved the schedule of matters reserved for the Board. • Reviewed and approved the Terms of Reference for the Committees. • Reviewed and approved updated Group policies.
Other matters	• Monitored and reviewed the people dashboard in support of Equity, Diversity and Inclusion targets and the establishment of workforce engagement activities. • Monitored the cyber security dashboard.

Corporate governance statement continued

Board and Committee meeting attendance at scheduled meetings during the year

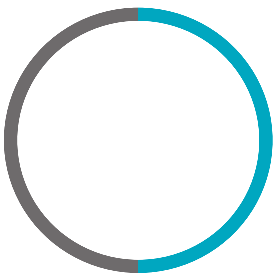
Director	Board (8)	Audit and Risk (4)	Remuneration (3)	Nomination (4)	ESG (3)
Penny Ladkin-Brand	●●●●●●●●		●●●	●●●●	
Helen Hunter	●●●●●●●●	●●●●	●●●	●●●●	
Robyn Perriss	●●●●●●●●	●●●●		●●●●	●●
Dianna Jones	●●●●●●●●		●●●	●●●●	●●●
Paul Butler	●●●●●●●●	●●●●		●●●●	●●●
Mark Astaire*					
Tim Dyson	●●●●●●●●				
Peter Harris	●●●●●●●●				
Jonathan Peachey	●●●●●●●●				

* Mark Astaire appointed 1 February 2025.

● Attended Board
● Attended Committee

Board representation at 31 January 2025

By gender



Male 50%
Female 50%

By ethnicity

Black or African 11%
Multiple ethnicities 11%
White 78%

Director reappointment

Appointments to the Board are the responsibility of the Board as a whole.

The Directors' service agreements, the terms and conditions of appointment of Non-Executive Directors and Directors' deeds of indemnity are available for inspection at the Company's registered office during normal business hours.

The Company's Articles of Association provide that a Director appointed by the Board shall retire and offer themselves for election at the first AGM following their appointment and that, at each AGM of the Company, in addition to any new appointments during the year, one-third of the Directors must retire by rotation. The Board has opted to follow the updated QCA Corporate Governance Code and reappoint all Directors. At the forthcoming AGM, Mark Astaire, Samantha Wren and Mickey Kalifa, having all been appointed since the last AGM, will stand for election and Tim Dyson, Jonathan Peachey, Penny Ladkin-Brand and Paul Butler will retire and being eligible, will offer themselves for re-election by the shareholders of the Company.

The Board believes that each Director standing for re-election is independent in character and judgement. The Board therefore recommends that the Company and its shareholders support the re-election of each of these Directors.

Biographical details of each Director standing for re-election can be found on pages 62 and 63.

Board performance evaluation
The performance of the Board and its Committees is key to successfully leading the Company to follow its strategic direction. Regular monitoring and reviews are important factors to facilitate and improve the effectiveness of the Board and its Committees. It is also a valuable feedback mechanism for improving effectiveness and maximising strengths, and highlighting areas for further development. Due to changes to the Board set out on page 67 the Directors decided to postpone the usual annual Board evaluation process until later in 2025 to allow the new Executive and Non-Executive Directors to be part of the process.

Following the loss of Mach49's largest client as announced on 6 September 2024, the Board instructed an internal review of the matters leading up to the client loss and a review of brand governance led by the Legal and Compliance functions. The report highlighted that the Company had some good processes in place but recommended some further actions to improve and formalise governance of our brands such as putting in place a Group Code of Conduct, having more formal brand management meetings and ensuring Next 15 Directors build relationships with key clients of the brands.

Equity, Diversity and Inclusion ('EDI')
The Board's Diversity Policy, which is available on our website, www.next15.com, reinforces our belief that a diverse workforce is not just a social good, but also a commercial advantage. For a Group where the 'who' comes before the 'what', it is crucial that we are drawing from the widest possible pool of talent. Next 15 is committed to supporting and setting a standard for our brands as they embrace diversity and we are committed to setting an example through our plc practices.

The policy supports the principles of the FTSE Women Leaders and Parker Reviews on gender and ethnic diversity and, in reviewing Board composition, the Nomination Committee will consider a range of experiences, backgrounds and characteristics that are both visible and non-visible, including but not limited to gender, ethnicity, social background, and cognitive ability, in addition to experience, industry and sector expertise, skill set and geographical location. This enables the Board to discharge its duties and responsibilities effectively, and model EDI for the Group.

As at 31 January 2025, we met all of the diversity targets in the Board's Diversity Policy. Women represented 50% of the Board (target of 40%), there were two ethnically diverse Directors as detailed on page 70 (target of one Director) and two Non-Executive Directors were retained in the US (target one Non-Executive Director in the US).

A truly diverse Board embraces the differences in our business, our society and our skill set and these differences will be a major consideration in determining the right composition of the Board. All Board appointments are made on merit in the context of the skills, experience, independence and knowledge which the Board requires to be effective.

Culture
We have a strong corporate culture based on entrepreneurial spirit, taking personal responsibility and treating all stakeholders fairly and equitably. Businesses within the Group are given a high degree of autonomy in line with the Group's emphasis on personal responsibility, with the centre acting as enablers and teachers. However, the Board and its Committees set a high standard for ethical behaviour and ensure the Group complies with applicable laws and regulations, and the Executive Leadership Team works to embed a corporate conscience that runs throughout Group initiatives and practices.

The Board monitors the culture of the Group through periodic updates on people, culture, inclusivity and talent provided by the Group Chief People Officer through monitoring exercises such as staff surveys, Employee Listening sessions and feedback from Paul Butler as the Board's workforce engagement representative.

Stakeholder engagement
Our people
Our employees and workers are considered one of the Company's principal stakeholders. The ESG Report on pages 27 to 51 details the importance the Company places on its people and the steps taken to support, evolve and motivate employees. The Stakeholder Engagement Report on pages 22 and 23 details how we engage with our employees.

The Group's approach to EDI is set out on page 34 and on our website at www.next15.com. Our approach to Board diversity is set out above.

Corporate governance statement continued

Stakeholder engagement continued

Our shareholders

The Board as a whole accepts its responsibility for engaging with shareholders and is kept fully informed about information in the marketplace.

Engagement with our shareholders is detailed on pages 22 and 23.

Chairs of each Committee attend the AGM to address any shareholders' questions. Proxy votes are disclosed at the meeting on each shareholder resolution and are subsequently published on the Group's website at www.next15.com. Our website serves as an essential platform for engaging with our stakeholders, including our shareholders. It offers information on compliance, business announcements, financial results, and reporting.

In the event of a significant proportion of votes being received against a particular resolution, the Board would take steps to understand shareholder concerns and consider what action it might want to take in response. Shareholders are also encouraged to submit questions to the Board throughout the year via the Company Secretary to cosec@next15.com. More information concerning the arrangements for the AGM can be found on page 100.

Our customers and suppliers

Client focus is critical to the success of each of our brands. By their nature our brands work in collaboration with their clients - we embed teams within client organisations, use agile processes and build businesses to better serve client needs based on what they tell us.

Because of the nature of our business, our long-term success as a Group is not dependent on any one supplier; nevertheless, we believe in treating our suppliers fairly, for example by ensuring that we pay our suppliers promptly in accordance with the prevailing terms of business.

More information on how we engage with our stakeholders can be found on pages 22 and 23.

Financial reporting and going concern statement

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have made this assessment in light of reviewing the Group's budget and cash requirements for a period in excess of one year from the date of signing of the Annual Report and considered outline plans for the Group thereafter.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 9 to 61. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 16 to 21.

The Directors' Responsibilities Statement in respect of the financial statements is set out on page 101.

Nomination Committee report

THE COMMITTEE ACKNOWLEDGES THAT THE COMPOSITION AND EFFECTIVENESS OF THE BOARD IS PIVOTAL TO THE CONTINUED SUCCESS OF THE GROUP.

Penny Ladkin-Brand
Chair of the Nomination Committee

I am pleased to present to you the report of the Nomination Committee (the 'Committee') for the year ended 31 January 2025.

Role of the Committee
The Committee's roles and responsibilities are governed by its Terms of Reference which are reviewed annually by the Committee and the Board. The principal role of the Committee is to:

- review the structure, size and composition of the Board (including skills, knowledge, experience, independence and diversity) and its Committees;
- ensure that there is a formal, rigorous and transparent procedure of appointments to the Board including setting criteria, identifying candidates and making recommendations to the Board;
- ensure a succession plan is in place for the Board and senior executives which includes the identification and development of future candidates; and
- review the effectiveness and performance of the Board, its Committees and individual members.

Committee membership
For the year to 31 January 2025, the Committee comprised all of the Non-Executive Directors. The Executive Directors and the Company Secretary attend meetings by invitation as appropriate given the matters being discussed.

Activity during the year
The Committee held four meetings during the year and all Committee members attended all meetings. There were more meetings than in previous years due to the appointment of Mark Astaire as a new Non-Executive Director with effect from 1 February 2025 and the resignation by Peter Harris as Chief Financial Officer and the subsequent appointment of Mickey Kalifa as his replacement.

The Committee acknowledges that the composition and effectiveness of the Board are pivotal to the continued success of the Group. The Committee reviewed the current composition of the Board in terms of the number of Executive and Non-Executive Directors and the skills, experience and diversity of the Directors. Having listened to feedback from certain shareholders, the Committee came to the conclusion that the appointment of an additional Non-Executive Director with capital markets and M&A experience would be a good addition to the Board. This appointment followed a rigorous search process using the executive search company Spencer Stuart. Spencer Stuart has no connection to the Company, nor to any of the Directors. Mark Astaire was appointed to the Board with effect from 1 February 2025. Mark's biography is set out on page 63. Since the year end the Company has also announced the appointment of Samantha Wren as a further Non-Executive Director and that Robyn Perriss, Helen Hunter and Dianna Jones will step down as Directors with effect from the AGM on 26 June 2025. Further details are set out on page 67.

Nomination Committee report continued

Activity during the year continued

The Committee considers that the Board has the right mix of skills, experience, independence and diversity and all Directors demonstrated ongoing commitment to the roles and have the necessary time to commit to the Company. The Committee will continue to review this as the Company continues to evolve.

As was announced on 30 January 2025, Peter Harris has notified the Board of his intention to step down as Chief Financial Officer of the Company. Peter is continuing to perform his duties during his notice period and as announced on 26 March 2025, Mickey Kalifa will join the Board as Chief Financial Officer with effect from 1 June 2025. The extensive search process was carried out with the assistance of Spencer Stuart. The newly appointed CFO met three of the Non-Executive Directors as well as all Executive Directors during the recruitment process and the Company took references prior to making the offer.

Due to the changes to the Board, the Committee approved to postpone the usual annual Board evaluation process until later in 2025 to allow the new Executive and Non-Executive Directors to be part of the review. As detailed in the Corporate Governance Statement on page 71, the Board commissioned an internal review with regard to governance of the brands within the Group.

The Board carried out an annual review of the Diversity Policy which was approved by the Committee and the Board and is available on the Company's website. This sets out the Board's commitment to Equity, Diversity and Inclusion and sets measurable objectives for achieving a suitably diverse Board. The policy's principle is that when appointing Board members, the Committee will consider a range of experiences, backgrounds and characteristics that are visible and non-visible, in order to enable it to discharge its duties and responsibilities effectively, and model Equity, Diversity and Inclusion for the Group. Specifically the measurable objectives are: 1) to ensure that the proportion of women on the Board remains above 40% (in accordance with the recommendations of the FTSE Women Leaders Review); 2) to ensure that the Board retains at least one ethnically diverse Director (in accordance with the recommendations of the Parker Review); and 3) to ensure that the Board retains at least one Non-Executive Director in the US. The composition of the Board currently meets all of these objectives.

Penny Ladkin-Brand
Chair of the Nomination Committee
14 April 2025

Audit and Risk Committee report

THE COMMITTEE COVERED EXTENSIVE GROUND OVER THE COURSE OF, WHAT WAS IN MANY RESPECTS, A DIFFICULT TRADING YEAR FOR NEXT 15.

As Chair of the Audit and Risk Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 31 January 2025.

The Committee covered extensive ground over the course of, what was in many respects, a difficult trading year for Next 15 against the backdrop of global political and macro uncertainty, with mixed performances at a brand level, compounded by the loss of the Group's most significant customer contract at Mach49. These pressures brought into focus the vital role of the Committee, particularly our provision of assurance to the Board through our independent challenge and oversight of the Group's accounting, financial and

Robyn Perriss
Chair of the Audit and Risk Committee

narrative reporting, risk management and internal control framework and governance processes.

Internal controls and activities performed by the maturing second-line functions were an area of particular focus for the Committee throughout FY25 with regular updates from the Head of Risk and Compliance, the Head of Data Protection and the Head of Information and Cyber Security, together with reports from BDO LLP, our outsourced Internal Audit function.

This report outlines how the Committee has discharged its responsibilities during the year, the key activities performed and issues it has considered during FY25 and also areas of focus over the next financial year. I recommend that it be read in conjunction with the financial statements and their accompanying notes, which can be found from page 102.

Focus areas for FY26

The Committee's priorities for the next financial year will include:

- ongoing working capital management focus, particularly in relation to brands with higher days sales outstanding;
- ongoing focus on data privacy processes and controls including 'mystery shopping' at a brand level and breach incident reporting;
- a review of the Compliance function's second line-monitoring activities at brand level;
- monitoring the progress in relation to the Group's transformation plans to merge the UK-based B2B marketing entities and consideration of how risks such as privacy, cyber security and business continuity will be managed; and
- US-focused payroll and benefits review (deferred from FY25) – given the US operations are significant and we operate in a number of states, each subject to local rules, we plan to focus on HR benefits and compliance in the US.

Through the activities of the Committee, described in this report, the Board confirms that it has reviewed the effectiveness of the Group's internal systems of control and risk management, covering all material controls including financial, operational and compliance controls, and that there were no material failings identified which require disclosure in this Annual Report and Accounts.

As mentioned elsewhere in this Annual Report, I have decided to step down as a Director of Next 15 at the forthcoming AGM. I have very much enjoyed my time as Chair of the Committee and I am proud of the progress we have made; particularly in building out a strong second-line function. I plan to spend time with Mickey Kalifa and Samantha Wren, the new Chair of the Committee over the coming months as part of their induction programmes and I am confident that they will build upon the strong foundations of the finance and compliance teams and add further value.

As ever, I will be happy to answer any questions about the work of the Committee at the upcoming AGM in June.

Robyn Perriss
Chair of the Audit and Risk Committee
14 April 2025

Audit and Risk Committee report continued

Membership and attendance

The current members of the Committee are the Chair of the Committee and two Non-Executive Directors, all of whom are independent. The membership of the Committee has been selected with the aim of providing a range of financial and commercial expertise necessary to meet its responsibilities under the QCA Code. The Committee Chair has previous experience as Chief Financial Officer of a FTSE 100 business and is a qualified accountant, and thus the Board considers her financial experience to be recent and relevant to discharge the duty to the Committee and its stakeholders. This is kept under continuous review and any changes to the composition of the Committee are a matter for the Nomination Committee to finalise.

The Committee met formally four times during the year and each meeting had full attendance. Biographies of the members of the Committee are shown on pages 62 and 63 and a summary of members' attendance can be found on page 70.

The Company Secretary, or their nominee, attends all meetings as secretary to the Committee and, by invitation, they are attended by the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the External Audit Partner and the Head of Internal Audit. From time to time other senior managers and advisers are invited to present to the Committee.

Role and responsibilities

The Committee's role is to assist the Board in fulfilling its oversight responsibilities. The Committee monitors and reviews the integrity of the Group's financial reporting and other announcements relating to its financial reporting and manages the relationships between the Company and its Internal and External Audit functions. The Committee makes recommendations to the Board based on its activities, all of which were accepted during the year. The Committee's responsibilities are set out in its Terms of Reference on the Company's website at www.next15.com.

The chart below depicts how the Committee spent its time in FY25. The Committee is satisfied that this was the correct focus to serve the broad needs and risk profile of the business during the year. Looking forward, the Committee will continue to focus on both core financial reporting controls and broader operational risks and related controls.

How the Committee spends its time

Key activities during the year

Key area	Activity during the year
Financial reporting and taxation	• Considered the Group's accounting policies and practices, application of accounting standards and significant judgements and estimates, adjusting items, tax matters, goodwill impairment, earn-out liabilities and accounting for new acquisitions. • Reviewed the Annual Report and Accounts as a whole including the clarity of the disclosures and that the narrative in the front section reflected the performance as detailed in the Group financial statements. • Reviewed the going concern statement included in the Annual Report and Accounts. In assessing going concern, the Committee has considered the Group's latest budget and three-year plan, cash flow forecast and corresponding sensitivities and covenant tests together with potential downside scenarios. • Considered upcoming legislative developments relating to tax and their potential impact on the Group. • Approved the Group's Corporate Criminal Offence Policy. • Approved the Next 15 Group plc tax strategy statement. • Reviewed and monitored the Group's approach to Large Company Compliance Regimes, in particular SAO, Country by Country Reporting ("CbCR") and Pillar II. • Reviewed the half-year accounts, including the material judgements and estimates. • Reviewed the half-year and full-year results announcements and trading statements. • Considered the significant financial judgements in relation to the FY25 Annual Report and Accounts as detailed in note 1 on pages 120 and 132.
Operations	• Received updates at each meeting on the ongoing work to enhance the Group's IT, privacy and cyber security infrastructure and capabilities. • Received regular updates on the internal control framework that sets out key processes, systems and minimum controls that are mandated centrally, together with areas that the brands have more autonomy in relation to, providing minimum data and standards are met. • Monitored the post-acquisition integration status of brands acquired.

Key area	Activity during the year
Internal audit and risk	• Approved the annual internal audit plan, including its alignment to the principal and emerging areas of risk, coverage across the Group's operations and continuing review of the Group's processes and controls. • Received a detailed update on the work of the Internal Audit function at each meeting and reviewed and discussed the findings of internal audit reviews undertaken during the year and monitored progress of agreed remediation actions. • Monitored the remit and resourcing of the Group's Internal Audit function. • Assisted the Board in its assessment of the Group's risk environment, internal controls and risk management processes. • Kept under review the effectiveness of the Group's internal controls and risk management. • Approved a new Internal Audit Charter.
External audit	• Reviewed the External Auditor's independence and objectivity and the effectiveness of the external audit process. • Received an update from the External Auditor on the planned approach and scope for the full-year audit. • Reviewed the External Auditor's Report on the full-year audit. • Considered External Auditor fees and terms of engagement. • Reviewed the Group's policy relating to the provision of non-audit services by the External Auditor.
Governance	• Discussed the impact of upcoming changes to accounting standards and legal, tax and regulatory requirements. • Received updates on Whistleblowing, Anti-bribery and Corruption Policies and reviewed the gifts and hospitality register. • Carried out a review of the Committee's Terms of Reference. As part of the broader Board evaluation exercise reviewed the Committee's effectiveness.

Risk and internal control

The Group's system of internal control, along with its design and operating effectiveness, is subject to review by the Committee. The Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management framework. The Committee supports the Board in reviewing systems of risk management and the effectiveness of internal controls. The Executive Directors have overall accountability for the control and management of the risks the Company faces. More information on how we manage risk can be found on pages 52 to 61.

Internal audit

Last year the Group moved to a fully outsourced internal audit model, with BDO LLP acting as the Internal Auditor. The independent and objective Internal Audit function supports the Board in assessing and identifying risks with the Audit and Risk Committee to produce an annual plan to test the relevant controls put in place to mitigate those risks. Through testing the operating effectiveness of controls, Internal Audit reports to the Audit and Risk Committee and assists management in improving the effectiveness of governance, risk management and internal controls. Internal Audit focuses on controls and related activities (including policies, procedures and systems) which are in place to ensure:

- proper identification and management of risk;
- reliability, integrity and security of information; and
- compliance with policies, plans, procedures, laws and regulations.

Internal Audit may perform advisory services relating to governance, risk management and controls as appropriate for Next 15. It may also evaluate, within the independence requirements, specific operations at the request of the Board, the Committee or management as appropriate. To provide for the independence of the function, the function is run by the Head of Internal Audit, who reports to the Audit and Risk Committee. The Audit and Risk Committee provides final approval of the department's Charter and annual internal audit plan. The Head of Internal Audit is responsible for providing the Audit and Risk Committee with a self-assessment on internal audit activity, its consistency with the Audit Charter and performance relative to its plan at least every two years.

The internal audit plan for FY25 covered a broad range of core financial and operational processes and controls, including projects and reviews focused on the following areas:

- Working capital review of selected brands as this remains a high-priority focus area for management.
- Entity-level controls review: to assess the effectiveness of entity-level controls operating across the Group.
- Privacy benchmarking exercise: a collaborative effort between the Data Protection and Privacy Office and Internal Audit with the aim being to develop a greater understanding of the maturity of the privacy landscape within each of the brands. The outcome of the exercise was the creation of bespoke action plans, to enable the brands to meet their legal and regulatory obligations, across the jurisdictions in which Next 15 operates and which were shared and discussed with the Committee.
- Revenue compliance review: to provide assurance over the design and operational effectiveness of key controls in place for revenue recognition under IFRS 15 at selected brands, building on the work done by the management team in this area over the course of the past two years.
- Fraud risk assessment review: a deep-dive audit to evaluate the adequacy of anti-fraud controls across the Group and readiness to comply with new legislation.
- AI risks review: to understand the extent of AI use within the Group and potential risks and assess the appropriateness of the AI management framework.
- Cyber security maturity review: given the decentralised nature of the Group, a review to assess the cyber maturity of various brands, in particular those who do not opt for the Head Office managed IT services.

The internal audit plan for FY26 has been developed using a combination of the annually refreshed corporate risk register, the sector experience of team members within the core team and wider outsourced capabilities, and in discussion with other key stakeholders such as External Audit and management and approved by the Committee. Some areas remain on the plan from the prior year, as they are inherent risks within the business; other areas have been included to reflect increased scale or merger of certain brands, together with changes to the wider economic and regulatory risk landscape.

Internal audit continued
Next 15 continues to expand its global operations through a blended approach of organic and acquisitional growth. Internal Audit plays an important role helping to ensure that risks are identified and appropriately managed in line with the Group's risk appetite. Internal Audit will continue to perform regular horizon scanning to anticipate future risks that may have an impact on Next 15's operations and strategic priorities and bring these to the attention of the Committee and Board.

External audit
The External Auditor, Deloitte LLP, was first appointed in 2014, for the financial period ended 31 January 2015.

The Board is satisfied that the Company has adequate policies and safeguards in place to ensure that Deloitte maintains its objectivity and independence. The External Auditor reports annually on its independence from the Company and in accordance with Deloitte's partner rotation rules, Peter McDermott, was appointed with effect from 1 February 2020.

Post the FY25 audit, Peter McDermott will have completed five years as the lead audit partner and will be rotating off the audit, with Edward Salter assuming the audit partner role in FY26.

Whilst not subject to the UK Competition and Markets Authority Order 2014, the Committee continues to review the External Auditor's appointment, ensuring the Company's best interests are considered and ensuring compliance with reforms of the audit market.

The Group has a formal policy on the engagement of the External Auditor for non-audit services. The objective of the policy is to ensure that the provision of non-audit services by the External Auditor does not impair, or is not perceived to impair, the External Auditor's independence or objectivity. The policy sets out monetary limits and imposes guidance on the areas of work that the External Auditor may be asked to undertake and those assignments where the External Auditor should not be involved. The policy is reviewed regularly, and its application is monitored by the Committee. The fees paid to Deloitte in respect of non-audit services are shown in note 5 to the financial statements. This work is not considered to affect the independence or objectivity of the External Auditor. The Audit and Risk Committee has confirmed no services were provided outside of the updated policy.

External audit effectiveness
The Committee places great importance on ensuring that the external audit is of a high quality and that the auditor is effective. The Committee received a comprehensive audit plan from Deloitte LLP, setting out the proposed scope and areas of focus for the year-end audit and the auditor's assessment of the key areas of risk that had been identified. The audit plan and areas of risk identified were reviewed and, where appropriate, challenged by the Committee. The Committee met with Deloitte throughout the year, including at times without management present, to discuss its remit and any issues arising from its work as auditor.

As part of the FY25 year-end process, the Committee reviewed the effectiveness of the External Auditor. The evaluation was led by the Committee Chair and involved issuing tailored evaluation questionnaires, which were completed by the Committee and selected members of the Group finance team and the Internal Auditor, supplemented by two roundtable sessions held with members of the UK and US brand finance teams.

The questionnaire responses, corroborated by the Committee's discussions with the brand finance teams and with management, provided useful feedback to the Committee and indicated that overall the External Auditor's areas of audit focus and challenge continued to be appropriate and that its performance remained effective.

The Committee has made a recommendation to the Board to reappoint Deloitte LLP as the Company's auditor for the FY26 financial year. Accordingly, a resolution proposing its reappointment will be proposed at the AGM in June 2025.

Audit and Risk Committee report continued

Key areas of focus

Key area and explanation	How it was addressed
Changes in estimates relating to acquisition-related liabilities The Group has material acquisition-related liabilities, with some payments dependent on performance up to three years from 31 January 2025. The estimates are sensitive to changes in revenue growth rates and profitability assumptions, as well as the discount rate used. During FY25, earn-out liabilities decreased by a net £79.3m in the year, primarily driven by settlements made during the year and a change in estimate in relation to the Mach49 business.	The Committee considered the acquisition-related liabilities recognised at the half year and year end split by brand and how they had changed over the last six or twelve months, and the key assumptions made together with related sensitivity analysis. A detailed earn-out paper, together with related sensitivities and any associated deductions, was prepared by management and presented to the year-end Audit and Risk Committee meeting. At the year end, the External Auditor's testing of key assumptions was also discussed and following due consideration the Committee concluded it was satisfied with management's assumptions and judgements.
Presentation of alternative performance measures The identification of adjusting items and the presentation of alternative performance measures ('APMs') is a judgement in terms of which costs or credits are not associated with the underlying trading of the Group or otherwise impact the comparability of the Group's results year on year. The Group's adjusting items include the amortisation of acquired intangibles, the change in estimate and unwinding of discount on acquisition-related liabilities, deal costs, charge for one-off employee incentive schemes, employment-related acquisition costs, property-related impairment, goodwill impairment, and restructuring costs. Whilst APMs are still referred to in the Financial Review at the front of the Annual Report and Accounts to explain the Group's results in line with how the Board reviewed underlying trading performance, the detailed financial APMs are disclosed within the Glossary of the Annual Report and Accounts. In there each is explained and reconciled to statutory numbers.	For both the full and half-year results, the Committee considered the adjusting items, including explanations of why they were either not related to the underlying performance of the business or impacted the comparability of the Group's results year on year. During the year, the Group incurred £17.0m of restructuring costs in relation to the brands. The Committee reviewed the nature of the costs incurred and ensured only those brands with total significant redundancies as part of a one-off reduction in workforce were exceptionalised. The Committee also reviewed the FRC's guidance, and considered adjusting items used by the Group's peers and the External Auditor's assessment of the adjusting items. The Committee reviewed the narrative for the adjusting items within the Glossary to the Annual Report and Accounts to ensure it gave adequate detail on why the items were adjusted. The Committee concluded it was satisfied with the adjusting items included in the Group's results and that appropriate disclosure of those items has been included in the Annual Report and Accounts.
Revenue recognition Revenue comprises commission and fees earned and is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual agreement. Typically, performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. An element of estimation and judgement is involved in relation to year-end cut-off and open percentage of completion revenue projects at year end with the brands needing to estimate how complete the project work is and therefore how much revenue to recognise at the year end.	During the year management continued to provide IFRS 15 revenue recognition training to the brands, finance teams to facilitate the standard categories of revenue types and ensure appropriate accounting treatment. In addition, Internal Audit performed further deep-dive reviews for two brands that were not subject to a full-scope external audit in order to identify key risks and controls together with ensuring the implementation of the standard revenue categories. Deloitte was able to use the updated revenue definitions in the current year as part of its design of year-end audit procedures. Based on detailed reports and discussions with management and the External Auditor, including the findings of their year-end audit procedures, the Committee was satisfied that the recognition of revenue under IFRS 15 was appropriate.
Goodwill impairment Goodwill represents the excess of the fair value of consideration payable over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is capitalised as an intangible asset, not amortised but reviewed annually for impairment or in any period in which events or changes in circumstances indicate the carrying value may not be recoverable. Judgement is involved in the calculation of the value-in-use of the brands at the level goodwill is monitored as it is calculated as the present value of the future cash flows based on growth rates applied to the Board-approved FY26 budget. Following a full review at 31 January 2025, an impairment charge of £3.0m has been recognised during the year.	The Committee considered the goodwill recognised at year end and the value in use calculation for the brands as part of the full impairment review. The methodology of the calculation and key assumptions made were included within a detailed paper prepared by management and presented to the year-end Audit and Risk Committee meeting. The key assumptions were discussed for the CGUs that had limited headroom, and various scenarios were presented to the Committee to review the proposed impairment charge. The Committee concluded it was satisfied with management's assumptions used within the value-in-use calculation and that the impairment charge during the year is appropriate.

Directors' remuneration report

FY25 WAS A YEAR OF MIXED PERFORMANCE FOR THE GROUP, WHICH HAS BEEN REFLECTED IN OUR INCENTIVE OUTCOMES FOR THE YEAR AND CONSIDERED IN OUR APPROACH TO THE IMPLEMENTATION OF OUR REMUNERATION FRAMEWORK FOR FY26.

Helen Hunter
Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 January 2025. The report explains the work of the Remuneration Committee (the 'Committee') during the year, the basis for the remuneration paid to Directors for FY25, and how we intend to apply the remuneration framework for FY26.

Performance and pay outcomes for FY25

Performance across our businesses during FY25 was mixed. There was continued weakness in spend from our technology customers and reduced spend from UK Government driven in part from the earlier than expected general election. This has been partially offset by strong performance from our businesses more focused on consumer clients. The disappointing loss of the large contract in Mach49 announced in September has also had an impact on this year's financial performance but will have a greater impact for FY26 and FY27. These factors lead to Group adjusted operating profit decreasing by 11.3% to £107.4m at an operating profit margin of 18.9% reflecting underperformance of some of our higher-margin businesses.

For FY25, the bonus was based on a scorecard comprising adjusted operating profit, cash conversion ratio, organic net revenue growth, adjusted operating profit margin and employee net promoter score ("eNPS") performance conditions. As a result of the performance during the year, the organic growth, adjusted operating profit and eNPS targets were not met. The cash conversion and operating profit margin targets were met to some extent. Therefore 29.5% of the maximum bonus opportunity was achieved.

However, taking into account overall Company performance and the shareholder experience over FY25, the Executive Directors have chosen to waive their bonuses for FY25.

The FY23 Long-Term Incentive Plan ('LTIP') award, is subject to adjusted EPS performance (two-thirds of awards), and 16.7% each on organic net revenue and adjusted operating profit margin performance targets. All targets were measured over a three-year performance period to 31 January 2025. The organic growth and adjusted EPS growth targets were not met; however the adjusted operating profit margin target was met and as a result 16.67% of the award will vest. The Committee considered this outcome taking into account the Group's wider performance, including share price performance over the performance period, and concluded the outcome was fair and appropriate.

On 30 January 2025, it was announced that Peter Harris will step down as Chief Financial Officer and Director. Peter is currently working during his notice period. As further announced on 26 March 2025, Mickey Kalifa is joining the Board on 1 June 2025 to replace Peter as CFO. Mickey will be subject to the same remuneration framework as other directors as set out in this report.

Further details on the performance against targets for both the bonus and LTIP can be found later in this report.

Directors' remuneration report continued

Looking forward – how we intend to operate our remuneration framework in FY26

There will be no change to salaries for the CEO, the current CFO and COO for FY26. The new CFO's salary is £400,000. The average wider workforce increase will be 2%.

There will be no change to the annual bonus opportunity of 100% of salary for all Executive Directors, payable in cash. Our annual bonus plan will remain based on the same mix of adjusted operating profit, cash conversion ratio, organic net revenue growth, adjusted operating profit margin and employee net promoter score performance measures.

LTIP awards for Executive Directors will be granted at 150% of base salary. Performance will be measured over a single three-year performance period to 31 January 2028 with a two-year post-vesting hold period. At the date of the publication of this Annual Report the Committee were still considering the most appropriate KPIs for the FY26 award in light of the Company's strategic priorities and therefore will communicate the performance measures and targets set at the point of grant.

Broader employee pay

After a difficult year where there was a lot of restructuring, we will continue to monitor base salary and encourage increases for our lower income workers to ensure they are earning a fair and equitable salary for the work they do. Restructuring has seen the average salary in the US decrease due to the number of senior roles removed and slightly increased in the UK where the shape of restructuring saw more middle management roles removed.

The EU Pay Transparency Directive and the US Salary Transparency Act and Pay Equity for All Act continue to push us to provide clarity on remuneration packages, including how bonus opportunity is achieved and clearly publish salary bands with any advertised roles.

Closing remarks

The Committee is satisfied that the current remuneration framework continues to be appropriate and supports the Group's strategy in both the short and long term. The framework is applied robustly each year to ensure that there is a strong link between performance, remuneration outcomes and our business strategy, with variable remuneration tied to the achievement of stretching targets.

I hope this report is clear and demonstrates the robust application of our remuneration framework. In line with our approach taken for previous years, and in the spirit of full accountability, this Remuneration Report will be subject to an advisory shareholder vote at the forthcoming AGM.

As mentioned elsewhere in this Annual Report, I am stepping down as a Director of Next 15 at the forthcoming AGM. I have hugely enjoyed my tenure as Chair of the Committee and am proud of the work that the Committee has overseen with input from our shareholders to manage challenges, and strengthen our remuneration framework as Next 15 has gone through challenging periods such as Covid, and different phases of its growth. I am happy to pass the baton to Mark Astaire who I am confident will continue to ensure the Group's remuneration framework remains suitable as the Group evolves.

I end with my thanks to the colleagues of Next 15 who are key to our success.

We look forward to continued dialogue with you, and your support at the forthcoming AGM.

Helen Hunter
Chair of the Remuneration Committee
14 April 2025

At a glance
How we performed in FY25

FY25 annual bonus

Performance measure	Target range	Performance	Weighting	Outcome
Adjusted operating profit[1]	£121m–£135m	£107.4m	25%	0%
Organic net revenue growth	1%–5%	(4.0)%	25%	0%
Cash conversion ratio	70%–90%	93.2%	20%	20%
Adjusted operating profit margin[1]	18%–21%	18.9%	20%	9.5%
Employee net promoter score	26–31	13	10%	0%
Total			**100%**	**29.5%**

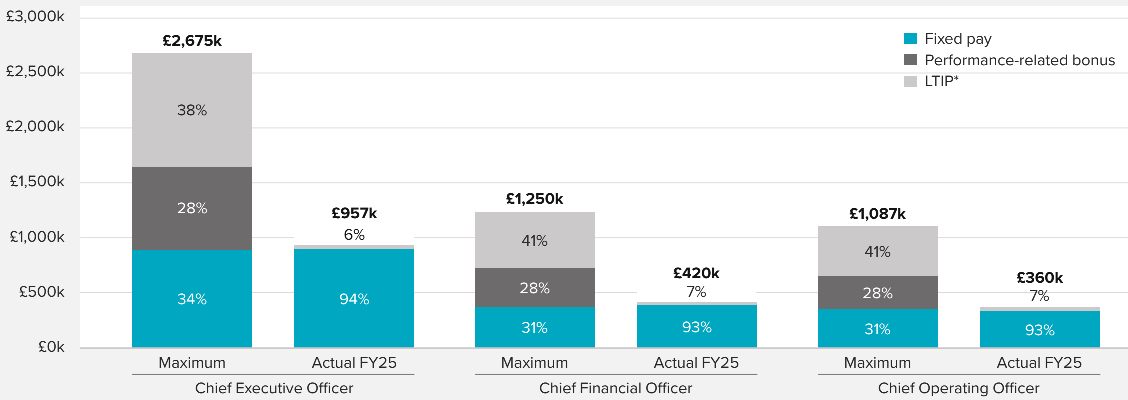
1 Includes up to 5% of profit contribution from acquisitions made in the year, otherwise excluded.

FY23 LTIP award

Performance measure	Target range	Performance	Weighting	Vesting
Adjusted earnings per share growth[1]	30%–60%	25.5%	66.7%	0%
KPIs:				
Organic revenue growth	8%–15%	5.7%	16.7%	0%
Operating profit margin	18%–20%	20.0%	16.7%	16.7%
Total				**16.7%**

1 The earnings per share growth is calculated on a constant tax basis of 21.6%.

Maximum vs actual pay for FY25



* Maximum LTIP value is based on share price at grant date. Actual LTIP value is based on average Q4 FY25 share price.

Directors' remuneration report continued

How we will apply our remuneration framework for FY26

Element	Time horizon FY26	FY27	FY28	Application of remuneration framework for FY26
Salary	■			Tim Dyson, Chief Executive: US$962,000 (no change). Peter Harris, Chief Financial Officer: £356,800 (no change). Jonathan Peachey, Chief Operating Officer: £309,000 (no change). Average increases across the workforce for FY26 are 2%.
Pension and benefits	■			Directors are entitled to receive employer contributions of up to 10% of base salary to a Group pension plan. The US-based Director also receives a pension benefit under a US 401k plan.
Annual bonus	■			Maximum opportunity is 100% of salary, payable in cash. Performance metrics are adjusted operating profit, organic net revenue growth, cash conversion ratio, adjusted operating profit margin and employee net promoter score.
Long-term incentives	■	■	■	Long-term incentive grant of 150% of salary. Performance measures and weightings will be disclosed at the time of grant. A two-year holding period will apply to the vested award.
Shareholding requirement	■	■	■	Executive Directors must build and maintain a holding of shares in the Company of 200% of salary. 50% of the net of tax number of shares vesting under the incentive arrangements must be retained until guideline is met.

Remuneration framework
To ensure that the Group continues to grow, organically and inorganically, we must have the right remuneration framework in place.

In setting our remuneration framework the Committee considers:

- ensuring that there is a strong long-term alignment of interest between Executive Directors and our shareholders;
- the need to align the overall reward arrangements with the Group's strategy, both in the short and long term;
- the need to attract, retain and motivate Executive Directors and senior management of the right calibre, ensuring an appropriate mix between fixed and variable pay; and
- ensuring that there is a coherent cascade of pay and benefits arrangements elsewhere in the Group to support internal alignment of interest and succession.

Executive Director remuneration framework

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Base salary	Reflects external market and geography and an individual's performance and contribution. Reviewed annually normally in February.	Attracts and retains the best talent with the necessary expertise to deliver the Group's strategy and to create shareholder value.	No prescribed maximum. Account will be taken of increases applied to employees as a whole when determining salary increases. Committee discretion to award increases when it considers it appropriate, including where base salary at outset may have been set at a relatively low level, or where there has been a substantial change in responsibilities of the role.	The Committee considers the individual's performance and contribution in the period since the last review.	N/A
Allowances and benefits	The Chief Executive Officer is entitled to a contribution to a deferred benefit plan; private health, dental and vision insurance; life assurance; professional adviser fees paid on his behalf; and car allowance (lease and associated fees) or cash in lieu thereof. The Chief Financial Officer and Chief Operating Officer are entitled to private medical insurance. The Committee may determine that other benefits may be added where appropriate.	Provides market-competitive and cost-effective benefits. Provides reassurance and risk mitigation and supports personal health and wellbeing.	The value of benefits is not capped as it is determined by the cost to the Company, which may vary.	N/A	N/A

Directors' remuneration report continued

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Pension	Directors are entitled to receive employer contributions to a Group pension plan.	Provides market equivalent retirement benefits.	Maximum contribution, currently 10% of base salary. In addition, Tim Dyson is entitled to receive a pension benefit under a US 401k plan.	N/A	N/A
Annual bonus	Annual cash bonus plan. Targets closely aligned with the Group's strategic aims. Targets are reviewed annually by the Committee. Not pensionable.	Reinforces and rewards delivery of annual performance and strategic business priorities. Delivers value to shareholders and consistent with the delivery of the strategic plan.	The maximum bonus opportunity is 100% of salary.	The Committee chooses measures that help drive and reward the achievement of the Group's strategy. Metrics and their relative weightings are reviewed each year. The Remuneration Committee has the discretion to adjust and to override formulaic outcomes for annual bonus payment due if the Remuneration Committee considers it is not reflective of the underlying performance of the Company, as well as investor experience and the employee reward outcome.	The bonus is subject to recovery and withholding provisions which may be applied in the event of a material miscalculation of a participant's entitlement, a material misstatement or restatement of the Company's financial results for the year to which the performance period relates, or material personal misconduct that would justify summary dismissal, or result in significant reputational damage to the Company, or have a material adverse effect on the Company's financial position, or reflect a significant failure of the Company's risk management or control.

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Long-Term Incentive Plan ('LTIP')	Awards may be structured as performance share awards or nil-cost options. Awards are subject to a three-year performance period. For awards granted during FY22 onwards, there will be a two-year holding period on shares acquired from vested awards. The value of dividends payable over the vesting period may be added to the vested share awards in cash or shares.	Rewards long-term sustainable performance, in line with the Company's strategy. Focuses Executive Directors on delivering outstanding value creation for shareholders.	150% of salary.	The Committee chooses performance measures that support delivery of the Company's strategy and provide alignment between Executive Directors and shareholders. Performance metrics and their respective weightings may vary from year to year depending on financial and strategic priorities. Up to 25% vests for threshold performance. The Remuneration Committee has the discretion to adjust and to override formulaic outcomes for the LTIP vesting level if the Remuneration Committee considers it is not reflective of the underlying performance of the Company, as well as investor experience and the employee reward outcome.	Same clawback and malus provisions as for the performance-related bonus.

Directors' remuneration report continued

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Shareholding guidelines	Executive Directors are expected to build and maintain a holding of shares in the Company of 200% of base salary.	Increases alignment between Executive Directors and shareholders and shows a clear commitment by all Executive Directors to creating value for shareholders in the longer term.	Minimum shareholding guidelines to be satisfied within five years of appointment of 200% of salary for all Executive Directors. If any Executive Director does not meet the guideline, they will be expected to retain up to 50% of the net of tax number of shares vesting under any of the Company's discretionary share incentive arrangements until the guideline is met.	N/A	Executive Directors shall not dispose of shares needed to meet their minimum shareholding requirement except as approved by the Committee. The Committee may give such approval in limited circumstances such as to comply with legal obligations or to avoid financial distress.

Non-Executive Director remuneration framework

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures
Fees	Cash fees, determined by the Executive Directors, reflecting the time commitment required, the responsibility of each role, and the level of fees in comparable companies.	Supports recruitment and retention of Non-Executive Directors with the necessary breadth of skills and experience to advise and assist with establishing and monitoring the Group's strategic objectives.	The aggregate Directors' service fees (excluding salary or other remuneration) are limited to £500,000 under the Company's Articles. No entitlement to compensation for early termination.	Internal evaluation of the Board's and its Committees' effectiveness takes place periodically.

Policy on recruitment

In the case of hiring or appointing a new Executive Director, the Committee may make use of any or all of the existing components of remuneration, as described above. The Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate operates) to ensure that the pay arrangements are in the best interests of the Company and its shareholders. Awards forfeited from the previous employer may be bought out like-for-like with equivalent bonus or LTIP awards over Next 15 shares.

Directors' service contracts, policy on outside appointments and payments for loss of office

Executive Directors have rolling contracts that are terminable on six months' notice. There are no contractual entitlements to compensation on termination of the employment of any of the Directors other than payment in lieu of notice at the discretion of the Company and a payment for compliance with post-termination restrictions.

	Date of current service contract	Notice period
Executive Directors		
Tim Dyson	1 June 1997	6 months
Peter Harris	25 March 2014	6 months
Jonathan Peachey	16 April 2019	6 months

The Executive Directors are allowed to accept appointments and retain payments from sources outside the Group, provided such appointments are approved by the Board.

Bonus and LTIP awards normally lapse if the Executive Director resigns. However, for a 'good leaver', part-year bonus may be payable, pro rata, and the Executive Director's unvested awards may also vest subject to the achievement of the performance conditions, usually pro rata, for the proportion of the LTIP holding period employed.

Non-Executive Directors' letters of appointment

All Non-Executive Directors are engaged under letters of appointment terminable on three months' notice at any time. Non-Executive Directors are not entitled to any pension benefit or any payment in compensation for early termination of their appointment.

	Date of current letter of appointment	Notice period
Non-Executive Directors		
Penny Ladkin-Brand	1 February 2021	3 months
Helen Hunter	26 June 2019	3 months
Robyn Perriss	10 November 2020	3 months
Dianna Jones	25 March 2022	3 months
Paul Butler	23 June 2022	3 months

Composition of the Committee and advice received

The Committee comprises three Non-Executive Directors: Helen Hunter, the Committee Chair, Penny Ladkin-Brand and Dianna Jones. The Company's Executive Directors and the Chief People Officer attend the Committee meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own remuneration are discussed. No Director is involved in deciding his or her own remuneration. The Company Secretary or his nominee acts as secretary to the Committee. The Committee is authorised, where it judges it necessary to discharge its responsibilities, to obtain independent professional advice at the Company's expense.

Korn Ferry is appointed as adviser to the Committee. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the Code. Fees paid to Korn Ferry during the period were £3,580 (FY24: £27,738). The Committee is satisfied that the advice it received from Korn Ferry is objective and independent.

Terms of Reference and activities in the year

The activities of the Committee are governed by its Terms of Reference, which are available from the Group's website at www.next15.com. The Committee had three meetings during the year and details of attendance can be found in the Corporate Governance Statement on page 65.

The principal matters considered by the Committee during the year included:

- reviewing the remuneration framework against the Group strategy and best practice corporate governance requirements;
- reviewing market practice and corporate governance developments;
- undertaking the annual review of remuneration for Executive Directors;
- setting targets for the FY26 annual bonus plan;
- considering performance measures for the FY26 LTIP awards;
- considering the remuneration arrangements of brand senior management including long-term incentive plans;
- reviewing the extent to which performance conditions have been met for both the annual and long-term incentive plans, and agreeing the cash and equity payments arising including the processes and communication to Executive Directors and senior executives;
- closely reviewing changes to laws, regulations and guidelines or recommendations regarding remuneration, including in relation to tax;
- continuing to review the Group's approach to gender pay, diversity and inclusion policies;
- reviewing the current use of long-term incentive schemes and the impact on dilution and headroom; and
- approval of total remuneration for new CFO.

Key activities of the Committee for the year ahead

The principal matters for consideration by the Committee for the year ahead will include:

- keeping the remuneration framework under review;
- setting appropriate performance targets for the incentive schemes;
- continuing to review the Group's approach to gender pay, diversity and inclusion policies;
- monitoring and reviewing best practice corporate governance requirements, and changes to laws, regulations and tax;
- considering the impact of the revised QCA Code in relation to remuneration; and
- review of remuneration structures for staff below Executive Director level.

Directors' remuneration for the 12-month period to 31 January 2025

	Salary and fees 2025 £'000	Performance-related bonus 2025 £'000	LTIP awards 2025 £'000[1]	Pension contributions 2025 £'000	Other benefits 2025 £'000	**Total 2025 £'000**	Total 2024 £'000[2]
Executive Directors							
Tim Dyson	751	—	61	92	59	**963**	2,417
Peter Harris	354	—	30	35	1	**420**	1,129
Jonathan Peachey	308	—	26	26	—	**360**	883
Non-Executive Directors							
Penny Ladkin-Brand	161	—	—	—	—	**161**	156
Helen Hunter	72	—	—	—	—	**72**	68
Robyn Perriss	68	—	—	—	—	**68**	63
Dianna Jones	68	—	—	—	—	**68**	67
Paul Butler	61	—	—	—	—	**61**	61

1 The LTIP value is the FY23 LTIP award, which will vest in relation to the performance period ending FY25. The award has been valued using a share price of 388p, being the average share price over the last quarter of the financial year.

2 These figures have been restated to reflect the actual value of the LTIPs on vesting in relation to the FY24 using a share price of 879p on 16 April 2024.

Annual bonus

The annual bonus opportunity for FY25 was 100% of salary for all Executive Directors. Performance was based on five weighted performance metrics. The performance against targets resulted in a formulaic bonus outcome of 29.5% of maximum as set out in the table below.

Performance measure	Weighting (% of max)	Target range	Actual performance	Pay-out for element (% of element)
Adjusted operating profit	25%	£121m–£135m	£107.4m	0%
Cash conversion ratio	20%	70%–90%	93.2%	20%
Organic net revenue growth	25%	1%–5%	(4.0)%	0%
Adjusted operating profit margin	20%	18%–21%	18.9%	9.5%
Employee net promoter score	10%	26–31	+13	0%
Total bonus (% of max)				**29.5%**

Notwithstanding the 29.5% outcome, as explained in the Remuneration Committee Chair's letter, the Executive Directors have waived their bonus payments for FY25 in light of the wider Company performance and shareholder experience during the year.

Directors' remuneration report continued

Long-Term Incentive Plan

FY23 LTIP grant (granted 1 June 2022)

The FY23 LTIP grant for Tim Dyson, Peter Harris and Jonathan Peachey is based on performance over a three-year performance period ending 31 January 2025. Performance against targets and the number of shares vesting are set out in the tables below. 25% vests for each measure for threshold performance.

Performance measure	Weighting	Target range	Actual performance	Vesting
Adjusted earnings per share growth	66.7%	30%–60%	25.5%	0%
KPIs:				
Organic revenue growth	16.7%	8%–15%	5.7%	0%
Operating profit margin	16.7%	18%–20%	20.0%	16.67%
Total				**16.67%**

Executive Director	Number of performance shares granted	Percentage of award vesting	Number of shares vesting	Value on vesting[1] £'000
Tim Dyson	94,365	16.67%	15,730	61
Peter Harris	46,367	16.67%	7,729	30
Jonathan Peachey	40,924	16.67%	6,822	26

1 The value on vesting has been calculated using a share price of 388p, being the average share price over the last quarter of the period.

The performance shares under the FY23 LTIP award will vest in April 2025. A two-year post-vesting holding period applies to vested shares.

Awards granted during FY25

The FY25 awards were granted to Executive Directors on 16 April 2024. The awards cover a three-year period with performance measured over the period from 1 February 2024 to 31 January 2027. The performance criteria are based two-thirds on adjusted EPS performance, 16.7% on organic net revenue growth and 16.7% on adjusted operating profit margin. Subject to performance against these conditions, the award will be released following the end of FY27 but remain subject to a two-year holding period.

Executive Director	**Tim Dyson**	**Peter Harris**	**Jonathan Peachey**
Number of performance shares	122,593	56,997	49,362
Vesting criteria			
Up to 66.67% of maximum award	*Target*	*Proportion of award vesting*	
Absolute increase in adjusted diluted earnings per share at a constant tax rate	Less than 10%	0%	
	10%	16.67%	
	Between 10% and 30%	16.67%–66.67% (straight-line basis)	
	30% or more	66.67% total award	
Up to 33.33% of maximum award			
Average annual organic net revenue growth	Less than 2%	0%	
	2%	4.2%	
	Between 2% and 6%	4.2%–16.67% (straight-line basis)	
	6% or more	16.67%	
Average annual adjusted operating profit margin	Less than 18%	0%	
	18%	4.2%	
	Between 18% and 21%	4.2%–16.67% (straight-line basis)	
	21% or more	16.67%	

Directors' interests in share plans for the year to 31 January 2025

As at 31 January 2025, the following Directors held performance share awards over Ordinary Shares of 2.5p each under the 2015 LTIP and 2016 Share Award Agreements, as detailed below:

Executive Director	Number of performance shares at 31 January 2024	Shares lapsing during the period	Shares released during the period	Shares granted during the period	**Number of performance shares at 31 January 2025**	Grant date	End of performance period	Total value on release[3] £'000
Tim Dyson	51,287	16,642	34,645	—	**—**	26.04.2019	31.01.2024[1]	305
	81,557	—	81,557	—	**—**	06.05.2021	31.01.2024[2]	717
	37,688	—	37,688	—	**—**	28.06.2021	31.01.2024[2]	331
	94,365	—	—	—	**94,365**	01.06.2022	31.01.2025	—
	156,351	—	—	—	**156,351**	27.04.2023	31.01.2026	—
	—	—	—	122,593	**122,593**	16.04.2024	31.01.2027	—
Total					**373,309**			
Peter Harris	23,539	7,639	15,900	—	**—**	26.04.2019	31.01.2024[1]	140
	41,065	—	41,065	—	**—**	06.05.2021	31.01.2024[2]	361
	19,097	—	19,097	—	**—**	28.06.2021	31.01.2024[2]	168
	46,367	—	—	—	**46,367**	01.06.2022	31.01.2025	—
	69,462	—	—	—	**69,462**	27.04.2023	31.01.2026	—
	—	—	—	56,997	**56,997**	16.04.2024	31.01.2027	—
Total					**172,826**			
Jonathan Peachey	47,399	—	47,399	—	**—**	06.05.2021	31.01.2024[2]	417
	40,924	—	—	—	**40,924**	01.06.2022	31.01.2025	—
	61,308	—	—	—	**61,308**	27.04.2023	31.01.2026	—
	—	—	—	49,362	**49,362**	16.04.2024	31.01.2027	—
Total					**151,594**			

1 The first 60% of the total awarded performance shares were released to the Executive Directors in April 2022. The Executive Directors became unconditionally legal and beneficially entitled to the remaining 40% of the award in April 2024.

2 Executive Directors became unconditionally legally and beneficially entitled to the total awarded performance shares in April 2024.

3 These figures have been calculated using the share price on the date of release of 879p.

Directors' remuneration report continued

Directors' interests in the shares of Next 15 Group plc

The interests of the Directors in the share capital of the Company at 31 January 2024 and 31 January 2025 are as follows:

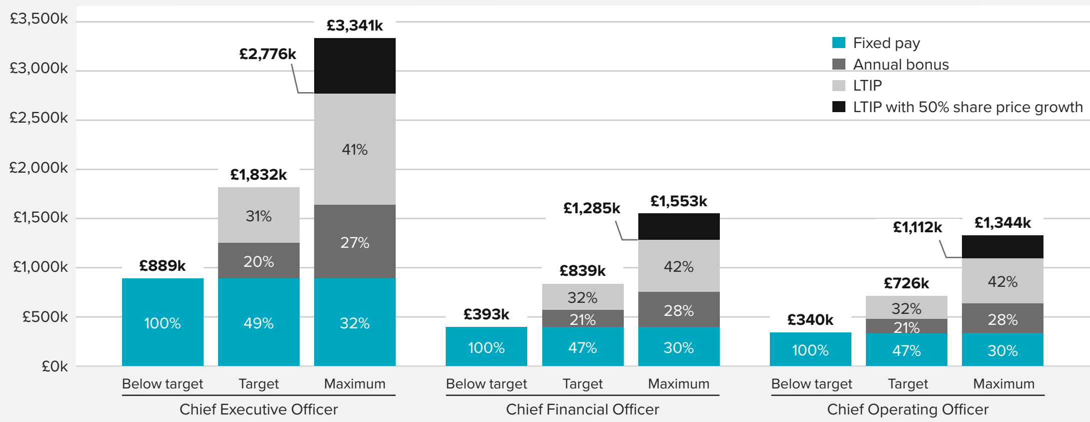
	Ordinary Shares		LTIP performance shares	
	31 January 2024	**31 January 2025**	31 January 2024	**31 January 2025**
Executive Directors				
Tim Dyson	4,862,186	**4,872,977**	421,248	**373,309**
Peter Harris	461,707	**510,528**	199,530	**172,826**
Jonathan Peachey	46,420	**81,138**	149,631	**151,594**
Non-Executive Directors				
Penny Ladkin-Brand	85,118	**91,616**	—	**—**
Helen Hunter	—	**3,235**	—	**—**
Robyn Perriss	—	**—**	—	**—**
Dianna Jones	—	**—**	—	**—**
Paul Butler	—	**—**	—	**—**

Illustrative performance scenarios
The charts to the right illustrate, under three different performance scenarios, the total value of the remuneration package receivable by the Executive Directors for FY26. The assumptions used have been set out below.

Minimum: Comprises fixed pay only using the salary for FY26, the value of benefits in FY25 and a 10% Company pension contribution. Tim Dyson also receives a pension benefit under a US 401k plan.

On target: A bonus of 50% of salary is payable (50% of maximum) for target performance and half the LTIP awards vest (based on a grant value of 150% of salary).

Maximum: Comprises fixed pay and assumes that the maximum annual bonus is paid (100% of salary) and the FY26 LTIP grant (150% of salary) vests in full. The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting.

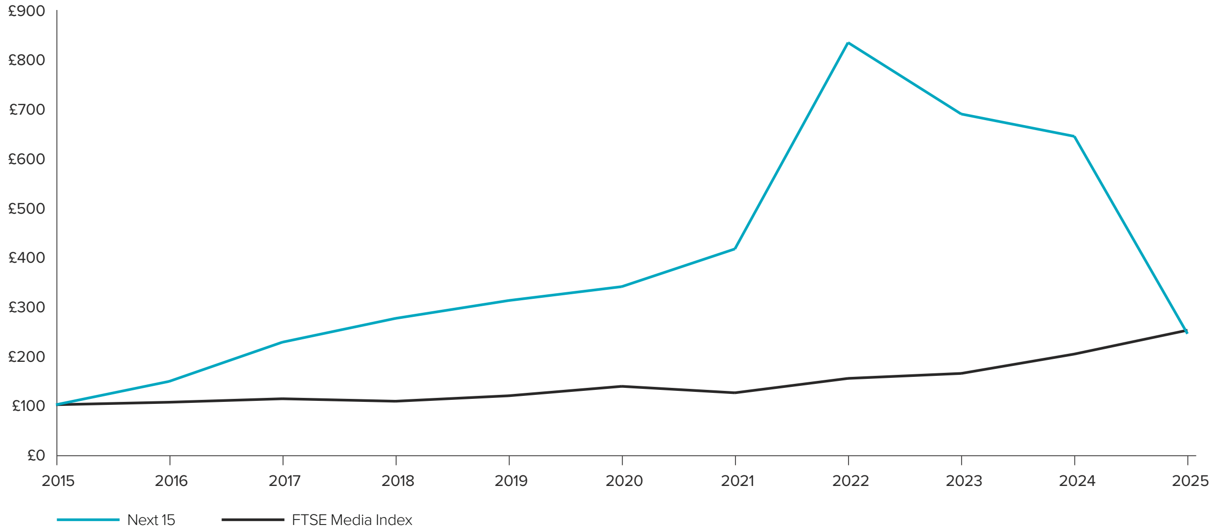


Directors' remuneration report continued

Total shareholder return

The Directors consider that a comparison of the Company's total shareholder return to that of similar businesses on the Main Market is more relevant than a comparison with the FTSE AIM All-Share Index.

This graph shows the value on 31 January 2025 of £100 invested in the Company on 31 January 2015 compared with £100 invested in the FTSE Media Index and demonstrates the sustained total shareholder return that we have delivered to shareholders over this period.



How the remuneration framework will be applied for FY26

Salary

The CEO, CFO and COO will not receive a salary increase for FY26.

Executive Director	Salary with effect from 1 April 2024	**Salary with effect from 1 April 2025**	Increase
Tim Dyson	US$962,000	**US$962,000**	0%
Peter Harris	£356,800	**£356,800**	0%
Jonathan Peachey	£309,000	**£309,000**	0%

How the remuneration framework will be applied for FY26 continued

Non-Executive Director fees

There will be no changes to the fees paid to the NEDs.

Fee	Fee with effect from 1 April 2024	**Fee with effect from 1 April 2025**	Increase
Non-Executive Chair fee	£162,225	**£162,225**	0%
Non-Executive Director base fee	£57,680	**£57,680**	0%
Audit and Risk Committee Chair fee	£11,000	**£11,000**	0%
Remuneration Committee and ESG Committee Chair fee	£7,210	**£7,210**	0%
Senior Independent Director fee	£7,210	**£7,210**	0%

Pension and benefits

Pension will remain capped at 10% of base salary for Executive Directors. Tim Dyson is also entitled to a small pension under a US 401k pension plan.

Benefits will operate in line with FY25 and policy.

Annual bonus

The annual bonus opportunity will be 100% of salary, payable in cash. Performance will be measured against adjusted operating profit (25% of total), cash conversion ratio (20% of total), organic net revenue growth (25% of total), adjusted operating profit margin (20% of total) and eNPS targets (10% of total). The Committee considers the bonus targets to be commercially sensitive but commits to full retrospective disclosure in next year's Remuneration Report.

Long-term incentive

The Executive Directors will be granted LTIP awards of 150% of salary. Performance will be measured over a single three-year performance period to 31 January 2028 with a two-year post-vesting hold period. At the date of the publication of this Annual Report the Committee were still considering the most appropriate KPIs for the FY26 award in light of the Company's strategic priorities and therefore will communicate the performance measures and targets set at the point of grant.

Report of the Directors

Statutory and other information

The Directors present their Annual Report together with the audited financial statements of Next 15 Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 January 2025.

The Group has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include such matters of strategic importance to the Group in the Strategic Report which otherwise would be required to be disclosed in this Directors' Report, and are incorporated by reference to the links below:

- **Key performance indicators** **p14**
- **Stakeholder engagement** **p22**
- **Section 172 Statement** **p25**
- **Employees and workers** **p34**
- **Equity, Diversity and Inclusion** **p34**
- **Employee engagement** **p35**
- **Principal risks and uncertainties** **p52**
- **Directors' interests in shares** **p94**

Principal activity	The principal activity of the Group during the year was that of a growth consultancy with specialist services spanning market research and data analytics to advertising, lead generation, shopper marketing, management consultancy and venture building.
Legal form	The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange.
Group results and dividends	The Group's results for the period are set out in the Consolidated Income Statement on page 112. The Directors recommend a final dividend of 10.6p per Ordinary Share to be paid on 8 August 2025, which gives a total dividend for the period of 15.35p per Ordinary Share (2024: 15.35p).
Directors	Details of Directors who served during the year and biographies for Directors currently in office can be found on pages 62 and 63. Details of the Directors' remuneration, share options, service agreements and interests in the Company's shares are provided in the Directors' Remuneration Report on pages 81 to 97. Except for Directors' service contracts, no Director has a material interest in any contract to which the Company or any of its subsidiaries is a party.
Reappointment	The Company's Articles of Association provide that a Director appointed by the Board shall retire and offer themselves for election at the first AGM following their appointment and that, at each AGM of the Company, in addition to any new appointments during the year, one-third of the Directors must retire by rotation. The Board has opted to follow the QCA Corporate Governance Code and reappoint all Directors. Information regarding the appointment of our Directors is included in our Corporate Governance Report on pages 65 to 72.
Corporate Governance Statement	Next 15 has adopted the 2018 edition of the QCA Code and is compliant with all of its principles. The QCA Code underwent its latest revision in 2023, and this was formally adopted by the Board with effect from February 2025. Accordingly, Next 15 will apply the updated principles and report against the QCA Code (2023) in next year's Annual Report. Disclosures required by the QCA Code have been made both in this Annual Report and on our website. Further information on the Company's compliance with the QCA Code can be found on the Group's website at www.next15.com.
Share capital	At 14 April 2025, the issued share capital of the Company was £2,523,120.33 divided into 100,924,813 Ordinary Shares of 2.5p each. Details of our share capital and movements in our issued share capital are shown in note 20 to the financial statements on page 163.

Directors' indemnity and insurance	In accordance with its Articles of Association the Company has entered into contractual indemnities with each of the Directors in respect of its liabilities incurred as a result of their office. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and Officers' Liability Insurance Policy throughout the period. Although the Directors' defence costs may be met, neither the Company's indemnity nor the insurance policy provides cover in the event that the Director is proved to have acted dishonestly or fraudulently.
Acquisitions	The following is a summary of Group acquisitions made in the year to 31 January 2025, more detailed disclosure of which can be found in note 26 to the financial statements. On 29 February 2024, MHP Group Limited purchased the entire share capital of Lucas Hood Limited (trading as Studio La Plage). On 12 July 2024, MHP Group Limited purchased the entire share capital of Tuva Partners Limited. On 15 August 2024, Transform UK Consulting Limited purchased the entire share capital of Cadence Innova Ltd and its subsidiary Cadence Innova Trustee Ltd.
Likely future developments in the business of the Group	The Group's priorities for 2025/26 are disclosed in the Strategic Report on pages 1 to 61.
Research and development ('R&D')	Our brands invest in R&D to convert their intellectual property into products and to automate their work for clients. This has accelerated as AI developments have increased the scope for automation in our businesses. Innovations in development include a high-performance customer data platform, AI-driven retail media planning capabilities, an automated market research platform, and AI-powered next-generation tools for our communications brands. We have a Next 15 Labs team that carries out early stage R&D on AI-based approaches that we think will be valuable for multiple brands over the coming years.

Health and safety	Health and safety policy is a matter for the Board, and it is aware of its responsibilities and is committed to keeping health and safety policy under review; a full evaluation was undertaken during the year which resulted in comprehensive goals being set. The implementation of the Group policy on health and safety sits with the Chief Financial Officer. The Group is dedicated to observing health and safety laws and government guidance in every country we operate in, and we prioritise the welfare of employees, visitors, customers and any other individual or group affected by our activities. Whilst we benefit from being a low-risk industry, in line with our values, the health and safety of our people is our primary concern.
Modern Slavery Statement	The Group does not tolerate modern slavery or human trafficking in our organisation or in our supply chain. We are committed across the Group to eliminate, as far as possible, the risk of modern slavery and human trafficking taking place. The Group's full policy on modern slavery can be found at www.next15.com.
Political donations	It is the Group's policy not to make donations for political purposes and, accordingly, there were no payments to political organisations during the year (2024: £Nil).
Charitable donations	During the year ended 31 January 2025, the Group donated £114,591 to various charities (2024: £92,862).
Acquisition of shares	Acquisitions of shares by the Next Fifteen Employee Trust purchased during the period are as described in note 23 to the financial statements.
Financial instruments	Information on the Group's financial risk management objectives, policies and activities and on the Group's exposure to relevant risks in respect of financial instruments is set out in note 19 and in the Strategic Report on pages 1 to 61.

Report of the Directors continued

External Auditor
Deloitte LLP has indicated its willingness to continue to act as External Auditor to the Company and a resolution for its reappointment, and to authorise the Board to fix its remuneration, will be proposed at the forthcoming AGM.

Disclosure of information to the External Auditor
Each of the persons who is a Director at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the Company's External Auditor is unaware; and
2. the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to ensure that the Company's External Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting
The Annual General Meeting ('AGM') of Next 15 Group plc (the 'Company') will be held at 60 Great Portland Street, London W1W 6RT, on Thursday 26 June 2025 at 9.30 a.m. We recommend that shareholders vote on all resolutions by completing an online proxy appointment form in advance of the meeting, appointing the Chair of the meeting as their proxy. Shareholders can ask the Company Secretary questions using cosec@next15.com.

The Notice of AGM and explanatory notes regarding the ordinary and special business to be put to the meeting will be set out in a separate circular to shareholders, which will be made available on the Group's website at www.next15.com and will be mailed to shareholders who have requested a paper copy.

Significant shareholdings
As at 14 April 2025, the Company had received the notifications below of the following significant beneficial holdings in the issued Ordinary Share capital carrying rights to vote in all circumstances of the Company. The percentage holding is based on the Company's issued share capital at the date of the notification.

	2025	
	Total	**%**
Octopus Investments Limited	**13,091,432**	**12.97**
Liontrust Asset Management	**11,723,276**	**11.62**
Slater Investments	**6,627,123**	**6.57**
Aviva Investors	**6,518,958**	**6.46**
Janus Henderson Investors	**5,307,361**	**5.26**
Tim Dyson	**4,872,977**	**4.83**
Gresham House Asset Management	**4,582,361**	**4.54**
Aberdeen	**3,774,012**	**3.74**
JPMorgan Asset Management	**3,202,193**	**3.17**

Financial reporting and going concern statement
The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have made this assessment in light of reviewing the Group's budget and cash requirements for a period in excess of one year from the date of signing of the Annual Report and considered outline plans for the Group thereafter.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 1 to 61. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 16 to 21. In addition, note 19 to the financial statements includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors' Responsibilities Statement in respect of the financial statements is set out on page 101.

Approved by the Board on 14 April 2025 and signed on its behalf by:

Mark Sanford

Mark Sanford
Company Secretary
14 April 2025

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') and Article 4 of the IAS Regulation and 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 'Reduced Disclosure Framework' has 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.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 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.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 14 April 2025 and is signed on its behalf by:

Peter Harris
Chief Financial Officer
14 April 2025

Independent auditor's report
to the members of Next 15 Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Next 15 Group plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance sheets;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flow; and
- the related notes 1 to 30 and the Parent Company related notes 1 to 11.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom 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 FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

2. 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 Financial Reporting Council's ('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.

3. Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: • revenue recognition: cut-off of project revenue.	Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £4.7m which was determined on the basis of multiple different measures including adjusted profit before tax and revenue.	
Scoping	Our audit procedures provide coverage of 69% of the Group's revenue and 65% of adjusted profit before tax.	
Significant changes in our approach	We have concluded that the valuation of acquisition-related liabilities is no longer a key audit matter following payments made in the year and the significant reduction in judgement associated with forecasting revenue and earnings before interest and tax ('EBIT') as the earn-out periods closed for a number of material liabilities.	

Independent auditor's report continued
to the members of Next 15 Group plc

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the assumptions used in the forecasts, including the appropriateness of the modelling of downside scenarios and consideration of the potential impact of the current macroeconomic environment;
- testing the clerical accuracy of those forecasts;
- assessing the linkage to business model and medium-term risks;
- assessing the availability of financing facilities including nature of facilities, repayment terms and covenants;
- evaluating the amount of headroom in the forecasts and undertaking sensitivity analysis to determine what changes would be required to breach cash requirements or covenant compliance and assessing available mitigating activities should they be required; and
- assessing the appropriateness of the disclosures made in the financial statements.

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 Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

5. 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 which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. Key audit matters continued

5.1. Revenue recognition: open project revenue

Key audit matter description

The Group has recognised £729.8m of revenue for the year ended 31 January 2025 (2024: £734.7m).

Projects where revenue is recognised over time, and which span the year end require a level of judgement and estimation. For each of these projects, management determines the proportion of the service performed at the year-end date in accordance with IFRS 15 'Revenue from Contracts with Customers' ('IFRS 15').

For certain elements of the revenue, where there is an associated material contingent consideration balance, we consider management at the component level is incentivised to maximise revenue and therefore due to the level of judgement involved, we have determined there is a potential for manipulation of this balance.

As the audit of revenue is one of the key determinants of our overall audit strategy requiring significant allocation of audit resources, and there is judgement in estimating in certain elements of revenue as described above, revenue recognition of open project revenue has been included as a key audit matter.

For further details, see page 80 of the Audit Committee Report and note 1(e) to the financial statements which sets out management's accounting policy for revenue earned from project fees.

How the scope of our audit responded to the key audit matter

In order to address the key audit matter relating to revenue recognition of open project revenue, our audit work included:

- obtaining an understanding of relevant controls over revenue recognition, both at the component and Group level;
- for each component, selecting a statistical sample of projects that span the year end, or which were deemed to be completed in December or January, and testing the revenue recognised, including:
  - making enquiries of local management and project teams to obtain an understanding of the specific judgements around stage of completion;
  - testing the underlying calculations used to determine the accuracy and completeness of revenue, including challenging management estimates of the stage of completion to supporting internal evidence and corroborating to external correspondence, including the timing of deliverables, where relevant; and
  - recalculation of expected revenue based on contract terms; and
- evaluating whether the disclosures within the financial statements are in compliance with the requirements of IFRS 15.

Key observations

Based on our audit procedures performed, we concluded that the project revenue recognised in the period and the disclosures made in the financial statements are appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Parent Company financial statements
Materiality	£4.7m (2024: £4.7m)	£4.23m (2024: £4.23m)
Basis for determining materiality	Materiality has been determined on a blended basis considering a number of different measures including adjusted profit before tax and revenue. This is consistent with the prior year.	Parent Company materiality is capped at 90% of Group materiality. Parent Company materiality represents 1.7% (2024: 1.7%) of net assets.
Rationale for the benchmark applied	Adjusted profit before income tax, revenue and net revenue are key performance indicators for the users of the Annual Report and financial statements. Materiality of £4.7m represents approximately 4.6% (2024: 4%) of adjusted profit before tax, 0.6% (2024: 0.6%) of revenue and 0.8% (2024: 0.8%) of net revenue.	The Parent Company is a holding company, and net assets are indicative of the Company's ability to support its subsidiaries.

6. Our application of materiality continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2024: 70%) of Group materiality	70% (2024: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. the quality of the control environment; b. there is an effective corporate governance structure; c. continued low level of uncorrected misstatements; and d. no prior period adjustments.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.24m (2024: £0.24m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by developing an appropriate audit plan for each significant account. We assessed the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items in determining which components would be subject to audit procedures. In performing our assessment, we have considered the geographical spread of the Group and any risks presented within each region. We also considered the presence of individual financial transactions of a significant nature.

Based on this assessment, we focused our work on 15 (2024: 15) components covering 2 (2024: 2) countries, 69% (2024: 69%) of revenue, and 65% (2024: 70%) of profit before tax. The 15 (2024: 15) components are spread between the UK and US, and include the principal operating units of the Group.

Independent auditor's report continued
to the members of Next 15 Group plc

7. An overview of the scope of our audit continued

7.1. Identification and scoping of components continued

Our audit work at the components, excluding the Parent Company, is executed at levels of performance materiality appropriate for such components, which in all instances are capped at 50% (2024: 50%) of Group materiality. For all remaining components, we have performed centralised analytical procedures at component performance materiality. The range of component performance materialities we have used is from £1.3m to £1.6m (2024: £1.3m to £1.6m).

Revenue

Subject to audit procedures	**69%**
Review at Group level	**31%**

Adjusted profit before tax

Subject to audit procedures	**65%**
Review at Group level	**35%**

7.2. Our consideration of the control environment

The Group operates a range of IT systems which underpin the financial reporting process. For all components subject to audit procedures, we identified the relevant IT systems and obtained an understanding of the systems as part of our understanding and assessing of the control environment.

We also obtained an understanding of the relevant controls associated with the revenue process, the financial reporting process and the process for making certain accounting estimates. While the control environment of the Group continues to improve each year, we continued to identify findings in respect of those areas which meant we did not rely on these controls but instead changed the nature, timing and extent of the substantive audit procedures performed.

7.3. Our consideration of climate-related risks

There has been increasing interest from stakeholders as to how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from increased occurrence of extreme weather events, regulations, government interventions, reporting obligations and inability to meet climate change targets. This is explained on page 25 in the Strategic Report and in note 19 in the notes to the financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

The Group has not identified a material impact relating to climate change at this time. Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, both physical and transition, and assessing whether the effects of climate change on page 25 and in note 19 in the notes to the financial statements do not have a material effect on the financial statements.

8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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.

10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, Internal Audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;

Independent auditor's report continued
to the members of Next 15 Group plc

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1. Identifying and assessing potential risks related to irregularities continued

- any matters we identified having obtained and reviewed the Group's documentation of its policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether it was aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether it has knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, and valuations specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in certain elements of open project revenue recognition, as outlined in our key audit matter in section 5.1. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, AIM Listing Rules and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This includes the Group's compliance with GDPR.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition: open project revenue as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In 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 any material misstatements in the Strategic Report or the Directors' Report.

13. Matters on which we are required to report by exception
13.1. Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

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

Peter McDermott (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 April 2025

Consolidated income statement
for the year ended 31 January 2025 and the year ended 31 January 2024

	Note	**Year ended 31 January 2025 £'000**	Year ended 31 January 2024 restated[1] £'000
Revenue	2	**729,810**	734,673
Direct costs		**(160,114)**	(156,834)
Net revenue		**569,696**	577,839
Staff costs	3	**(411,854)**	(407,445)
Depreciation	4,12,16	**(12,153)**	(12,263)
Amortisation	4,11	**(21,948)**	(24,360)
Other operating charges		**(67,113)**	(56,652)
Total operating charges		**(513,068)**	(500,720)
Operating profit		**56,628**	77,119
Finance expense	6	**(7,569)**	(5,372)
Finance income	7	**689**	1,132
Movement in fair value of other financial liabilities	17	**12,704**	7,469
Net finance income		**5,824**	3,229
Profit before income tax		**62,452**	80,348
Income tax expense	8	**(21,482)**	(26,403)
Profit for the year		**40,970**	53,945
Attributable to:			
Owners of the Parent		**39,465**	52,907
Non-controlling interests		**1,505**	1,038
		40,970	53,945
Earnings per share			
Basic (pence)	10	**39.3**	53.3
Diluted (pence)	10	**37.9**	50.3

1 Comparatives have been restated, as explained in the FY24 restatements section on page 120.

The accompanying notes are an integral part of this Consolidated Income Statement.

All results relate to continuing operations.

Consolidated statement of comprehensive income

for the year ended 31 January 2025 and the year ended 31 January 2024

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Profit for the year	**40,970**	53,945
Other comprehensive income/(expense):		
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on investments in equity instruments designated as fair value through other comprehensive income	**134**	(6)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**858**	(576)
Total other comprehensive income/(expense) for the year	**992**	(582)
Total comprehensive income for the year	**41,962**	53,363
Total comprehensive income attributable to:		
Owners of the Parent	**40,457**	52,325
Non-controlling interests	**1,505**	1,038
	41,962	53,363

The accompanying notes are an integral part of this Consolidated Statement of Comprehensive Income.

All results relate to continuing operations.

Consolidated balance sheet
as at 31 January 2025 and 31 January 2024

	Note	**31 January 2025 £'000**	31 January 2024 restated[1] £'000
Assets			
Property, plant and equipment	12	**7,599**	10,099
Right-of-use assets	16	**16,150**	24,686
Intangible assets	11	**270,504**	279,342
Investments in financial assets		**861**	581
Deferred tax assets	18	**52,749**	62,087
Other receivables	13	**544**	1,040
Total non-current assets		**348,407**	377,835
Trade and other receivables	13	**163,008**	170,003
Cash and cash equivalents	19	**89,433**	89,073
Corporation tax asset		**4,114**	911
Total current assets		**256,555**	259,987
Total assets		**604,962**	637,822
Liabilities			
Loans and borrowings	19	**65,939**	44,227
Deferred tax liabilities	18	**15,431**	15,939
Lease liabilities	16	**13,962**	23,313
Other payables	14	**113**	110
Provisions	15	**6,501**	19,591
Contingent consideration	17	**42,669**	84,693
Additional contingent incentive	17	**288**	1,847
Share purchase obligation	17	**—**	7,277
Deferred consideration	17	**474**	—
Total non-current liabilities		**145,377**	196,997

1 Comparatives have been restated, as explained in the FY24 restatements section on page 120.

	Note	31 January 2025 £'000	31 January 2024 restated[1] £'000
Bank overdraft	19	**61,859**	46,202
Trade and other payables	14	**139,282**	151,510
Lease liabilities	16	**9,197**	10,115
Provisions	15	**25,933**	3,066
Corporation tax liability		**4,189**	6,843
Contingent consideration	17	**30,047**	62,059
Additional contingent incentive	17	**2,015**	2,483
Share purchase obligation	17	**1,929**	2,326
Deferred consideration	17	**3,942**	—
Total current liabilities		**278,393**	284,604
Total liabilities		**423,770**	481,601
Total net assets		**181,192**	156,221
Equity			
Share capital	20	**2,523**	2,486
Share premium reserve		**192,654**	175,144
Share purchase reserve		**(2,643)**	(2,658)
Foreign currency translation reserve		**4,162**	3,304
Other reserves	24	**608**	608
Retained loss		**(15,633)**	(22,904)
Total equity attributable to owners of the Parent		**181,671**	155,980
Non-controlling interests		**(479)**	241
Total equity		**181,192**	156,221

1 Comparatives have been restated, as explained in the FY24 restatements section on page 120.

The accompanying notes are an integral part of this Consolidated Balance Sheet.

These financial statements were approved and authorised by the Board on 14 April 2025.

Peter Harris
Chief Financial Officer
Company number 01579589

Consolidated statement of changes in equity

for the year ended 31 January 2025 and the year ended 31 January 2024

	Note	Share capital £'000	Share premium reserve £'000	Share purchase reserve £'000	Foreign currency translation reserve £'000	Other reserves[1] £'000	Retained loss £'000	Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total equity £'000
At 1 February 2024		2,486	175,144	(2,658)	3,304	608	(22,904)	155,980	241	156,221
Profit for the year		—	—	—	—	—	39,465	39,465	1,505	40,970
Other comprehensive income for the year		—	—	—	858	—	134	992	—	992
Total comprehensive income for the year		—	—	—	858	—	39,599	40,457	1,505	41,962
Shares issued on satisfaction of vested performance shares	20	26	7,215	—	—	—	(9,878)	(2,637)	—	(2,637)
Shares issued on acquisitions	20	26	10,295	—	—	—	—	10,321	—	10,321
Acquisition of own shares	20	(15)	—	15	—	—	(5,344)	(5,344)	—	(5,344)
Movement in relation to share-based payments	21	—	—	—	—	—	759	759	—	759
Tax on share-based payments	8	—	—	—	—	—	(3,712)	(3,712)	—	(3,712)
Dividends to owners of the Parent	9	—	—	—	—	—	(15,457)	(15,457)	—	(15,457)
Movement due to ESOP share purchases		—	—	—	—	(5)	—	(5)	—	(5)
Movement due to ESOP share option exercises		—	—	—	—	5	—	5	—	5
Movement on reserves for non-controlling interests		—	—	—	—	—	(93)	(93)	93	—
Non-controlling interest reversed in the year[2]		—	—	—	—	—	1,397	1,397	(1,397)	—
Non-controlling dividend	9	—	—	—	—	—	—	—	(921)	(921)
At 31 January 2025		**2,523**	**192,654**	**(2,643)**	**4,162**	**608**	**(15,633)**	**181,671**	**(479)**	**181,192**

1 Other reserves include the ESOP reserve, the treasury reserve, the merger reserve and the hedging reserve; see note 24.

2 Non-controlling interest reversed in the year relates to the remaining non-controlling interest in The Agent3 Group that was purchased during the year.

	Note	Share capital £'000	Share premium reserve £'000	Share purchase reserve £'000	Foreign currency translation reserve £'000	Other reserves[1] £'000	Retained loss £'000	Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total equity £'000
At 1 February 2023		2,462	166,174	(2,673)	3,880	608	(56,503)	113,948	452	114,400
Profit for the year		—	—	—	—	—	52,907	52,907	1,038	53,945
Other comprehensive expense for the year		—	—	—	(576)	—	(6)	(582)	—	(582)
Total comprehensive (expense)/ income for the year		—	—	—	(576)	—	52,901	52,325	1,038	53,363
Shares issued on satisfaction of vested performance shares	20	22	4,024	—	—	—	(6,643)	(2,597)	—	(2,597)
Shares issued on acquisitions	20	17	4,946	—	—	—	—	4,963	—	4,963
Acquisition of own shares	2	(15)	—	15	—	—	(4,475)	(4,475)	—	(4,475)
Movement in relation to share-based payments	21	—	—	—	—	—	11,476	11,476	—	11,476
Tax on share-based payments	8	—	—	—	—	—	(984)	(984)	—	(984)
Dividends to owners of the Parent	9	—	—	—	—	—	(14,762)	(14,762)	—	(14,762)
Movement due to ESOP share purchases		—	—	—	—	(7)	—	(7)	—	(7)
Movement due to ESOP share option exercises		—	—	—	—	7	—	7	—	7
Movement on reserves for non-controlling interests		—	—	—	—	—	(216)	(216)	216	—
Non-controlling interest purchased in the year		—	—	—	—	—	(3,698)	(3,698)	(204)	(3,902)
Non-controlling interest reversed in the year		—	—	—	—	—	—	—	29	29
Non-controlling dividend	9	—	—	—	—	—	—	—	(1,290)	(1,290)
At 31 January 2024		**2,486**	**175,144**	**(2,658)**	**3,304**	**608**	**(22,904)**	**155,980**	**241**	**156,221**

1 Other reserves include the ESOP reserve, the treasury reserve, the merger reserve and the hedging reserve; see note 24.

The accompanying notes are an integral part of this Consolidated Statement of Changes in Equity.

Consolidated statement of cash flow

for the year ended 31 January 2025 and the year ended 31 January 2024

	Note	**Year ended 31 January 2025 £'000**	Year ended 31 January 2024 £'000
Cash flows from operating activities			
Profit for the year		**40,970**	53,945
Adjustments for:			
Depreciation	4,12	**4,478**	4,629
Right-of-use depreciation	4,16	**7,675**	7,634
Amortisation	4,11	**21,948**	24,360
Finance expense	6	**7,569**	5,372
Finance income	7	**(689)**	(1,132)
Movement in fair value of other financial liabilities	17	**(12,704)**	(7,469)
Impairment of Intangibles	11	**4,409**	—
Loss on sale of property, plant and equipment and right-of-use asset	4	**409**	125
Loss/(gain) on exit of finance lease		**628**	(1,313)
Income tax expense	8	**21,482**	26,403
Employment-linked acquisition provision charge	3	**9,498**	10,006
Settlement of employment-linked acquisition payments	15	**(1,655)**	(15,713)
Share-based payment charge	21	**759**	11,476
Settlement of share-based payment in cash		**(1,683)**	(2,597)
Net cash inflow from operating activities before changes in working capital		**103,094**	115,726
Change in trade and other receivables		**10,060**	837
Change in trade and other payables		**(16,555)**	(12,343)
Movement in other liabilities		**(464)**	821
Change in working capital		**(6,959)**	(10,685)
Net cash generated from operations		**96,135**	105,041
Income taxes paid	8	**(20,668)**	(25,408)
Net cash inflow from operating activities		**75,467**	79,633

	Note	**Year ended 31 January 2025 £'000**	Year ended 31 January 2024 £'000
Cash flows from investing activities			
Acquisition of subsidiaries' trade and assets, net of cash acquired	26	**(6,884)**	(13,006)
Acquisition of investments in financial assets		**(479)**	—
Proceeds on disposal of investments in financial assets		**335**	—
Acquisition of property, plant and equipment	12	**(2,197)**	(3,711)
Proceeds on disposal of property, plant and equipment		**29**	8
Acquisition of intangible assets	11	**(5,021)**	(3,436)
Movement in long-term cash deposits		**304**	(179)
Income from finance lease receivables		**1,019**	1,388
Interest received	7	**602**	1,051
Net cash outflow from investing activities		**(12,292)**	(17,885)
Net cash inflow from operating and investing activities		**63,175**	61,748
Cash flows from financing activities			
Payment of contingent consideration	17	**(59,969)**	(42,146)
Purchases of non-controlling interest in subsidiary		**—**	(5,059)
Proceeds on sale of non-controlling interest in subsidiary		**—**	29
Acquisition of own shares	20	**(5,344)**	(4,475)
Repayment of lease liabilities	16	**(11,260)**	(14,175)
Increase in bank borrowings and overdrafts		**184,025**	195,564
Repayment of bank borrowings and overdrafts		**(162,834)**	(171,891)
Banking arrangement fees		**—**	(1,905)
Interest paid	6	**(6,690)**	(4,268)
Dividend and profit share paid to non-controlling interest partners	9	**(921)**	(1,290)
Dividend paid to shareholders of the Parent	9	**(15,457)**	(14,762)
Net cash outflow from financing activities		**(78,450)**	(64,378)
Net decrease in cash and cash equivalents		**(15,275)**	(2,630)
Cash and cash equivalents including overdraft at beginning of the year		**42,871**	47,320
Exchange loss on cash held		**(22)**	(1,819)
Cash and cash equivalents including overdraft at end of the year		**27,574**	42,871

The accompanying notes are an integral part of this Consolidated Statement of Cash Flow.

Notes to the accounts
for the year ended 31 January 2025

1 Accounting policies
Next 15 Group plc (the 'Company') is a public limited company incorporated and registered in England and Wales. The address of the registered office is given on page 199. The nature of the Company's operation and its principal activities are set out in the Strategic Report on pages 1 to 61. The consolidated financial statements include the Company and its subsidiaries (together, the 'Group') and its interests in associates, as disclosed in note 27.

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

A. Basis of preparation
The Group's financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'). These financial statements are presented in thousands of pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements have been prepared on a going concern basis (as set out in the Corporate Governance Statement) and on a historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities as described in the accounting policies below.

FY24 restatements
Within the period, it was determined that the Group's cash and overdrafts within notional cash pooling arrangements, did not meet the requirements for offsetting in accordance with IAS 32 'Financial Instruments: Presentation' and should not be presented net in the Consolidated Balance Sheet. For presentational purposes, amounts have therefore been restated. The impact of this change is to increase both cash and cash equivalents and bank overdraft by £61.9m (2024: £46.2m) in the Group's Consolidated Balance Sheet. This has had no impact on net assets as seen on the face of the Consolidated Balance Sheet.

Within the Consolidated Income Statement, the fair value movement of other financial liabilities has been presented separately to provide greater clarity, and accordingly the corresponding 2024 comparative amounts have been re-presented for consistency and comparability between periods. The 2024 comparative amount includes £26.0m that was previously included within finance expense, and £33.5m that was previously included within finance income. There is no impact on net profit, net assets or subtotals presented previously.

B. New and amended standards adopted by the Group
The Group has adopted the following new accounting pronouncements which became effective this year:

- amendments to IAS 1 'Classification of Liabilities as Current or Non-current';
- amendments to IAS 1 'Non-current Liabilities with Covenants';
- amendments to IFRS 16 'Leases – Lease Liability in a Sale and Leaseback';
- IFRS 7 'Financial Instruments: Disclosures Titled Supplier Finance Arrangements'; and
- amendments to IAS 7 'Statement of Cash Flows'.

The amendments listed above did not have a material impact on the Group's results or financial position.

1 Accounting policies continued

C. Basis of consolidation

The Group's financial statements consolidate the results of the Company and all of its subsidiary undertakings (the 'Group'), and its interests in associates.

Subsidiaries are all entities over which the Group has control. Control is achieved where the Company has existing rights that give it the ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Parent's ownership interests in them. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Each of these approaches has been used by the Group. Non-controlling interests are subsequently measured as the amount of those non-controlling interests at the date of the original combination and the non-controlling interest's share of changes in equity since the date of the combination.

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Associates are accounted for under the equity method of accounting. The Consolidated Income Statement reflects the share of the results of the operations of the associate after tax.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the Consolidated Income Statement, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies for subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

D. Merger reserve (included in other reserves)

Where the conditions set out in section 612 of the Companies Act 2006 or equivalent sections of previous Companies Acts are met, shares issued as part of the consideration in a business combination are measured at their fair value in the Consolidated Balance Sheet, and the difference between the nominal value and fair value of the shares issued is recognised in the merger reserve.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued

E. Revenue and other income

Revenue comprises commission and fees earned and is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual agreement. Typically, performance obligations are satisfied over time as services are rendered. Payment terms across the Group vary, but the Group is generally paid in arrears for its services and payment is typically due between 60 and 90 days.

Revenue recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. In the majority of cases, relevant output measures such as the completion of distinct performance obligations set out in the contract are used to assess proportional performance. Where this is not the case then an input method based on costs incurred to date is used to measure performance. The primary input of substantially all work performed is represented by labour. As a result of the relationship between labour and cost there is normally a direct correlation between costs incurred and the proportion of the contract performed to date.

The amount of revenue recognised depends on whether we act as an agent or as a principal. The Group acts as principal when we control the specified good or service prior to transfer. When the Group acts as a principal the revenue recorded is the gross amount billed. Out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount recorded as a direct cost. Certain other arrangements with our clients are such that our responsibility is to arrange for a third party to provide a specified good or service to the client. In these cases, we are acting as an agent and we do not control the relevant good or service before it is transferred to the client. When the Group is acting as an agent, the revenue is recorded at the net amount retained. There are deemed to be no significant judgements in applying IFRS 15 and in evaluating when customers obtain control of the promised goods or services.

Direct costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients but where the Group retains quality control oversight, such as production or research costs.

Further details on revenue recognition in terms of the nature of contractual agreements are as follows:

- retainer fees relate to arrangements whereby we have an obligation to perform services to the customer on an ongoing basis over the life of the contract. In these instances, revenue is recognised using a time-based method resulting in straight-line revenue recognition;
- where project fees relate to assignments carried out under contractual terms which entitle the Group to payment for its performance to date in the event of contract termination, then fees are recognised over the period of the relevant assignments. Revenue is typically recognised in line with the value delivered to the customer which is the amount assigned to the project milestones completed set out in the contract. Where this is not the case then an input method based on costs incurred is used; and
- revenue can be derived from media placements, for which the revenue for commissions on purchased media is typically recognised at the point in time the media is run.

The Group has variable incentive-based revenue, typically in the form of volume-based rebates provided to certain clients. The variable consideration is estimated using the most likely amount and is included in revenue at the amount that is highly probable not to result in a significant reversal of the cumulative revenue recognised.

1 Accounting policies continued

E. Revenue and other income *continued*

Accrued and deferred income

Accrued income is a contract asset and is recognised when a performance obligation has been satisfied but has not yet been billed. Contract assets are transferred to receivables when the right to consideration is unconditional and billed per the terms of the contractual agreement.

In certain cases, payments are received from customers prior to satisfaction of performance obligations and recognised as deferred income on the Group's balance sheet. These balances are considered contract liabilities and are typically related to prepayments for third-party expenses that are incurred shortly after billing.

Finance income

Finance income primarily relates to bank interest receivable.

F. Intangible assets

Goodwill

Goodwill represents the excess of the fair value of consideration payable, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired. The fair value of consideration payable includes assets transferred, liabilities assumed and equity instruments issued. The amount relating to the non-controlling interest is measured on a transaction-by-transaction basis at either fair value or the non-controlling interest's proportionate share of net assets acquired. Both approaches have been used by the Group. Goodwill is capitalised as an intangible asset, and not amortised but reviewed annually for impairment or in any period in which events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment in carrying value is charged to the Consolidated Income Statement.

Software

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development and employee costs. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Amortisation is provided on software at rates calculated to write off the cost of each asset evenly over its expected useful life of between two and four years. Costs associated with maintaining computer software programs and licences for cloud-based software not controlled by the Group are recognised as an expense as they are incurred. No amortisation is charged on assets in the course of construction until they are available for operational use in the business.

Software acquired as part of a business combination is recognised at fair value at the acquisition date. Software has a finite useful life and is amortised using the straight-line method over its estimated useful life of two to four years.

Trade names

Trade names acquired in a business combination are recognised at fair value at the acquisition date. Trade names have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trade names over their estimated useful lives of up to 20 years.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued

F. Intangible assets *continued*

Customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship of five to six years.

Non-compete

Certain acquisition agreements contain non-compete arrangements restricting the vendor's ability to compete with the acquiring business during an earn-out period. The non-compete arrangements have a finite useful life equivalent to the length of the earn-out period and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the length of the arrangement.

G. Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation. Depreciation is provided on all property, plant and equipment at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Short leasehold improvements	–	Over the term of the lease
Office equipment	–	20% to 50% per annum on a straight-line basis
Office furniture	–	20% per annum on a straight-line basis
Motor vehicles	–	25% per annum on a straight-line basis

H. Impairment

Impairment tests on goodwill are undertaken annually at the financial year end and in the event of any changes in circumstances that indicate impairment. Other non-financial assets (excluding deferred tax) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, which is measured as the higher of value-in-use and fair value less costs to sell, the asset is impaired accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, defined as the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination giving rise to the goodwill. The cash-generating units represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount of the goodwill is determined using value-in-use calculations, which require estimates of future cash flows, and as such is subject to estimates and assumptions around revenue and cost growth rates from the Board-approved budget and discount rates applied. Further details are contained in note 11.

1 Accounting policies continued

H. Impairment *continued*

Impairment charges are included within the amortisation and impairment line of the Consolidated Income Statement unless they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

I. Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the exchange rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated Income Statement. In the consolidated financial statements, foreign exchange movements on intercompany loans to foreign operations with indefinite terms, for which there is no expectation of a demand for repayment, are recognised directly in equity within a separate foreign currency translation reserve.

On consolidation, the results of overseas operations are translated into sterling at the average exchange rates for the accounting period.

All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rates and the results of overseas operations at average rates are recognised directly in the foreign currency translation reserve within equity. The effective portion arising on the retranslation of foreign currency borrowings which are designated as a qualifying hedge is recognised within equity. See note 19 for more detail on hedging activities.

On disposal of a foreign operation, the cumulative translation differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are transferred to the Consolidated Income Statement as part of the profit or loss on disposal.

On a reduction of ownership interest in a subsidiary that does not affect control, the cumulative retranslation difference is only allocated to the non-controlling interests ('NCI') and not recycled through the Consolidated Income Statement.

J. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

K. Financial instruments

Financial assets and liabilities are recognised on the Group's Consolidated Balance Sheet when the Group becomes party to the contractual provisions of the asset or liability. The Group's accounting policies for different types of financial asset and liability are described below.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued

K. Financial instruments *continued*

Trade receivables
All trade receivables held by the Group are financial assets held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows. Trade receivables are initially recognised at transaction cost and will subsequently be measured at amortised cost less allowances for impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and short-term (less than three months) call deposits held with banks, with deemed low credit risk. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Balance Sheet, except where there is a pooling arrangement with a bank that allows them to be offset against cash balances. In such cases the net cash balances are shown within cash and cash equivalents in the Consolidated Balance Sheet.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit loss ('ECL') for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors.

Such provisions are recorded in a separate allowance account, with the loss being recognised as an expense in the other operating charges line in the Consolidated Income Statement.

Contingent consideration
On initial recognition, the liability for contingent consideration relating to acquisitions is measured at fair value. The liability is calculated based on the present value of the ultimate expected payment with the corresponding debit included within goodwill. Subsequent movements in the present value of the ultimate expected payment are recognised in the Consolidated Income Statement within net finance income/expense, as the Group considers these movements as remeasurements of long-term financing arrangements rather than movements arising from the operating activities of the Company. Payments of contingent consideration are considered as settling a long-term liability that financed the acquisition and therefore the cash payments are classified as cash flows from financing activities.

The Group has a portion of consideration which is payable subject to continuing employment of the previous owner within the Group. The expected liability is recognised within operating costs evenly over the required employment term of the seller and is separately recognised as an employment-related acquisition payment provision.

The Group adjusts for the remeasurement of the acquisition-related liabilities within the adjusted performance measures in order to aid comparability of the Group's results year on year as the charge/credit can vary significantly depending on the brand's performance.

1 Accounting policies continued

K. Financial instruments *continued*

Share purchase obligation

Put option agreements that allow the non-controlling interest shareholders in the Group's subsidiary undertakings to require the Group to purchase the non-controlling interest are recorded in the Consolidated Balance Sheet as liabilities. On initial recognition, the liability is measured at fair value and is calculated based on the present value of the ultimate expected payment with the corresponding debit included in the share purchase reserve. Subsequent movements in the present value of the ultimate expected payment are recognised in the Consolidated Income Statement within net finance income/expense, as the Group considers these movements as remeasurements of long-term financing arrangements rather than movements arising from the operating activities of the Company.

Additional contingent incentive

The Group has an additional contingent incentive scheme for the sellers of Activate Marketing Services LLC ('Activate'), which was put in place subsequent to the acquisition. The scheme follows on from the earn-out payments for Activate that were in place on acquisition and effectively results in an increase to the original cap included within the acquisition agreement. Despite no service requirements included within the new scheme, this is treated as remuneration for the sellers of Activate, who are current employees. A portion of the scheme is settled in cash, which the Group has accounted for as a cash-settled employee benefit under IAS 19, resulting in a recognition of the liability contingent on the future of the performance of Activate. The valuation of the liability is calculated based on the present value of the ultimate expected payment and any subsequent movements in the present value of the ultimate expected payment are recognised in the Consolidated Income Statement within finance net income/expense.

The remaining portion of the scheme is settled in equity and has been accounted for under IFRS 2.

Trade payables

Trade payables are initially recognised at fair value and thereafter at amortised cost.

Bank borrowing

Interest-bearing bank loans and overdrafts are recognised at their fair value, net of direct issue costs and, thereafter, at amortised cost. Finance costs are charged to the Consolidated Income Statement over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs that are initially recognised as a reduction in the proceeds of the associated capital instrument.

Hedging activities

The Group designates certain derivatives as hedging instruments in respect of hedges of net investments in foreign operations. The Group has chosen to continue to account for these under IAS 39 as allowed by the transition provisions for IFRS 9.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued

K. Financial instruments *continued*

Hedging activities continued

Where a foreign currency loan is designated as a qualifying hedge of the foreign exchange exposure arising on retranslation of the net assets of a foreign operation, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in a separate hedging reserve included within other reserves. This offsets the foreign exchange differences arising on the retranslation of the foreign operation's net assets, which are recognised in the separate foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement within finance income/expense.

Gains and losses accumulated in equity on retranslation of the foreign currency loans are recycled through the Consolidated Income Statement when the foreign operation is sold or is partially disposed of so that there is a loss of control. At this point the cumulative foreign exchange differences arising on the retranslation of the net assets of the foreign operation are similarly recycled through the Consolidated Income Statement. Where the hedging relationship ceases to qualify for hedge accounting, the cumulative gains and losses remain within the foreign currency translation reserve until control of the foreign operation is lost; subsequent gains and losses on the hedging instrument are recognised in the Consolidated Income Statement.

Where there is a change in the ownership interest without effecting control, the exchange differences are adjusted within reserves.

L. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and are discounted to present value where the effect is material. Provisions are created for acquisition-related payments linked to the continuing employment of the sellers and are recognised over the required period of employment. Provisions comprise liabilities where there is uncertainty about the timing of the settlement and are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

M. Retirement benefits

Pension costs which relate to payments made by the Group to employees' own defined contribution pension plans are charged to the Consolidated Income Statement as incurred.

N. Share-based payments

The Group issues equity-settled share-based payments to certain employees via the Group's Long-Term Incentive Plan. The share-based payments are measured at fair value at the date of the grant and expensed on a straight-line basis over the vesting period. At each reporting date, the Group revises its estimates of the number of equity instruments expected to vest and the cumulative expense is adjusted for failure to achieve non-market performance vesting conditions.

Fair value is measured by using a Black-Scholes model on the grounds that there are no market-related vesting conditions. The expected life used in the model has been adjusted, based on the Board's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

1 Accounting policies continued

N. Share-based payments *continued*

The Group grants brand equity appreciation rights to key individuals in the form of LLC units or restricted Ordinary Shares in the relevant subsidiary. The LLC units or restricted Ordinary Shares give the individuals a right to a percentage of the future appreciation in their particular brand's equity. Appreciation is measured based on a multiple of the brand's operating earnings in subsequent year(s), over the base line value determined at the date of grant, which is also based on a multiple of operating earnings. Since any brand appreciation payments are to be settled in Group equity, they are accounted for as equity-settled share-based payments. The value is recognised as a one-off share-based payment in the Income Statement in the year of grant as the agreements do not include service requirements; thus the cost accounting is not aligned with the timing of the anticipated benefit of the incentive, namely the growth of the relevant brands. Therefore, adjusting for these within the Group's adjusted performance measures gives a better reflection of the Group's performance and enhances comparability year on year.

O. Leased assets

The Group leases various assets, comprising mostly properties and office equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract, based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a corresponding lease liability at the commencement date with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (approximately less than £5,000), where the Group has elected to use the exemption. The total rentals payable under these leases are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease. When this rate cannot be determined, the Group uses the incremental borrowing rate for the same term as the underlying lease. Lease payments comprise fixed payments less any lease incentives receivable and variable lease payments as at the commencement date. The lease liability is subsequently remeasured when there is a change in future lease payments due to a renegotiation or market rent review, or a reassessment of the lease term. Lease modifications result in remeasurement of the lease liability with a corresponding adjustment to the related right-of-use asset. Interest expense is included within finance expense in the Consolidated Income Statement. The right-of-use asset is initially measured based on the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received, plus the estimated cost for any restoration costs the Group is obligated to at lease inception. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the asset.

At times, entities of the Group will sublet certain of their properties when underlying business requirements change. The Group assesses the classification of these subleases with reference to the right-of-use asset, not the underlying asset. As a result, certain subleases are classified as finance leases and a sublease receivable is recognised and recorded as a financial asset within trade and other receivables on the Consolidated Balance Sheet and any relating right-of-use asset is derecognised.

When the Group acts as an intermediate lessor it accounts for the head lease and the sublease separately. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership in relation to the underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recognised as finance lease receivables at the amount of the Group's net investment in the leases using the effective interest rate method. The Group recognises lessor payments under operating leases as income on a straight-line basis over the lease term.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued
P. Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Q. Deferred tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated Balance Sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group 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.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the asset can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Where a temporary difference arises between the tax base of employee share options and their carrying value, a deferred tax asset should arise. To the extent that the future tax deduction exceeds the related cumulative IFRS 2 'Share-Based Payment' ('IFRS 2') expense, the excess of the associated deferred tax balance is recognised directly in equity. To the extent that the future tax deduction matches the cumulative IFRS 2 expense, the associated deferred tax balance is recognised in the Consolidated Income Statement.

1 Accounting policies continued

R. Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

S. Employee Share Ownership Plan ('ESOP')

As the Group is deemed to have control of its ESOP trust, the trust is treated as a subsidiary and is consolidated for the purposes of the Group accounts. The ESOP's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Group financial statements. The ESOP's investment in the Group's shares is deducted from equity in the Consolidated Balance Sheet as if they were treasury shares and presented in the ESOP reserve.

T. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

I. Presentation of payments of earn-out liabilities

The classification of payments in relation to the Group's earn-out liabilities, including contingent consideration and share purchase obligation within the Consolidated Statement of Cash Flow, requires judgement. The Group determines the settlement of both the initial estimate and subsequent remeasurement as a single settlement of a liability outstanding for several years that financed an acquisition. Therefore, the payment of contingent consideration and other earn-out liabilities are classified as cash flows from financing activities. For consistency, the Group also classifies the subsequent movement in the present value of the expected consideration, including changes in estimate of future contingent consideration payable and future share purchase obligations, to be recognised within net finance expense/income.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

II. Contingent consideration

Contingent consideration relating to acquisitions have been included based on discounted management estimates of the most likely outcome. The difference between the fair value of the liabilities and the actual amounts payable, described as unwinding of discount, is charged to the Consolidated Income Statement as notional finance costs over the life of the associated liability. Changes in the estimates of contingent consideration payable are recognised in net finance income/expense. These require judgements around future revenue growth, profit margins and discount rates. Estimations are also included for other uncertainties deriving from the purchase agreements, which are subject to final negotiations which ultimately determine the future payments. These estimations, if incorrect, could result in a material adjustment to the value of these liabilities within the next financial year. At 31 January 2025, the discounted estimate of the contingent consideration was £72.7m (see note 17 for further details). Management has determined that a reasonable possible range of discounted outcomes within the next financial year is £56m to £84m.

Notes to the accounts continued
for the year ended 31 January 2025

1 Accounting policies continued
U. New standards and amendments not applied
The Group has not yet adopted certain new standards, amendments and interpretations to existing standards which have been published but are only effective for accounting periods beginning on or after 1 February 2025 or later periods. These new pronouncements are listed below:

- amendments to IAS 21 ‘Lack of Exchangeability’;
- amendments to IFRS 18 ‘Presentation and Disclosures in Financial Statements’; and
- amendments to IFRS 19 ‘Subsidiaries Without Public Accountability: Disclosures’.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

2 Segment information
Reportable segments
The Board of Directors has identified the operating segments based on the reports it reviews as the chief operating decision-maker (‘CODM’) to make strategic decisions, assess performance and allocate resources. These are deemed to be both regional and service segments.

The Group’s business is separated into a number of brands which are considered to be the underlying cash-generating units (‘CGUs’). These brands are organised into service segments based on the work they do for their customers and into geographical segments based on where the brand is located; within these reportable segments the Group operates a number of separate businesses which generally offer complementary products and services to their customers.

Revenues from one customer within the Business Transformation segment represents approximately £75.9m (10%) of the Group’s total revenues.

2 Segment information continued

Measurement of operating segment profit

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted operating profit before intercompany recharges, which reflects the internal reporting measure used by the Board of Directors. This measurement basis excludes the effects of certain fair value accounting charges, amortisation of acquired intangibles and other costs not associated with the performance of the business, details of which are included in the Glossary section on page 188. Total adjusted operating profit is reconciled to operating profit in note A2 to the Glossary, which in turn is reconciled to statutory profit before tax in the Consolidated Income Statement. Head Office costs relate to Group costs before allocation of intercompany charges to the operating segments. Inter-segment transactions have not been separately disclosed as they are not material.

	Customer Engagement £'000	Customer Delivery £'000	Customer Insight £'000	Business Transformation £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Revenue	**340,555**	**171,192**	**73,871**	**144,192**	**—**	**729,810**
Adjusted operating profit/(loss)	**53,854**	**23,857**	**7,009**	**40,045**	**(17,319)**	**107,446**
Year ended 31 January 2024						
Revenue	346,472	157,913	76,528	153,760	—	734,673
Adjusted operating profit/(loss)	53,178	29,117	10,358	48,253	(19,825)	121,081

	UK £'000	EMEA £'000	US £'000	Asia Pacific £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Revenue	**336,137**	**14,281**	**360,264**	**19,128**	**—**	**729,810**
Adjusted operating profit/(loss)	**44,526**	**2,641**	**75,686**	**1,912**	**(17,319)**	**107,446**
Non-current assets[1]	**192,362**	**1,534**	**99,737**	**620**	**—**	**294,253**
Year ended 31 January 2024						
Revenue	330,897	15,201	366,686	21,889	—	734,673
Adjusted operating profit/(loss)	45,731	2,345	91,139	1,691	(19,825)	121,081
Non-current assets[1]	196,544	1,209	115,292	1,082	—	314,127

1 Total non-current assets excluding £0.9m of investments in financial assets (2024: £0.6m), £52.7m of deferred tax assets (2024: £62.1m) and £0.5m of other receivables (2024: £1.0m) have been presented.

Notes to the accounts continued
for the year ended 31 January 2025

3 Employee information

Staff costs for all employees, including Directors, consist of:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Wages and salaries	**364,659**	350,315
Social security costs	**27,672**	26,684
Pension costs	**9,266**	8,964
Share-based payment charge (note 21)	**759**	11,476
Employment-related acquisition payments (note 15)	**9,498**	10,006
	411,854	407,445

The average monthly number of employees during the period, by geographical location, was as follows:

	Year ended 31 January 2025	Year ended 31 January 2024
UK	**2,304**	2,197
Europe and Africa	**149**	206
US	**1,078**	1,097
Asia Pacific	**559**	614
Head Office	**126**	129
	4,216	4,243

Key management personnel are considered to be the Board of Directors as set out on pages 62 and 63.

The number of employees as at the end of the reporting period, by geographical location, was as follows:

	Year ended 31 January 2025	Year ended 31 January 2024
UK	**2,229**	2,346
Europe and Africa	**145**	103
US	**974**	1,153
Asia Pacific	**525**	609
Head Office	**119**	129
	3,992	4,340

3 Employee information continued

Directors' remuneration consists of:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Short-term employee benefits	**1,473**	2,215
Pension costs	**153**	102
Share-based payment (credit)/charge	**(620)**	1,259
Non-Executive Directors' remuneration	**430**	415
	1,436	3,991

The highest-paid Director received total emoluments of £902,000 (2024: £1,288,000).

4 Operating profit

The following key charges/(credits) are included within operating profit. The total of the below does not reconcile to any other total within this report:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Depreciation of owned property, plant and equipment (note 12)	**4,478**	4,629
Depreciation of right-of-use assets (note 16)	**7,675**	7,634
Amortisation of intangible assets (note 11)	**21,948**	24,360
Impairment of right-of-use assets (note 16)	**488**	1,588
Gain on recognition of finance lease receivable	**312**	2,763
Loss on sale and impairment of property, plant and equipment (note 12)	**409**	130
Share-based payment charge (note 21)	**759**	11,476
Employment-related acquisition payments (note 3)	**9,498**	10,006
Intangibles write-off (note 11)	**1,409**	—
Goodwill impairment (note 11)	**3,000**	—
Short-term sublease income (note 16)	**(85)**	(18)
Short-term lease expense (note 16)	**1,029**	902
Low-value lease expense (note 16)	**30**	48
Foreign exchange loss	**523**	874

Notes to the accounts continued
for the year ended 31 January 2025

5 Auditor's remuneration
During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Fees payable to the Company's auditor for the statutory audit of the Company accounts and consolidated annual statements	**705**	715
The auditing of financial statements of the subsidiaries pursuant to legislation	**5**	5
Non-audit services:		
Other assurance services	**—**	7
	710	727

6 Finance expense

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Financial liabilities at amortised cost		
Bank interest payable	**6,495**	4,242
Interest on lease liabilities (note 16)	**879**	1,104
Other		
Other interest payable	**195**	26
Finance expense	**7,569**	5,372

7 Finance income

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Financial assets at amortised cost		
Bank interest receivable	**585**	1,039
Finance lease interest receivable	**87**	81
Other		
Other interest receivable	**17**	12
Finance income	**689**	1,132

8 Taxation

The major components of income tax expense for the year ended 31 January 2025 and year ended 31 January 2024 are:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Current income tax		
Current income tax expense	**17,379**	25,718
Adjustments in respect of current income tax in prior years	**(814)**	541
Deferred income tax		
Relating to the origination and reversal of temporary differences	**5,008**	1,008
Adjustments in respect of deferred tax for prior years	**(91)**	(864)
Income tax expense reported in the Consolidated Income Statement	**21,482**	26,403
Tax debit relating to share-based payment	**3,712**	984
Income tax benefit reported in equity	**3,712**	984

Notes to the accounts continued
for the year ended 31 January 2025

8 Taxation continued

The tax assessed for the year is higher than the standard effective rate of corporation tax in the UK of 25% (2024: 24%). The difference is explained below:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Factors affecting the tax charge for the year		
Profit before income tax	**62,452**	80,348
Corporation tax expense at 25% (2024: 24%)	**15,613**	19,308
Effects of:		
Disallowed expenses	**4,703**	4,324
Non-taxable items in determining taxable profit	**(1,706)**	(512)
Deferred impact of UK rate change to 25% (2024: 24%)	**—**	85
Recognition of previously unrecognised tax losses	**(2,477)**	(2,503)
Provision over losses subject to tax enquiry	**2,467**	2,502
Non-utilisation of tax losses	**8**	215
Higher rates of tax on overseas earnings and withholding tax	**4,788**	4,307
Deduction for overseas taxes	**(1,009)**	(1,000)
Adjustments in respect of prior years	**(905)**	(323)
	21,482	26,403
Total effective tax rate	**34.4%**	32.9%

The income tax expense for the year is based on the UK effective statutory rate of corporation tax of 25% (2024: 24%). Overseas tax is calculated at the rates prevailing in the respective jurisdictions. Net corporation tax paid during the year totalled £20.7m (2024: £25.4m).

On 11 July 2023, new tax rules that introduce a global minimum effective tax rate of 15% were enacted in the UK. The legislation implements domestic and multinational top-up taxes for periods starting on or after 31 December 2023. The year ended 31 January 2025 is the first period in which Next 15 will be subject to the rules.

9 Dividend

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Dividends paid during the year		
Final dividend paid for prior year of 10.6p per Ordinary Share (2024: 10.1p)	**10,664**	10,028
Interim dividend paid of 4.75p per Ordinary Share (2024: 4.75p)	**4,793**	4,734
	15,457	14,762
Non-controlling interest dividend[1]	**921**	1,290

1 During the year, a profit share was paid to the holders of the non-controlling interest of The Blueshirt Group of £100,478 (2024: £277,100), M Booth of £781,042 (2024: £791,761) and BCA of £39,294 (2024: £221,576).

The ESOP waived its right to dividends in the financial years ended 31 January 2025 and 2024.

A final dividend of 10.6p per share (2024: 10.6p) has been proposed, which is a total amount of £10,698,030 (2024: £10,542,329). This has not been accrued. This makes the total dividend for the year 15.35p per share (2024: 15.35p). The final dividend, if approved at the AGM on 26 June 2025, will be paid on 8 August 2025 to all shareholders on the Register of Members as at 4 July 2025. The ex-dividend date for the shares is 3 July 2025.

10 Earnings per share

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Profit attributable to ordinary shareholders	**39,465**	52,907
	Number	Number
Weighted average number of Ordinary Shares	**100,379,867**	99,247,832
Dilutive LTIP and options shares	**1,036,086**	1,848,787
Dilutive growth deal shares[1]	**2,198,485**	3,345,900
Other potentially issuable shares	**537,069**	775,582
Diluted weighted average number of Ordinary Shares	**104,151,507**	105,218,101
Basic earnings per share	**39.3p**	53.3p
Diluted earnings per share	**37.9p**	50.3p

1 This relates to the brand equity appreciation rights as discussed in note 1, section N.

Notes to the accounts continued
for the year ended 31 January 2025

11 Intangible assets

	Software £'000	Trade names £'000	Customer relationships[3] £'000	Non-compete agreements £'000	Goodwill £'000	Total £'000
Cost						
At 31 January 2023	21,496	25,634	142,440	9,623	197,377	396,570
Additions	12	—	—	—	—	12
Capitalised internal development	3,424	—	—	—	—	3,424
Acquired through business combinations[1]	3	1,947	14,225	834	11,876	28,885
Disposals	(51)	—	—	—	—	(51)
Exchange differences	(49)	(389)	(1,231)	(128)	(2,290)	(4,087)
At 31 January 2024	24,835	27,192	155,434	10,329	206,963	424,753
Additions	4	—	—	—	—	4
Capitalised internal development	5,017	—	—	—	—	5,017
Acquired through business combinations[1]	—	306	8,387	449	2,051	11,193
Disposals	(46)	—	—	—	—	(46)
Exchange differences	25	240	666	78	1,351	2,360
At 31 January 2025	**29,835**	**27,738**	**164,487**	**10,856**	**210,365**	**443,281**
Amortisation and impairment						
At 31 January 2023	13,912	11,497	79,322	6,949	10,823	122,503
Charge for the year[2]	2,599	2,224	18,414	1,123	—	24,360
Disposals	(43)	—	—	—	—	(43)
Exchange differences	(38)	(203)	(993)	(88)	(87)	(1,409)
At 31 January 2024	16,430	13,518	96,743	7,984	10,736	145,411
Charge for the year[2]	2,555	2,353	15,898	1,142	—	21,948
Impairment	1,409	—	—	—	3,000	4,409
Disposals	(35)	—	—	—	—	(35)
Exchange differences	21	173	794	79	(23)	1,044
At 31 January 2025	**20,380**	**16,044**	**113,435**	**9,205**	**13,713**	**172,777**
Net book value at 31 January 2025	**9,455**	**11,694**	**51,052**	**1,651**	**196,652**	**270,504**
Net book value at 31 January 2024	8,405	13,674	58,691	2,345	196,227	279,342

1 During the year, the Group acquired La Plage, Cadence as well as other acquisitions, none of which were individually significant of the Group (note 26).
2 Amortisation charge for the year includes acquired intangibles of £1,142,000 for non-compete agreements, £15,898,000 for customer relationships, £2,353,000 for trade names and £44,000 relating to software.
3 Customer relationships include individually significant balances with a carrying amount of £29,544,000, relating to identified customer relationships that were recognised on the acquisition of Engine Acquisition Limited, which are to be amortised until February 2030.

11 Intangible assets continued

Impairment testing for cash-generating units containing goodwill

Goodwill acquired through business combinations is allocated to cash-generating units ('CGUs') for impairment testing as follows:

	2025 £'000	2024 £'000
Archetype	**8,268**	8,268
Outcast (US)	**13,342**	13,021
M Booth (US)	**22,668**	22,122
The Blueshirt Group (US)	**5,516**	5,383
Savanta[1] (UK & US)	**17,168**	17,245
Publitek	**9,892**	9,886
Twogether	**10,620**	10,620
Agent3[2]	**7,607**	1,954
Velocity[2]	**—**	5,653
elvis	**2,179**	2,179
Activate (US)	**7,630**	7,446
Brandwidth	**9,571**	9,565
Planning-inc	**2,157**	2,157
CRE	**4,351**	4,351
Mach49 (US)	**9,690**	9,456
SMG	**8,766**	8,766
BCA (US)	**2,680**	2,616
House 337[3]	**8,248**	11,248
MHP Group[4]	**26,385**	24,468
Transform[5]	**16,773**	16,682
Other[6]	**3,141**	3,141
	196,652	196,227

1 The goodwill in Savanta has increased in the year due to an adjustment to the prior year acquisition of Explorer (£38,000), with the remainder of the change due to foreign exchange.

2 The goodwill in Agent3 has increased in the year due to Velocity being included in it's CGU, due to the management of Velocity changing to be under Agent3 from the start of the year.

3 The goodwill in House 337 has decreased by £3.0m in the year, as a result of the impairment charge recognised against the carrying value of goodwill. Following a full review, it was identified that the value-in-use on the associated CGU was less than the carrying value of goodwill, resulting in negative headroom. Therefore, an impairment charge has been recognised within the Customer Engagement and UK segments.

4 The goodwill in MHP Group has increased in the year due to the acquisition of La Plage (£1,780,000) and Tuva (£137,000).

5 The goodwill in Transform has increased in the year due to the acquisition of Cadence (£91,000).

6 Other goodwill represents goodwill on a number of CGUs, none of which is individually significant in comparison to the total carrying value of goodwill.

Notes to the accounts continued
for the year ended 31 January 2025

11 Intangible assets continued

Impairment testing for cash-generating units containing goodwill *continued*

Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. The CGUs represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. This is a lower level than the operating segments disclosed in note 2; the CGUs are allocated to operating segments based on their geographical location or the product or service they provide.

The Group performs an impairment testing process by considering:

Stage 1) The performance of the brands during the previous financial year and the value-in-use of the brands at 31 January 2025. The value-in-use is calculated by taking the present value of expected future cash flows based on minimum expected standard growth rates applied to the Board-approved FY26 budget.

Stage 2) The value-in-use of the brands, calculated by taking the present value of expected future cash flows based on management's best estimate of brand-specific growth rates for the following three years applied to the Board-approved FY26 budget.

Note that the growth rates in stages 1 and 2 applied for year five are dependent on the geographical region of the respective brand. The long-term perpetuity growth rates applied are shown in the table below.

	Years two to five		Year five onwards	
	2025	2024	**2025**	2024
Growth rates applied for regions				
US	**3.0%**	3.0%	**2.5%**	2.5%
UK	**2.0%**	2.0%	**1.5%**	1.5%
APAC	**3.0%**	3.0%	**1.0%**	1.0%

Following a full review, it was identified that the value-in-use on the associated CGU for House 337 was less than the carrying value of the combined total of goodwill, intangible assets, and tangible fixed assets, resulting in negative headroom. Therefore, an impairment charge of £3.0m has been recognised during the year.

Sensitivity analysis

The Group has performed sensitivity analysis on the assumptions used in the value-in-use calculations. The Group has performed two scenarios. Firstly, with all other variables unchanged, if revenue and costs do not grow past the FY26 budget and there is no growth in perpetuity, no material impairment would be required. Secondly, with all other variables unchanged, if the pre-tax discount rate increased by 2% to 15.4%, no material impairment would be required.

11 Intangible assets continued

Cash flow projections

The recoverable amounts of all CGUs have been determined from value-in-use calculations based on the pre-tax operating profits before non-cash transactions including amortisation and depreciation taken from the most recent financial budgets approved by management for the next financial year. The Board-approved budgets are based on assumptions of client wins and losses, rate card changes and cost inflation as well as any other one-off items expected in the year for that particular CGU. The cash flow forecasts extrapolate the FY26 budgeted cash flows for the following four years based on the estimated regional growth rate, which is applied to revenue and costs. This rate does not exceed the average long-term growth rate for the relevant markets. The value-in-use is compared with the combined total of goodwill, intangible assets and tangible fixed assets. The growth rate in relation to the geographical region of the brand is then applied into perpetuity after five years.

Pre-tax discount rate

A UK pre-tax rate of 13.4% (2024: 13.9%) and US pre-tax rate of 13.7% (2024: 14.4%), being the Board's estimated discount rates, have been used in discounting all projected cash flows. The Board considers these pre-tax discount rates to be calculated using appropriate methodology and reference to market yields of long-term government bonds. These rates are already in the higher end of the spectrum amongst its peers, and the Board views these rates as accurately reflecting the return expected by a market participant. The Board has considered whether to risk-affect the discount rate used for the different brands. Given the nature of each business, that they operate in well-developed territories and are largely similar digital media communication businesses dependent on the mature economies in which they operate, the Board has considered no risk adjustment to the individual discount rates is required. Further, a scenario considering the higher US-specific discount rate of 13.7%, reflective of expected market returns, has been applied to the UK CGUs and indicated no goodwill impairment.

Notes to the accounts continued
for the year ended 31 January 2025

12 Property, plant and equipment

	Short leasehold improvements £'000	Office equipment £'000	Office furniture £'000	Motor vehicles £'000	Total £'000
Cost					
At 31 January 2023	18,347	12,616	2,292	7	33,262
Exchange differences	(318)	(285)	(73)	(1)	(677)
Additions	1,790	1,799	122	—	3,711
Acquired through business combinations	—	118	43	185	346
Disposals	(3,923)	(702)	(78)	(30)	(4,733)
At 31 January 2024	15,896	13,546	2,306	161	31,909
Exchange differences	127	62	21	—	210
Additions	222	1,791	177	7	2,197
Acquired through business combinations	—	28	—	—	28
Disposals	(885)	(1,978)	(211)	(153)	(3,227)
At 31 January 2025	**15,360**	**13,449**	**2,293**	**15**	**31,117**
Accumulated depreciation					
At 31 January 2023	12,172	8,798	1,408	2	22,380
Exchange differences	(251)	(223)	(67)	—	(541)
Charge for the year	1,812	2,510	300	7	4,629
Disposals	(3,923)	(659)	(76)	—	(4,658)
At 31 January 2024	9,810	10,426	1,565	9	21,810
Exchange differences	106	52	24	—	182
Charge for the year	1,879	2,357	224	18	4,478
Disposals	(805)	(1,927)	(202)	(18)	(2,952)
At 31 January 2025	**10,990**	**10,908**	**1,611**	**9**	**23,518**
Net book value at 31 January 2025	**4,370**	**2,541**	**682**	**6**	**7,599**
Net book value at 31 January 2024	6,086	3,120	741	152	10,099

13 Trade and other receivables

	2025 £'000	2024 £'000
Current		
Trade receivables	**127,811**	133,832
Less: provision for impairment of trade receivables	**(792)**	(1,022)
Trade receivables – net	**127,019**	132,810
Other receivables	**7,591**	8,594
Prepayments	**8,023**	7,885
Accrued income	**17,486**	17,273
Finance lease receivables	**2,889**	3,441
	163,008	170,003
Non-current		
Rent deposits	**544**	1,040

Trade receivables disclosed above are measured at amortised cost. There were no significant changes in the accrued income balances during the reporting period.

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

As of 31 January 2025, trade receivables of £792,000 (2024: £1,022,000) were impaired. Movements in the provision were as follows:

	2025 £'000	2024 £'000
At start of year	**1,022**	1,276
Provision for receivables impairment	**644**	1,481
Receivables written off during the year as uncollectable	**(789)**	(1,112)
Released during the year	**(85)**	(603)
Foreign exchange movements	**—**	(20)
At end of year	**792**	1,022

The provision for receivables impairment has been determined using an expected credit loss model by reference to historical default rates. Owing to the immaterial level of the provision for impairment of receivables, no further disclosure is made. The Group considers there to be no material difference between the fair value of trade and other receivables and their carrying amount in the balance sheet.

Notes to the accounts continued
for the year ended 31 January 2025

13 Trade and other receivables continued
As at 31 January, the analysis of trade receivables that were not impaired is as follows:

	2025 £'000	2024 £'000
Not past due	**99,400**	103,189
Up to 30 days	**19,849**	21,582
31 to 60 days	**5,011**	4,672
Greater than 61 days	**2,759**	3,367
At end of year	**127,019**	132,810

14 Trade and other payables

	2025 £'000	2024 £'000
Current		
Trade creditors	**36,696**	30,598
Other taxation and social security	**10,786**	11,961
Vacation accruals	**2,609**	2,673
Other payables	**8,206**	10,770
Accruals	**31,213**	36,419
Deferred income	**49,772**	59,089
	139,282	151,510
Non-current		
Other payables	**113**	110
	113	110

The Group considers that the carrying amount of trade and other payables approximates to their fair value with the exception of obligations under finance leases; refer to note 16.

Deferred income reduced during the year as a result of more revenue being recognised from the prior year closing balance than newly recognised during the year. All the brought forward deferred income balance was recognised as revenue in the current reporting period. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

15 Provisions

	Property[1] £'000	Acquisition payments[2] £'000	Other[3] £'000	Total £'000
At 31 January 2023	2,312	25,247	2,264	29,823
Additions	431	10,006	1,072	11,509
Acquired through business combinations	30	—	—	30
Used during the year[4]	(184)	(18,223)	(341)	(18,748)
Exchange differences	(8)	53	(2)	43
At 31 January 2024	2,581	17,083	2,993	22,657
Additions	91	9,498	3,832	13,421
Used during the year[4]	(699)	(1,979)	(964)	(3,642)
Exchange differences	—	(1)	(1)	(2)
At 31 January 2025	**1,973**	**24,601**	**5,860**	**32,434**
Current	**95**	**22,172**	**3,666**	**25,933**
Non-current	**1,878**	**2,429**	**2,194**	**6,501**

1 Property provisions are primarily for dilapidations and include assumptions of a cost per square foot required to make good the property at the end of the lease.

2 Acquisition payments are provisions for the portion of consideration which is payable subject to continuing employment of the previous owners within the Group. The expected liability is recognised over the required employment term of the seller and is separately recognised as an employment-related acquisition payment provision. As the amount of consideration relating to these acquisitions is not capped, the maximum amount of the resulting outflow is not capped.

3 Other includes provisions for potential tax liabilities and redundancy provisions.

4 The amounts utilised during the year in relation to acquisition payments were settled £1.7m in cash and £0.3m in shares (2024: £15.7m in cash and £2.5m in shares).

Notes to the accounts continued
for the year ended 31 January 2025

16 Right-of-use assets and lease liabilities

Right-of-use assets:	Land and buildings £'000
Cost	
At 1 February 2023	47,932
Additions	5,069
Acquired through business combinations	512
Disposals	(3,071)
Exchange differences	(1,783)
At 31 January 2024	48,659
Additions	1,560
Disposals	(4,283)
Exchange differences	672
At 31 January 2025	**46,608**
Accumulated depreciation	
At 1 February 2023	19,257
Charge for the year	7,634
Impairment	1,588
Disposals	(3,022)
Exchange differences	(1,484)
At 31 January 2024	23,973
Charge for the year	7,675
Impairment	488
Disposals	(2,290)
Exchange differences	612
At 31 January 2025	**30,458**
Net book value at 31 January 2025	**16,150**
Net book value at 31 January 2024	24,686

16 Right-of-use assets and lease liabilities continued

Lease liabilities:	Land and buildings £'000
At 1 February 2024	33,428
Additions	1,940
Interest expense related to lease liabilities	879
Disposals	(2,025)
Repayment of lease liabilities	(11,260)
Exchange differences	197
At 31 January 2025	**23,159**
Current	**9,197**
Non-current	**13,962**

The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts recognised as finance income and finance costs:

	2025 £'000	2024 £'000
Depreciation of right-of-use assets	**7,675**	7,634
Short-term lease expense	**1,029**	902
Low-value lease expense	**30**	48
Short-term sublease income	**(85)**	(18)
Charge to operating profit	**8,649**	8,566
Sublease finance interest receivable (note 7)	**(87)**	(81)
Lease liability interest expense (note 6)	**879**	1,104
Lease charge to profit before income tax	**9,441**	9,589

Notes to the accounts continued
for the year ended 31 January 2025

16 Right-of-use assets and lease liabilities continued

The maturity of the lease liabilities is as follows:

	2025 £'000	2024 £'000
Amounts payable:		
Within one year	**9,786**	10,976
In two to five years	**14,388**	24,136
After five years	**81**	208
Total gross future liability	**24,255**	35,320
Effect of discounting	**(1,096)**	(1,892)
Lease liability at 31 January	**23,159**	33,428

The Group does not face a significant liquidity risk with regard to its lease liabilities. Refer to note 19 for management of liquidity risk.

17 Other financial liabilities

	Deferred consideration £'000	Contingent consideration[1] £'000	Additional contingent incentive £'000	Share purchase obligation £'000	Total £'000
At 31 January 2023	—	189,406	6,309	8,984	204,699
Arising during the year[1]	—	12,077	—	—	12,077
Changes in estimates[2]	—	(32,545)	758	(553)	(32,340)
Exchange differences	—	(6,160)	(238)	(78)	(6,476)
Utilised[3]	—	(39,075)	(3,071)	—	(42,146)
Unwinding of discount[2]	—	23,049	572	1,250	24,871
At 31 January 2024	—	146,752	4,330	9,603	160,685
Changes in estimates[2]	—	(29,691)	(38)	574	(29,155)
Exchange differences	—	1,296	115	46	1,457
Utilised[3]	—	(62,014)	(2,454)	(3,606)	(68,074)
Reclassification	4,279	1,453	—	(5,732)	—
Unwinding of discount[2]	137	14,920	350	1,044	16,451
At 31 January 2025	**4,416**	**72,716**	**2,303**	**1,929**	**81,364**
Current	**3,942**	**30,047**	**2,015**	**1,929**	**37,933**
Non-current	**474**	**42,669**	**288**	**—**	**43,431**

1 Contingent consideration on acquisitions – during the year, the Group acquired a controlling stake in Cadence, Studio La Plage and Tuva with £Nil contingent consideration arising (2024: Williams, Rush and Explorer). See note 26 for additional information on these acquisitions.

2 The change in estimates and unwinding of discount total the movement in fair value of other financial liabilities recognised within net finance income/expense.

3 The amounts utilised were settled £60.0m in cash and £8.1m in shares (2024: £42.1m in cash and £Nil in shares).

The estimates around contingent consideration are considered by management to be an area of significant judgement, with any changes in assumptions and forecasts creating volatility in the Income Statement. Management estimates the fair value of these liabilities taking into account expectations of future payments. The expectation of future payments is based on an analysis of the approved FY26 budget with further consideration being given to current and forecast wider market conditions, together with current trading and recent significant contract wins. An assumed medium-term growth expectation is then applied which is specific to each individual entity over the course of the earn-out period and discounted back to present value using a pre-tax discount rate.

During the year, earn-out related liabilities (included in the table above) decreased by a net £79.3m, primarily driven by settlements during the year and a change in estimate of £22.6m relating to the Mach49 business. This change in estimate was driven by the revised assumptions for the latest trading performance for the Mach49 business. At the previous year end, the Group estimated the total earn-out to be US$250m, which has now been reduced down to US$219m at 31 January 2025 on an undiscounted basis.

Notes to the accounts continued
for the year ended 31 January 2025

17 Other financial liabilities continued

Changes in the estimates of contingent consideration payable and the share purchase obligation are recognised in net finance income/expense. If the judgements around future revenue growth, profit margins and discount rates change, this could result in a material adjustment to the value of these liabilities within the next financial year. Estimations are also included for other uncertainties deriving from the purchase agreements, which are subject to final negotiations which ultimately determine the future payment. An increase in the liability would result in an increase in net finance expense, while a decrease would result in a further gain to net finance income.

Sensitivity analysis

At 31 January 2025, the weighted average revenue growth rate in estimating future financial performance was 2.8% and the weighted average profit margin was 35.3%. The discount rate applied to these obligations at 31 January 2025 ranged from 13.4% to 13.7%.

The following table shows the increase to the value of the combined liabilities due to earn-out agreements which would occur were there to be a reasonable possible increase in the next reporting period of up to 15% in the estimated future revenue growth rate, profit margin and discount rate. A range of percentage point increases applied to the assumptions used by management has been shown below.

	5% change £'000	10% change £'000	15% change £'000
Increase in net revenue growth rate	**167**	**333**	**500**
Increase in profit margin	**554**	**1,108**	**1,662**
Increase in discount rate	**(3,286)**	**(6,220)**	**(8,851)**

Litigation and contingent liabilities

In 2022, a former minority shareholder and employee of the Group's then largest US business filed a legal claim against the founding shareholders of the subsidiary and the Group amongst others, relating to their historical entitlement to a share in the business. On 9 September 2024, all parties filed with the court a 'Notice of Settlement of Entire Case', which indicates that the parties expect all remaining claims to be dismissed in their entirety.

The Group does not expect any outflow from any company in the Group in relation to the claim. The Group has incurred legal fees in relation to this claim and has recognised a corresponding asset representing the amount recoverable under the indemnity given at the time of the acquisition.

In addition to the above, the Group is party to various legal claims and disputes which arise in the normal course of business. Provisions are recognised for outcomes that are deemed probable and can be reliably estimated. Any material liability in respect of legal actions and claims not already provided for is deemed to be remote.

18 Deferred taxation

Temporary differences between the carrying value of assets and liabilities in the balance sheet and their relevant value for tax purposes result in the following deferred tax assets and liabilities:

	Accelerated capital allowances £'000	Short-term compensated absences £'000	Share-based remuneration £'000	Provision for impairment of trade receivables £'000	Excess book basis over tax basis of intangible assets £'000	Excess tax basis over book basis of intangible assets £'000	Other temporary differences £'000	Tax losses £'000	Total £'000
At 31 January 2023	143	247	8,629	252	(16,647)	52,269	7,609	404	52,906
Reclassification	67	—	(617)	—	—	2,460	(1,903)	—	7
Credit to income	154	(80)	351	(205)	3,538	(3,183)	(1,045)	327	(143)
Exchange differences	3	(9)	1	(4)	—	(1,517)	(175)	(22)	(1,723)
Acquisitions	(71)	—	—	—	(4,386)	—	(2)	—	(4,459)
Taken to equity	—	—	(1,597)	—	—	1,157	—	—	(440)
At 31 January 2024	296	158	6,767	43	(17,495)	51,186	4,484	709	46,148
Reclassification	2	—	—	—	—	—	(3)	—	(1)
Credit to income	290	87	(2,123)	3	3,341	(5,806)	(765)	58	(4,915)
Exchange differences	5	1	—	1	53	1,196	69	—	1,325
Acquisitions	(7)	—	—	—	(2,285)	—	6	—	(2,286)
Taken to equity	—	—	(2,953)	—	—	—	—	—	(2,953)
At 31 January 2025	**586**	**246**	**1,691**	**47**	**(16,386)**	**46,576**	**3,791**	**767**	**37,318**

The Company offsets deferred tax assets and deferred tax liabilities in accordance with the requirements set forth in paragraph 74 of IAS 12. The Group maintains tax groups in both the United Kingdom and United States, which result in the offsetting of deferred tax assets and deferred tax liabilities of multiple entities as described in paragraph 74(b)(ii) of IAS 12. After offsetting under IAS 12, deferred tax assets and liabilities are recognised in the Consolidated Balance Sheet as follows:

	2025 £'000	2024 £'000
Net deferred tax balance		
Deferred tax assets	**52,749**	62,087
Deferred tax liabilities	**(15,431)**	(15,939)
Net deferred tax asset	**37,318**	46,148

Notes to the accounts continued
for the year ended 31 January 2025

18 Deferred taxation continued

Deferred tax has been calculated using the anticipated rates that will apply when the assets and liabilities are expected to reverse based on tax rates enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent 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.

The deferred tax asset arising from the excess tax basis over the book basis of intangible assets is subject to significant volatility should management's estimates change around contingent consideration, an area of significant judgement (see note 17).

The estimated value of the deferred tax asset not recognised in respect of tax losses available to carry forward is £10.2m (2024: £11.8m).

Tax losses and tax credits for which no deferred tax asset was recognised:

	31 January 2025 £'000		31 January 2024 £'000	
	Gross amount	**Tax effected**	Gross amount	Tax effected
Tax losses expiring:				
Within ten years	**25**	**6**	34	8
More than ten years	**40**	**4**	7	1
Available indefinitely	**41,250**	**10,216**	47,432	11,767
Total	**41,315**	**10,226**	47,473	11,776
Tax credits expiring:				
Within ten years	**n/a**	**—**	n/a	312
More than ten years	**n/a**	**—**	n/a	—
Available indefinitely	**n/a**	**—**	n/a	—
Total	**n/a**	**—**	n/a	312

At the balance sheet date, the aggregate amount of the temporary differences in relation to the investment in subsidiaries for which deferred tax liabilities have not been recognised was £0.8m (2024: £0.6m). No liability has been recognised in respect of these differences as the Group is in a position to control the timing of the reversal of the temporary differences and the Group considers that it is probable that such differences will not reverse in the foreseeable future.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

19 Financial instruments

Financial risk management, policies and strategies

The Group's principal financial instruments comprise bank loans, finance leases, cash and short-term deposits. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and payables, which arise directly from operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Directors have assessed that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax at 31 January 2025, based on year-end balances and rates.

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Group's actual exposure to market rates changes as the Group's portfolio of debt and cash changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Group. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

	Movement in basis points	**2025 £'000**	2024 £'000
Group	+200	**1,349**	(921)

Liquidity risk

The Group manages its risk of a shortage of funds with a mixture of long and short-term committed facilities.

The Group has a £150m revolving credit facility ('RCF') with a consortium including HSBC, Bank of Ireland, NatWest Bank, Citibank and CIC. The facility is available until December 2027 with an option to extend for a further year. As part of the arrangement, the Group has a £50m accordion option to facilitate future acquisitions, of which £25m has been made available after the balance sheet date. This takes the Group's committed facilities to £175m.

The RCF is available for permitted acquisitions and working capital requirements, and is due to be repaid from the trading cash flows of the Group. The facility is available in a combination of sterling, US dollar and/or euro. The margin payable on each facility is dependent upon the level of gearing in the business. The Group also has a US facility of US$7m (2024: US$7m) which is available for property rental guarantees and US-based working capital needs.

At 31 January 2025 the Group had an undrawn amount of £82,567,000 (2024: £103,932,000) on the RCF and US$6,850,000 (2024: US$5,633,000) available on the US$7m US facility (this allows for the letters of credit in place). Due to cash pooling arrangements in the UK, the bank overdraft is shown separately from cash.

Notes to the accounts continued
for the year ended 31 January 2025

19 Financial instruments continued

Liquidity risk *continued*

The following table summarises the maturity profile based on the remaining period between the balance sheet date and the contractual maturity date of the Group's financial liabilities at 31 January 2025 and 31 January 2024, based on contractual undiscounted payments:

	Within one year £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	Total £'000
At 31 January 2025					
Loans and borrowings	**—**	**65,939**	**—**	**—**	**65,939**
Bank overdraft	**61,859**	**—**	**—**	**—**	**61,859**
Trade and other payables	**82,389**	**113**	**—**	**—**	**82,502**
Provisions	**25,933**	**1,795**	**4,706**	**—**	**32,434**
Lease liabilities	**9,786**	**9,162**	**5,226**	**81**	**24,255**
Contingent consideration	**30,335**	**29,721**	**24,457**	**—**	**84,513**
Additional contingent incentive	**2,687**	**551**	**—**	**—**	**3,238**
Share purchase obligation	**1,949**	**—**	**—**	**—**	**1,949**
Deferred consideration	**4,394**	**500**	**—**	**—**	**4,894**
Total financial liabilities	**219,332**	**107,781**	**34,389**	**81**	**361,583**
At 31 January 2024					
Loans and borrowings	—	44,227	—	—	44,227
Bank overdraft	46,202	—	—	—	46,202
Trade and other payables	80,461	110	—	—	80,571
Provisions	3,066	12,537	7,055	—	22,658
Lease liabilities	10,975	10,292	13,844	208	35,319
Contingent consideration	65,384	53,419	63,539	—	182,342
Share purchase obligation	2,352	—	9,753	—	12,105
Total financial liabilities	208,440	120,585	94,191	208	423,424

The financial liabilities disclosed in the table above include contingent consideration and share purchase obligations as well as the employment-linked acquisition payment provisions. These are included within the cash flow forecasts reviewed by the Directors when assessing whether the Group has adequate resources to continue in operational existence, details of which are described in the Directors' going concern statement on page 100. The majority of our financial liabilities and earn-out obligations are valued based on the forecast performance of the brands, which is translated into cash generation prior to the payment of the earn-out obligations. The Group's banking facilities along with the cash generated from the Group are expected to be sufficient to cover the earn-out obligations when they fall due.

19 Financial instruments continued

Currency risk

As a result of significant global operations, the Group's balance sheet can be affected significantly by movements in the foreign exchange rates against sterling. This is largely through the translation of balances denominated in a currency other than the functional currency of an entity. The Group has transactional currency exposures in the US, Europe and the Asia Pacific region, including foreign currency bank accounts and intercompany recharges. The Group considers the use of currency derivatives to protect significant US dollar and euro currency exposures against changes in exchange rates; however, the Group has not held derivative financial instruments at the end of either period.

The following table demonstrates the sensitivity to reasonably possible changes in exchange rates, with all other variables held constant, of the Group's profit before tax based on period-end balances, year average and year-end rates. If there was an equivalent strengthening against sterling, there would be a similar movement in the opposite direction.

	Weakening against sterling	**2025 £'000**	2024 £'000
US dollar	20%	**(14,091)**	(17,877)
Euro	20%	**(2,500)**	(153)
Australian dollar	20%	**(207)**	(232)
Indian rupee	20%	**11**	280

The following table demonstrates the sensitivity to reasonable possible changes in exchange rates, with all other variables held constant, of the Group's net assets on period-end balances and rates:

	Weakening against sterling	**2025 £'000**	2024 £'000
US dollar	20%	**(1,602)**	4,607
Euro	20%	**(3,049)**	(297)
Australian dollar	20%	**(338)**	(338)
Indian rupee	20%	**(130)**	232

Credit risk

The Group's principal financial assets are bank balances, cash and trade and other receivables which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts has not been significant. The amounts presented in the balance sheet are net of provisions for impairment of trade receivables, estimated by the Group's management based on an expected credit loss model driven by historical experience and factors specific to certain debtors; see note 13. The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies, although the Board recognises that in the current economic climate these indicators cannot be relied upon exclusively.

Notes to the accounts continued
for the year ended 31 January 2025

19 Financial instruments continued
Maximum exposure to credit risk

Current financial assets	2025 £'000	2024 £'000
Total trade and other receivables	**154,985**	162,118
Cash and cash equivalents (net of overdraft)	**27,574**	42,871

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Total capital of the Group is calculated as total equity as shown in the Consolidated Balance Sheet, plus net debt. Net debt is calculated as total borrowings, plus overdraft, less cash and cash equivalents. This measure of net debt excludes any acquisition-related contingent liabilities or share purchase obligations. The quantum of these obligations is dependent on estimations of forecast profitability. Settlement dates are variable and range from 2025 to 2027.

	2025 £'000	2024 £'000
Total loans and borrowings[1]	**65,939**	44,227
Overdraft	**61,859**	46,202
Less: cash and cash equivalents	**(89,433)**	(89,073)
Net debt excluding lease liabilities	**38,365**	1,356
Total equity	**181,192**	156,221
Total capital	**219,557**	157,577

1 Total loans and borrowings is made up of current obligations of £Nil (2024: £Nil) and non-current obligations of £65.9m (2024: £44.2m).

	2025 £'000	2024 £'000
Net debt excluding lease liabilities	**38,365**	1,356
Share purchase obligation	**1,929**	9,603
Deferred consideration	**4,416**	—
Contingent consideration	**72,716**	146,752
Additional contingent incentive	**2,303**	4,330
Net debt plus earn-out liabilities	**119,729**	162,041

19 Financial instruments continued

Capital risk management *continued*

The movement in net debt is as follows:

	At 31 January 2023 £'000	Cash outflows/ (inflows) from operations £'000	Acquisitions and contingent consideration £'000	Foreign exchange, fair value and non-cash movements £'000	At 31 January 2024 £'000	Cash inflows from operations £'000	Acquisitions and contingent consideration £'000	Foreign exchange, fair value and non-cash movements £'000	**At 31 January 2025 £'000**
Total loans, borrowings and overdraft	21,250	3,254	20,419	(696)	44,227	(25,485)	46,676	521	**65,939**
Less: cash and cash equivalents net of overdraft	(47,320)	(68,235)	70,865	1,819	(42,871)	(6,701)	21,976	22	**(27,574)**
Net (cash)/debt excluding lease liabilities	(26,070)	(64,981)	91,284	1,123	1,356	(32,186)	68,652	543	**38,365**
Lease liabilities	41,768	(14,175)	537	5,298	33,428	(11,260)	—	991	**23,159**
Net debt/(cash) including lease liabilities	15,698	(79,156)	91,821	6,421	34,784	(43,446)	68,652	1,534	**61,524**

Externally imposed capital requirement

Under the terms of the Group's banking covenants the Group must meet certain criteria based on the ratio of net debt plus deferred consideration (note 17) to adjusted EBITDA, and adjusted net finance charges to adjusted EBITDA. The ratios are calculated on a quarterly basis using management accounts and on a yearly basis using the figures in this report. The Group maintains long-term cash forecasts, which incorporate forecast covenant positions as part of the Group's capital and cash management. There have been no breaches of the banking covenants in the current or prior period and the Group has ensured compliance with all of its covenant obligations with significant headroom.

Fair values of financial assets and liabilities

Fair value is the amount at which a financial instrument can be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale. The book value of the Group's financial assets and liabilities equals the fair value of such items as at 31 January 2025, with the exception of lease liabilities. The book value of obligations under finance leases is £23,159,000 (2024: £33,428,000) and the fair value is £24,255,000 (2024: £35,320,000). The fair value of obligations under finance leases is estimated by discounting future cash flows to net present value and is Level 3 within the fair value hierarchy.

Notes to the accounts continued
for the year ended 31 January 2025

19 Financial instruments continued

Financial instruments – detailed disclosures

Financial instruments recognised in the balance sheet

The IFRS 9 categories of financial assets and liabilities included in the balance sheet and the line in which they are included are as follows:

At 31 January 2025	At fair value through profit or loss – mandatorily measured £'000	Financial liabilities at amortised cost £'000	Financial assets at amortised cost £'000	Total £'000
Non-current financial assets				
Other receivables	—	—	544	544
	—	—	544	544
Current financial assets				
Cash and cash equivalents	—	—	89,433	89,433
Trade and other receivables	—	—	154,985	154,985
	—	—	244,418	244,418
Non-current financial liabilities				
Loans and borrowings	—	65,939	—	65,939
Lease liabilities	—	13,962	—	13,962
Provisions	—	4,307	—	4,307
Other payables	—	113	—	113
Contingent consideration[1]	42,669	—	—	42,669
Additional contingent incentive[1]	—	288	—	288
Deferred consideration[1]	—	474	—	474
	42,669	85,083	—	127,752
Current financial liabilities				
Bank overdraft	—	61,859	—	61,859
Trade and other payables	—	78,724	—	78,724
Lease liabilities	—	9,197	—	9,197
Provisions	—	22,267	—	22,267
Contingent consideration[1]	30,047	—	—	30,047
Share purchase obligation[1]	1,929	—	—	1,929
Deferred Consideration[1]	—	3,942	—	3,942
Additional contingent incentive[1]	—	2,015	—	2,015
	31,976	178,004	—	209,980

1 See note 17.

19 Financial instruments continued

Financial instruments – detailed disclosures *continued*

Financial instruments recognised in the balance sheet continued

The Group has no fair value Level 1 instruments (2024: none). The investments in equity instruments are Level 2 instruments. Level 2 fair value measurements are those derived from inputs other than quoted prices, such as historical quoted prices.

All other instruments at fair value through profit or loss were Level 3 instruments as per the table above in the current year and were as per the table below in the prior year. Level 3 financial instruments are valued using the discounted cash flow method to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration. Unrealised gains or losses are recognised within net finance income/expense. They are not based on observable market data. Further detail on the significant unobservable inputs used in the fair value measurements are included in note 17. The additional contingent incentive balance relates to an incentive scheme accounted for as a cash-settled employee benefit under IAS 19.

At 31 January 2024	At fair value through profit or loss – mandatorily measured £'000	Financial liabilities at amortised cost £'000	Financial assets at amortised cost £'000	Total £'000
Non-current financial assets				
Other receivables	—	—	1,040	1,040
	—	—	1,040	1,040
Current financial assets				
Cash and cash equivalents	—	—	42,871	42,871
Trade and other receivables	—	—	162,118	162,118
	—	—	204,989	204,989
Non-current financial liabilities				
Loans and borrowings	—	44,227	—	44,227
Lease liabilities	—	23,313	—	23,313
Provisions	—	16,598	—	16,598
Other payables	—	110	—	110
Contingent consideration[1]	84,693	—	—	84,693
Additional contingent incentive[1]	—	1,847	—	1,847
Share purchase obligation[1]	7,277	—	—	7,277
	91,970	86,095	—	178,065

1 See note 17.

Notes to the accounts continued
for the year ended 31 January 2025

19 Financial instruments continued
Financial instruments – detailed disclosures *continued*
Financial instruments recognised in the balance sheet continued

At 31 January 2024	At fair value through profit or loss – mandatorily measured £'000	Financial liabilities at amortised cost £'000	Financial assets at amortised cost £'000	Total £'000
Current financial liabilities				
Trade and other payables	—	80,460	—	80,460
Lease liabilities	—	10,115	—	10,115
Provisions	—	3,066	—	3,066
Contingent consideration[1]	62,059	—	—	62,059
Share purchase obligation[1]	2,326	—	—	2,326
Additional contingent incentive[1]	—	2,483	—	2,483
	64,385	96,124	—	160,509

1 See note 17.

Interest-bearing loans and borrowings
The table below provides a summary of the Group's loans and borrowing as at 31 January 2025:

	Effective interest rate	**2025 £'000**	2024 £'000
Current			
Variable rate bank loan	SONIA/SOFR base rate + margin (2025: 1.9%)	**—**	—
Non-current			
Variable rate bank loan	SONIA/SOFR base rate + margin (2025: 1.9%)	**65,939**	44,227

The Group is able to draw down in both GBP and USD under the revolving credit facility ('RCF'). The fair value of the borrowings not denominated in GBP as at 31 January 2025 is US$49.0m (£39.4m) (2024: US$9.0m (£7.1m)). As a result of ineffectiveness, £Nil was transferred during the period from the hedging reserve to the Income Statement (2024: £Nil).

20 Share capital

Called-up share capital

Ordinary Shares of 2.5p each:

	2025 Number	**2025 Nominal value £'000**	2024 Number	2024 Nominal value £'000
Authorised, allotted, called-up and fully paid				
At start of year	**99,455,935**	**2,486**	98,503,930	2,462
Issued in the year in respect of initial consideration and acquisition related liabilities	**1,055,260**	**26**	684,672	17
Issued in the year in satisfaction of vested LTIPs (note 21)	**197,242**	**5**	277,232	7
Issued in the year in respect of growth share sales and restricted stock units	**823,575**	**21**	594,013	15
Cancelled in the year in respect of acquisition of own shares	**(607,199)**	**(15)**	(603,912)	(15)
At end of year	**100,924,813**	**2,523**	99,455,935	2,486

Fully paid Ordinary Shares carry one vote per share and the right to dividends. No amounts were received for the newly issued shares in the current or prior year.

In September 2023, the Company commenced a share buyback programme to purchase its own Ordinary Shares. During the year, the total number of shares bought back was 607,199. All of the shares bought back were cancelled. The shares were acquired on the open market at a total consideration of £5.3m.

21 Share-based payments

The Group uses a Black-Scholes model to calculate the fair value of options on grant date for new issues and modifications for LTIPs. At each period end the cumulative expense is adjusted to take into account any changes in the estimate of the likely number of shares expected to vest. Details of the relevant LTIP schemes are given in the following note. All the share-based payment plans are subject to non-market performance conditions such as adjusted earnings per share targets and continued employment. All schemes are equity settled. The Group uses a weighted average probability model to value the brand appreciation rights as permitted under IFRS 2.

Notes to the accounts continued
for the year ended 31 January 2025

21 Share-based payments continued

The following table shows the breakdown of the share-based payment charge:

	2025 £'000	2024 £'000
Employment-related LTIP shares, share options and restricted stock units	**599**	4,972
Grant of brand equity interests	**160**	6,504
Share-based payment charge	**759**	11,476

The decrease in the employment-related LTIP share-based payment charge was due to the poor financial performance in the year and therefore a reduction in the estimated vestings of the performance shares.

Grant of brand equity interests were for 1.95% in MHP Group Limited (2024: 19.63% in House 337 Limited, 20% in MHP Group Limited, 20% in Transform UK Consulting Limited, 6% in M Booth & Associates LLC, 3.9% in Brandwidth Marketing Limited and 20% in Plinc Limited).

Movement on options and performance shares granted (represented in Ordinary Shares):

	Outstanding 31 January 2024 number ('000)	Granted number ('000)	Lapsed number ('000)	Exercised number ('000)	**Outstanding 31 January 2025 number ('000)**	**Exercisable 31 January 2025 number ('000)**
Long-Term Incentive Plan – performance shares	1,169	404	69	389	**1,115**	**270**

The fair value of performance shares granted in the period calculated using a Black-Scholes model was as follows:

	April 2024
Fair value of performance shares granted under the LTIP (p)	**763**
Share price at date of grant (p)	**879**
Risk-free rate (%)	**4.29**
Expected life (years)	**3**
Expected volatility (%)	**40.3**
Dividend yield (%)	**1.75**

Expected volatility was determined by calculating the historical volatility of the Company's share price over a period equal to the expected life of the options.

Performance shares issued by the Company under the Next 15 Group plc Long-Term Incentive Plan are granted at a £Nil exercise price. The weighted average share price at the date of exercise for share options exercised in the year was 871p (2024: 833p). For share options outstanding at the end of the year the weighted average remaining contractual life is two years (2024: two years).

22 Performance shares

The Company has issued options over its shares to employees that remain outstanding as follows:

Performance shares	Number of shares	Performance period start date	Performance period end date	Performance share grant date
Next 15 Group plc				
Long-Term Incentive Plan	269,622	1 February 2022	31 January 2025	1 June 2022
	460,535	1 February 2023	31 January 2026	27 April 2023
	385,048	1 February 2024	31 January 2027	16 April 2024
	1,115,205			

During the period, the Company issued 197,242 shares to satisfy the vesting under the Next 15 LTIPs. These were initially subscribed for by the ESOP. No shares are now held in treasury (see note 23). The Company's current Long-Term Incentive Plan is the 2015 LTIP, which was approved by shareholders at the Company's 2015 AGM. Under the 2015 LTIP, performance shares or share options may be awarded. The performance is measured over a period of three consecutive financial years of the Group, commencing with the financial year in which the award was granted. The Remuneration Committee decided that for the FY25 awards, there will be three performance conditions:

(a) an earnings per share ('EPS') target, which will determine 67% of the total vesting. Diluted adjusted EPS growth is calculated from the information published in the Group's accounts and is based on the adjusted EPS measure. For certain participants, if the growth in the Company's earnings per share over the performance period is at least 22%, 100% of 67% of the total award will vest. If the compound growth in EPS in the relevant year is between 10% and 22% then between 25% and 100% of 67% of the total award will vest on a straight-line basis. For certain other participants the targets are different, whereby if the growth in the Company's earnings per share in the relevant year is at least 30%, 100% of 67% of the total award will vest. If the compound growth in EPS in the relevant year is between 10% and 30% then between 25% and 100% of 67% of the total award will vest on a straight-line basis. For all participants, if EPS does not grow 10% or more, 0% of 67% of the total award will vest;

(b) an organic net revenue growth target, which will determine 16.7% of the total vesting. For certain participants, if average growth in the Company's organic net revenue growth is at least 5%, 100% of 16.7% of the total award will vest. For certain other participants the targets are different, whereby if average growth in the Company's organic net revenue growth is at least 6%, 100% of 16.7% of the total award will vest. For all participants, if organic net revenue does not grow at an average of 2% or more, 0% of 67% of the total award will vest. Between these targets, the award will vest on a straight-line basis; and

(c) an operating profit margin target, which will determine 16.7% of the total vesting. For participants, if average adjusted operating profit margin in the Company is at least 21%, 100% of 16.7% of the total award will vest. For all participants, if average adjusted operating profit margin for the performance period is not an average of 18% or more, 0% of 67% of the total award will vest. Between these targets, the award will vest on a straight-line basis.

Notes to the accounts continued
for the year ended 31 January 2025

23 Investment in own shares

Employee Share Ownership Plan ('ESOP')

The purpose of the ESOP is to enable the Company to offer participation in the ownership of its shares to Group employees, principally as a reward and incentive scheme. Arrangements for the distribution of benefits to employees, which may be the ownership of shares in the Company or the granting of options over shares in the Company held by the ESOP, are made at the ESOP's discretion in such manner as the ESOP considers appropriate. Administration costs of the ESOP are accounted for in the profit and loss account of the Company as they are incurred.

At 31 January 2025 the ESOP held Nil (2024: Nil) Ordinary Shares in the Company.

The ESOP subscribed for 197,242 newly issued shares which were allotted and immediately disposed of in order to satisfy LTIP vesting of 197,242 shares for £Nil consideration (2024: 277,232 shares for £Nil consideration). This led to a £5,000 debit and credit within the ESOP reserve.

24 Other reserves

	Merger reserve £'000	ESOP reserve[1] £'000	Hedging reserve £'000	Total other reserves £'000
At 31 January 2023	3,075	—	(2,467)	608
Purchase and take on of shares	—	(7)	—	(7)
Movement due to ESOP LTIP and growth shares exercises	—	7	—	7
At 31 January 2024	3,075	—	(2,467)	608
Purchase and take on of shares	—	(5)	—	(5)
Movement due to ESOP LTIP and growth shares exercises	—	5	—	5
At 31 January 2025	**3,075**	**—**	**(2,467)**	**608**

1 The ESOP Trust's investment in the Group's shares is deducted from equity in the Consolidated Balance Sheet as if they were treasury shares and presented in the ESOP reserve.

25 Commitments

Operating leases – Group as lessee

As a result of the transition to IFRS 16, leases previously classified as operating leases have now been recognised on the balance sheet, except for the short-term leases and leases of low-value assets, which are included below.

As at 31 January 2025, the Group's total future minimum lease rentals are as follows:

	2025		2024	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In respect of operating leases which will be paid in the following periods:				
Within one year	**105**	**5**	123	60
In two to five years	**140**	**8**	—	13
	245	**13**	123	73

26 Acquisitions and equity transactions

During the year the following material transactions took place:

1. the acquisition of UK-based Lucas Hood Limited; and
2. the acquisition of UK-based Cadence Innova Limited and Cadence Innova Trustee Limited.

More details on each transaction are provided below.

1. Lucas Hood Limited

On 29 February 2024, MHP Group Limited purchased the entire share capital of Lucas Hood Limited ('La Plage'). La Plage is an award-winning creative agency known for its innovation content creation. Goodwill of £1,780,000 arises from anticipated profitability and future operating synergies from the acquisition.

Notes to the accounts continued
for the year ended 31 January 2025

26 Acquisitions and equity transactions continued

1. Lucas Hood Limited *continued*

In the post-acquisition period La Plage has contributed £3,219,000 to net revenue and £518,000 to profit before tax. If acquired on 1 February 2024, La Plage would have contributed net revenue of £3,534,000 and profit before tax of £493,000 to the Group results. The following table sets out the estimated book values of the identifiable assets acquired and their fair value to the Group.

	Book value at acquisition £'000	Fair value adjustments £'000	Fair value to the Group £'000
Non-current assets			
Acquired intangible assets	—	3,335	3,335
Current assets			
Cash and cash equivalents	1,524	—	1,524
Other current assets[1]	660	—	660
Current liabilities	(748)	—	(748)
Provisions	(73)	—	(73)
Deferred tax liability	—	(834)	(834)
Net assets acquired	1,363	2,501	3,864
Goodwill			1,780
			5,644
Consideration			
Initial consideration settled in cash[2]			5,644

1 The fair value of receivables acquired is £538,000 after considering a bad debt provision of £18,000.

2 This includes initial consideration paid for the business and cash paid for working capital.

None of the goodwill is expected to be deductible for tax purposes. Deal costs (included in other operating costs) amount to £111,000.

26 Acquisitions and equity transactions continued

2. Cadence Innova Limited and Cadence Innova Trustee Limited

On 15 August 2024, Transform UK Consulting Limited purchased the entire share capital of Cadence Innova Limited and its subsidiary Cadence Innova Trustee Limited ('Cadence'). Cadence is renowned for its public service transformation expertise, and has become a trusted adviser to central and local government, as well as the rail and road sectors. Goodwill of £91,000 arises from anticipated profitability and future operating synergies from the acquisition. In the post-acquisition period, Cadence has contributed £7,980,000 to net revenue and £1,080,000 to profit before tax. If acquired on 1 February 2024, Cadence would have contributed net revenue of £15,960,000 and profit before tax of £2,160,000 to the Group results. The following table sets out the estimated book values of the identifiable assets acquired and their fair value to the Group.

	Book value at acquisition £'000	Fair value adjustments £'000	Fair value to the Group £'000
Non-current assets			
Acquired intangible assets	—	4,248	4,248
Property, plant and equipment	22	—	22
Current assets			
Cash and cash equivalents	5,215	—	5,215
Other current assets[1]	2,652	—	2,652
Current liabilities	(2,238)	—	(2,238)
Deferred tax liability	(6)	(1,062)	(1,068)
Net assets acquired	5,645	3,186	8,831
Goodwill			91
			8,922
Consideration			
Initial consideration settled in cash[2]			7,008
Total other undiscounted future consideration			1,125
Initial consideration settled in Ordinary Shares of the Parent			789
			8,922

1 The fair value of receivables acquired is £2,614,000 after considering a bad debt provision of £Nil.

2 This includes initial consideration paid for the business and cash paid for working capital.

None of the goodwill is expected to be deductible for tax purposes. Deal costs (included in other operating costs) amount to £168,000.

Notes to the accounts continued
for the year ended 31 January 2025

26 Acquisitions and equity transactions continued

The following table summarises the net cash outflow and value of shares issued on acquisition of subsidiaries during the year ended 31 January 2025:

	Consideration settled in cash £'000	Cash and cash equivalent balances acquired £'000	Total net cash outflow £'000	Value of shares issued £'000
Cadence	**7,008**	**(5,215)**	**1,793**	**789**
La Plage	**5,644**	**(1,524)**	**4,120**	**—**
Other[1]	**2,460**	**(1,489)**	**971**	**295**
	15,112	**(8,228)**	**6,884**	**1,084**

1 Other represents amounts in relation to an acquisition which is not significant to the Group.

27A Subsidiaries

The Group's subsidiaries as at 31 January 2025 are listed below.

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
Activate Marketing Services LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Agent3 Group Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Agent3 Group LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Agent3 Group Pty Ltd	Australia		100	Level 3, 10-14 Waterloo Street, Surry Hills NSW 2010
Archetype Agency AB	Sweden		100	Rosenlundsgatan 36, 118 53, Stockholm
Archetype Agency Beijing Limited	China		100	Room 1703, 1705, 14F, Tower 2, Guanghuala Soho, No.22 Guanghua Road, Chaoyang District, Beijing 100020
Archetype Agency BV	Netherlands		100	Silodam 1D, 1013AL, Amsterdam
Archetype Agency GmbH	Germany		100	Nymphenburger Str. 168 80634, Munich
Archetype Agency Limited	Hong Kong	✓	100	Room 302, 8 Queen's Road East, Wan Chai
Archetype Agency Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Archetype Agency LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Archetype Agency Private Ltd	India		100	Plot No.7, Second Floor, TDI Centre, Jasola, New Delhi 110025
Archetype Agency Pte Ltd	Singapore		100	36 Prinsep Street, #05-01/02, 188648
Archetype Agency Pty Ltd	Australia		100	Grant Thornton Australia, Level 17, 383 Kent Street, Sydney

27A Subsidiaries continued

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
Archetype Agency S.L.	Spain		100	Calle Gran Vía, 27 Madrid
Archetype Agency S.R.L.	Italy		100	Piazzale Principessa, Clotilde 8, CAP 20121 Milan
Archetype Agency SARL	France		100	4-6 Boulevard Montmartre, 75009 Paris
Archetype Agency SDN. BHD.	Malaysia		100	BO3-B-12-1, Level 12, Menara 3A, Kuala Lumpur
August.One Communications International Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Berne (UK) Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Bite Communications Group Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Blueshirt Capital Advisors LLC	USA		51	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Brandwidth LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Brandwidth Marketing Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
BYND Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
BYND LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Cadence Innova Ltd	England and Wales		100	60 Great Portland Street, London W1W 7RT
Cadence Innova Trustee Ltd	England and Wales		100	60 Great Portland Street, London W1W 7RT
Capture Marketing Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Cloudfy Ecommerce India Private Ltd	India		100	2-A/3, S/F, Asaf Ali Road, Turkman Gate, New Delhi 110002
Cloudfy Inc	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Cloudfy Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Cloudfy Pty Ltd	Australia		100	Grant Thornton Australia, Level 17, 383 Kent Street, Sydney
Conversion Rate Experts Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Cubaka Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Digital Diligence Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Elvis Communications Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Encore Digital Media Limited	England and Wales		100	C/O Bellwether Green Limited, 225 West George Street, Glasgow G2 2ND
Engine Acquisition Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Engine Partners UK LLP	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Engine People UK Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT

Notes to the accounts continued
for the year ended 31 January 2025

27A Subsidiaries continued

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
Explorer MWI Corporation	Canada		100	2425 Skymark Avenue, Unit 5, Mississauga, Ontario
Fast Floor Multimedia Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Green Leads LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
House 337 Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Hypertext Communications Private Limited	India		100	Plot No.7, Second Floor, TDI Centre, Jasola, New Delhi 110025
Hypertext Pte Ltd	Singapore		100	600 North Bridge Road, #23-01 Parkview Square, 188778
IF.Agency LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
I T Telemarketing Services Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Lobster Agency Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Lucas Hood Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
M.Booth & Associates LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
M.Booth Health LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Mach 49 Venture Consultancy Limited L.L.C. O.P.C	UAE		100	Level 1, Town Square, Yas Mall, Yas Island, Abu Dhabi P.O. Box 35066
Mach 49 Arabia Ltd (One Partner)	Saudi Arabia		100	8006 al-rayyad 12329-2926 13, Riyadh 12329
Mach49 LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Mach49 Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Mach49 Singapore Pte Ltd	Singapore		100	22 Malacca Street #04-03 RB Capital Building 048980
Market Making Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
MHP Group Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Nectar Communications LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Next Fifteen Communications Corporation	USA	✓	100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Next15 Worldwide Services Private Limited	India	✓	99.98	Plot No.7, Second Floor, TDI Centre, Jasola, New Delhi 110025

27A Subsidiaries continued

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
Studio La Plage Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
NRM New Co Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Outcast London Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Palladium Group Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Palladium Digital Group LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Plinc Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Portfolio T SPV1 LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Portfolio T SPV2 Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Publitek GmbH	Germany		100	Nymphenburger Straße 168, 80634, Munchen
Publitek Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Publitek LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Rush Ventures Corp	Canada			5000 Yonge St, Suite 1901, North York, ON M2N 7E9
Savanta Analytics Limited	Canada		100	3250 Bloor Street West, East Tower, Suite 600, Toronto, ON M8X 2X9
Savanta Analytics Private Limited	India		99.98	F.No. KCB0051605, Wish Town, Klassic Jaypee Greens Wish Town, Sec-134 201304, Noida
Savanta Group Limited	Scotland	✓	100	C/O Bellwether Green Limited, 225 West George Street, Glasgow G2 2ND
Savanta Group LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Shopper Media Group Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Shopper Media Group LLC	USA		100	The Corporation Trust Company, 1209 Orange Street – Corporation Trust Center, New Castle County, Wilmington, DE 19801
Text 100 (Proprietary) Limited	South Africa		100	13 Wellington Road, Parktown, 2193, Private Bag X60500, Houghton, Johannesburg, 2041
Text 100 International Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Text 100 Pty Ltd	Australia		100	Grant Thornton Australia, Level 17, 383 Kent Street, Sydney NSW 2000
The Blueshirt Group LLC	USA		89.3	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
The Craft Consulting Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
The Engine Group Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Marker Collective Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
The Outcast Agency LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336

Notes to the accounts continued
for the year ended 31 January 2025

27A Subsidiaries continued

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
This is Motif Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Threefold Agency Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Transform UK Consulting Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Tuva Partners Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Twogether Creative Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Twogether Creative LLC	USA		100	CT Corporation System, 330 North Brand Boulevard, Glendale, CA 91203-2336
Velocity Partners Limited	England and Wales	✓	100	60 Great Portland Street, London W1W 7RT
Velocity Partners US Inc	USA		100	CT Corporation System, 28 Liberty Street, New York, NY 10005
Vox Public Relations India Private Ltd	India		100	Plot No.7, Second Floor, TDI Centre, Jasola, New Delhi 110025
WCL Digital PTE LTD	Singapore			600 North Bridge Road, #23-01 Parkview Square, 188778
White Space Strategy Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Williams Commerce Holdings Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT
Williams Commerce Limited	England and Wales		100	60 Great Portland Street, London W1W 7RT

27A Subsidiaries continued

All shares held are a class of Ordinary Shares with the exception of the US LLCs where LLC units are held.

The principal activity of the subsidiary undertakings is growth consultancy including data and insights, customer engagement, digital marketing and communications and business transformation.

All subsidiary undertakings operate in the country in which they have been incorporated. All subsidiary undertakings listed are included in the consolidated results. None of the Group's subsidiaries have a non-controlling interest that is individually material to the Group. As a result, the disclosure requirements for subsidiaries with a material non-controlling interest under IFRS 12 are not considered necessary.

The following companies are exempt from the requirements relating to the audit of individual accounts for the year/period ended 31 January 2025 by virtue of section 479A of the Companies Act 2006: Agent3 Group Limited (08331678), Archetype Agency Limited (03329933), August.One Communications International Limited (03224261), Berne (UK) Limited (06577006), Bite Communications Group Limited (04131879), Brandwidth Marketing Limited (03860505), BYND Limited (07123452), Cadence Innova Ltd (10594707), Cadence Innova Trustee Ltd (11716170), Capture Marketing Limited (06667381), Cloudfy Limited (10829791), Conversion Rate Experts Limited (05895439), Cubaka Limited (06544244), Digital Diligence Limited (09195531), Elvis Communications Limited (04768344), Encore Digital Media Limited (SC449653), Engine Acquisition Limited (09080182), Engine Partners UK LLP (OC365812), Engine People UK Limited (05278995), Fast Floor Multimedia Limited (03876609), House 337 Limited (14105998), I T Telemarketing Services Limited (02898765), Lobster Agency Limited (10331017), Lucas Hood Limited (07604462), Mach49 Limited (12281031), Market Making Limited (07913465), MHP Group Limited (14106014), Studio La Plage Limited (03023521), NRM New Co Limited (07925411), Outcast London Limited (07831770), Palladium Group Limited (09460746), Plinc Limited (04118854), Portfolio T SPV2 Limited (14097274), Publitek Limited (05287915), Savanta Group Limited (SC281352), Shopper Media Group Limited (10366845), Text 100 International Limited (02433862), The Craft Consulting Limited (09439145), The Engine Group Limited (05015446), Marker Collective Limited (04404752), This is Motif Limited (02692105), Threefold Agency Limited (10366888), Transform UK Consulting Limited (14112512), Tuva Partners Limited (11673929), Twogether Creative Limited (07824276), Velocity Partners Limited (04128107), White Space Strategy Limited (05535151), Williams Commerce Holdings Limited (13013315) and Williams Commerce Limited (07051709).

Notes to the accounts continued
for the year ended 31 January 2025

27B Associates

The Group's investments as at 31 January 2025 are listed below:

Legal entity	Country of incorporation	Directly owned by the Company	Percentage voting rights held by Group	Address
Savvi Saas Limited	England and Wales	✓	5.79%	C/O James Cowper Kreston White Building, 1-4 Cumberland Place, Southampton SO15 2NP
Futureland Ventures Limited	England and Wales	✓	1.6%	15 Welmar Mews, London SW4 7DD
StartPulsing Limited	England and Wales	✓	5.64%	71-75 Shelton Street, Covent Garden, London WC2H 9JQ

28 Related-party transactions

The ultimate controlling party of the Group is Next 15 Group plc (incorporated and registered in England and Wales). The Company has a related-party relationship with its subsidiaries (note 27) and with its Directors. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. During the period to 31 January 2025 there were the following related-party transactions:

Brand	Services	Related party	**Expense impact 2025 £'000**	**Liability at year end 2025 £'000**	Expense impact 2024 £'000	Liability at year end 2024 £'000
Next 15 Group	IT software and accessories	Various brands of the Group procured services through Softcat plc, which acted as a reseller. One of the Group's Non-Executive Directors ('NED') is also a NED for Softcat plc	**1,458**	**(261)**	1,971	(107)

Dividends were paid to Directors of the Company during the year in proportion to their shareholdings in the Company. Tim Dyson, Peter Harris, Jonathan Peachey, Penny Ladkin-Brand and Helen Hunter received dividends of £746,858, £77,222, £11,287, £13,374, and £154 respectively (2024: £722,035, £68,563, £6,893, £12,640, and £Nil). Key management personnel compensation is disclosed in note 3.

Profit share arrangements are disclosed in note 9.

29 Operating lease rental receivables

As at 31 January, the Group's total future minimum lease payments receivable under non-cancellable leases are as follows:

	2025 £'000	2024 £'000
In respect of operating leases which will be receivable in the period:		
Within one year	**–**	219
In two to five years	**–**	5
	–	224

30 Events after the balance sheet date

There have been no events subsequent to the statement of financial position date and the date of approval of these financial statements that would have a material effect on the Group.

Company balance sheet
as at 31 January 2025 and 31 January 2024

	Note	**2025 £'000**	2024 £'000
Non-current assets			
Intangible assets	2	**210**	—
Tangible assets	3	**126**	76
Investments in subsidiaries	4	**225,168**	225,168
Investment in financial assets		**381**	381
Deferred tax assets	9	**53**	81
Trade and other receivables	5	**74,496**	77,465
		300,434	303,171
Current assets			
Trade and other receivables	5	**72,805**	59,407
Current tax asset		**4,993**	3,689
		77,798	63,096
Total assets		**378,232**	366,267
Non-current liabilities			
Borrowings	7	**33,749**	38,729
Other financial liabilities	7	**1,423**	7,900
Provisions	8	**—**	12,869
		35,172	59,498
Current liabilities			
Bank overdraft		**58,180**	41,266
Trade and other payables	6	**16,475**	14,891
Provisions	8	**19,961**	810
Deferred consideration		**3,942**	—
Contingent consideration		**1,062**	10
		99,620	56,977
Total liabilities		**134,792**	116,475
Net assets		**243,440**	249,792

	Note	**2025 £'000**	2024 £'000
Equity			
Share capital	10	**2,523**	2,486
Share premium account		**192,654**	175,144
Merger reserve		**3,075**	3,075
Share-based payment reserve		**7,826**	13,598
Other reserve		**26,490**	26,475
Retained earnings		**10,872**	29,014
Equity attributable to owners of the Company		**243,440**	249,792

The following notes are an integral part of this Company Balance Sheet.

The Company reported a profit for the financial year ended 31 January 2025 of £3,621,000 (2024: profit of £30,692,000).

These financial statements were approved and authorised for issue by the Board on 14 April 2025.

Peter Harris
Chief Financial Officer
Company number 01579589

Company statement of changes in equity
for the year ended 31 January 2025 and 31 January 2024

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Share-based payment reserve £'000	ESOP reserve £'000	Other reserve[1] £'000	Retained earnings £'000	Total £'000
At 1 February 2023	2,462	166,174	3,075	12,094	—	26,460	18,932	229,197
Profit for the period	—	—	—	—	—	—	30,692	30,692
Dividends	—	—	—	—	—	—	(14,762)	(14,762)
Shares issued in satisfaction of vested share options and performance shares	22	4,024	—	(495)	—	—	(1,373)	2,178
Shares issued on acquisition	17	4,946	—	—	—	—	—	4,963
Acquisition of own shares	(15)	—	—	—	—	15	(4,475)	(4,475)
Movement in relation to share-based payments	—	—	—	1,999	—	—	—	1,999
Movement due to ESOP share purchases	—	—	—	—	(7)	—	—	(7)
Movement due to ESOP share option exercises	—	—	—	—	7	—	—	7
At 1 February 2024	2,486	175,144	3,075	13,598	—	26,475	29,014	249,792
Profit for the period	—	—	—	—	—	—	3,621	3,621
Dividends	—	—	—	—	—	—	(15,457)	(15,457)
Shares issued in satisfaction of vested share options and performance shares	26	7,215	—	(4,798)	—	—	(962)	1,481
Shares issued on acquisition	26	10,295	—	—	—	—	—	10,321
Acquisition of own shares	(15)	—	—	—	—	15	(5,344)	(5,344)
Movement in relation to share-based payments	—	—	—	(974)	—	—	—	(974)
Movement due to ESOP share purchases	—	—	—	—	(5)	—	—	(5)
Movement due to ESOP share option exercises	—	—	—	—	5	—	—	5
At 31 January 2025	**2,523**	**192,654**	**3,075**	**7,826**	**—**	**26,490**	**10,872**	**243,440**

1 Other reserves relates to the hedging and capital redemption reserves.

The following notes are an integral part of this Company Statement of Changes in Equity.

Notes forming part of the Company financial statements
for the year ended 31 January 2025

1 Accounting policies
A. Basis of preparation
Next 15 Group plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 199. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 61. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ('FRS 100') issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 ('FRS 101') 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The separate financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments measured at fair value at the end of each reporting period, and are in accordance with applicable accounting standards in the United Kingdom. The material accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account or Statement of Comprehensive Income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditor's remuneration for audit and other services is disclosed in note 5 to the consolidated financial statements.

The new standards and amendments which have not yet been adopted are disclosed in note 1, section U, to the consolidated financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related-party transactions. Where required, equivalent disclosures are given in the Group accounts of Next 15 Group plc. The Group accounts of Next 15 Group plc are available to the public and are at the beginning of this section.

The monthly average number of employees during the year was 111 (2024: 111) and employee costs for the year totalled £8,883,000 (2024: £10,823,000). This was made up of £7,951,000 in respect of wages and salaries (2024: £7,890,000); £1,092,000 in respect of social security (2024: £1,385,000); £424,000 in respect of pension costs (2024: £328,000); and a credit of £584,000 in relation to share-based payment charges (2024: £1,220,000). Disclosures relating to the remuneration of the Parent Company's Directors are included in the Directors' Remuneration Report on pages 81 to 97.

B. Investments in subsidiaries
An investment in a subsidiary is recognised at cost less any provision for impairment.

Notes forming part of the Company financial statements continued
for the year ended 31 January 2025

1 Accounting policies continued
C. Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report section of the Annual Report, which also describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Company is in a net current asset position and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, including receiving dividends from its subsidiaries. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

D. Critical accounting judgements and key sources of estimation uncertainty
Critical judgements in applying the Company's accounting policies
There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

I. Impairment of investments in subsidiaries
Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value-in-use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £225m.

II. Contingent consideration, share purchase obligation and valuation of put options
Contingent consideration and share purchase obligations relating to acquisitions have been included based on discounted management estimates of the most likely outcome. The difference between the fair value of the liabilities and the actual amounts payable, described as unwinding of discount, is charged to the Consolidated Income Statement as notional finance costs over the life of the associated liability. Changes in the estimates of contingent consideration payable and the share purchase obligation are recognised in net finance income/expense. These require judgements around future revenue growth, profit margins and discount rates, which, if inappropriate, would result in a material adjustment to the value of these liabilities within the next financial year. Further details are contained in note 17 in the Group financial statements and note 7 in the Company financial statements.

2 Intangible assets

	Computer software £'000
Cost	
At 1 February 2024	3,723
Additions	210
At 31 January 2025	**3,933**
Accumulated depreciation	
At 1 February 2024	3,723
At 31 January 2025	**3,723**
Net book value	
At 31 January 2025	**210**
At 31 January 2024	—

3 Tangible assets

	Short leasehold improvements £'000	Office equipment £'000	Total £'000
Cost			
At 1 February 2024	321	353	674
Additions	—	110	110
At 31 January 2025	**321**	**463**	**784**
Accumulated depreciation			
At 1 February 2024	321	277	598
Charge for the year	—	60	60
At 31 January 2025	**321**	**337**	**658**
Net book value			
At 31 January 2025	**—**	**126**	**126**
At 31 January 2024	—	76	76

Notes forming part of the Company financial statements continued

for the year ended 31 January 2025

4 Investments in subsidiaries

	Company 2025 £'000	Company 2024 £'000
Cost		
At 31 January	**225,168**	225,168

The Directors consider the value of investments in subsidiary undertakings to be not less than that stated in the balance sheet of the Company.

The Company's subsidiaries are those as listed in note 27 of the consolidated financial statements.

5 Trade and other receivables

	Company 2025 £'000	Company 2024 £'000
Non-current		
Amounts due from subsidiary undertakings	**74,496**	77,465

	Company 2025 £'000	Company 2024 £'000
Current		
Amounts due from subsidiary undertakings	**67,824**	51,124
Other debtors	**3,434**	6,794
Prepayments and accrued income	**1,546**	1,239
Other taxation	**1**	250
Total trade and other receivables	**72,805**	59,407

6 Trade and other payables

	Company 2025 £'000	Company 2024 £'000
Trade creditors	**1,123**	1,288
Amounts owed to subsidiary undertakings	**10,438**	9,478
Other taxation and social security	**271**	254
Other creditors	**210**	213
Accruals and deferred income	**4,433**	3,658
Total trade and other payables	**16,475**	14,891

7 Non-current liabilities

	Company 2025 £'000	Company 2024 £'000
Bank loan[1]	**33,749**	38,729
Between two and five years	**33,749**	38,729
Contingent consideration	**949**	623
Between one and two years	**—**	623
Between two and five years	**949**	—
Deferred consideration	**474**	—
Between two and five years	**474**	—
Share purchase obligation	**—**	7,277
Between two and five years	**—**	7,277
Total	**35,172**	46,629

1 The entire bank facility is secured on guarantees from the guarantor pool.

The bank loans are valued at the net proceeds drawn down at the exchange rates prevailing at the time they are drawn. The foreign currency element of the loans is revalued at the prevailing rate at 31 January 2025.

Notes forming part of the Company financial statements continued
for the year ended 31 January 2025

7 Non-current liabilities continued
The Company has no fair value Level 1 instruments (2024: none). The Company's investments in financial assets are Level 2 instruments and are measured at historical quoted prices. All other instruments at fair value through profit or loss are Level 3 instruments, being the contingent consideration and share purchase obligation liabilities.

Level 3 financial instruments are valued using the discounted cash flow method to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration or share purchase obligation. They are not based on observable market data.

8 Provisions

	Employment-related acquisition liabilities £'000	Total £'000
At 31 January 2024	13,679	13,679
Additions	7,159	7,159
Utilised in period	(877)	(877)
At 31 January 2025	**19,961**	**19,961**
Current	**19,961**	**19,961**

Employment-related acquisition liabilities are provisions for the portion of consideration which is payable subject to continuing employment of the previous owners within the Group. The expected liability is recognised over the required employment term of the seller and is separately recognised as an employment-related acquisition payment provision.

9 Deferred tax
Deferred tax is provided as follows:

	Accelerated capital allowances £'000	Other £'000	Total £'000
At 31 January 2023	102	25	127
Credit to income	(24)	(22)	(46)
At 31 January 2024	78	3	81
(Credit)/debit to income	(44)	16	(28)
At 31 January 2025	**34**	**19**	**53**

10 Share capital and reserves

	2025 £'000	2024 £'000
Authorised, allotted, called up and fully paid		
100,924,813 Ordinary Shares of 2.5p each	**2,523**	2,486

For details on changes to issued share capital in the year, please refer to note 20 in the Group financial statements. For details of the dividends declared and paid in the year, please refer to note 9 in the Group financial statements.

11 Related-party transactions

During the period the Company received the following amounts in respect of Head Office costs and intercompany interest from undertakings which were not wholly owned at the balance sheet date:

	Intercompany interest		Recharges	
	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000	**Year ended 31 January 2025 £'000**	Year ended 31 January 2024 £'000
Blueshirt Capital Advisors LLC	**—**	—	**106**	140
Blueshirt Group LLC	**—**	—	**277**	544

At 31 January the Company had the following intercompany amounts receivable from the subsidiaries below:

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Blueshirt Capital Advisors LLC	**23**	12
Blueshirt Group LLC	**43**	84

Glossary – Alternative performance measures

for the 12-month period ended 31 January 2025 (unaudited)

Introduction

In the reporting of financial information, the Directors have adopted various alternative performance measures ('APMs'). The Group includes these non-GAAP measures as they consider these measures to be both useful and necessary to the readers of the financial statements to help understand the performance of the Group. The Group's measures may not be calculated in the same way as similarly titled measures reported by other companies, and therefore should be considered in addition to IFRS measures. The APMs used are not a substitute for, or superior to, IFRS measures.

Purpose

The Directors believe that these APMs are highly relevant as they reflect how the Board measures the performance of the business and align with how shareholders value the business. They also allow understandable like-for-like, year-on-year comparisons and more closely correlate with the cash inflows from operations and working capital position of the Group.

They are used by the Group for internal performance analyses and the presentation of these measures facilitates better comparability with other industry peers as they adjust for non-recurring or uncontrollable factors which materially affect IFRS measures.

The identification of adjusting items is a judgement in terms of which costs or credits otherwise impact the comparability of the Group's results year on year. Adjusting items for the Group include amortisation of acquired intangibles, the change in estimate and unwinding of discount on acquisition-related liabilities, deal costs, growth share charges, employment-related acquisition costs, intangible write-off, goodwill impairment, restructuring costs, RCF fees write off and property impairment.

The adjusted measures are also used for the performance calculation of the adjusted earnings per share used for the vesting of employee share options, banking covenants and cash flow analysis.

APMs	Relevant IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Profit and loss measures			
Net revenue	Revenue	• Excludes direct costs as shown on the Consolidated Income Statement Reconciliation A1	Excludes the direct pass-through costs, as this is more closely aligned to the fees the Group earns for its product and services. This is a key management incentive metric.
Organic net revenue growth	Revenue growth	No direct equivalent Net revenue bridge, in Financial Review	Net revenue growth at constant currency, excluding impact of the acquisitions and disposals in the last 12 months. For acquisitions made in the prior year, only the corresponding months of ownership are included in the calculation of growth. This is a key management incentive metric.
Adjusted operating profit	Operating profit	• Excludes adjusting items • Excludes amortisation of acquired intangibles • Includes interest on lease liabilities Reconciliation A2	Operating profit before the impact of adjusting items and after interest on lease liabilities. The Group considers this to be an important measure of Group performance and is consistent with how the Group is reported and assessed by the Board and is a key management incentive metric.

Purpose continued

APMs	Relevant IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Profit and loss measures continued			
Adjusted operating profit margin	Operating profit margin	Not applicable	Adjusted operating profit margin is calculated based on the operating profit after interest on finance lease liabilities as a percentage of net revenue.
Adjusted profit before tax	Profit before tax	• Excludes adjusting items • Excludes amortisation of acquired intangibles • Excludes fair value remeasurements of financial instruments Reconciliation A4	Profit before the impact of adjusting items and tax. The Group considers this to be an important measure and is consistent with how the Group is reported and assessed by the Board. This measure allows for understandable like-for-like, year-on-year comparisons and facilitates better comparability with other industry peers as they adjust for non-recurring or uncontrollable factors.
Adjusted diluted earnings per share	Diluted earnings per share	• Excludes adjusting items Reconciliation A6	Profit after tax attributable to owners of the Parent and before the impact of adjusting items, divided by the weighted average number of Ordinary Shares in issue during the financial year adjusted for the effects of any potentially dilutive options. This is an important measure for the Group and is used within the performance calculations used for the vesting of employee share options. It allows for understandable like-for-like, year-on-year comparisons as it adjusts for non-recurring and uncontrollable measures including remeasurement of acquisition-related liabilities.
Net finance expense	Net finance expense/income	• Excludes adjusting items	Total net finance costs excluding interest on leases and adjusted items. The Group considers this to be an important measure and better reflects the underlying finance cost of the business by adjusting for non-cash items and the remeasurements of acquisition-related liabilities that can vary significantly.
Tax measures			
Effective tax rate on adjusted profit	Effective tax rate	• Adjusting items and their tax impact Reconciliation A7	Total income tax rate for the Group excluding the tax effect of items which are adjusted for in arriving at the adjusted profit before income tax. This measure is more representative of the Group's tax payable position and its ongoing tax rate.
Balance sheet measures			
Net debt	None	• Reconciliation of net debt Reconciliation A8	Net debt comprises total loans and borrowings less cash and cash equivalents. Net debt does not include any contingent consideration as it is conditional upon future events which are not yet certain at the balance sheet date. It also excludes lease liabilities. This measure is a good indication of the strength of the Group's balance sheet position and is widely used by credit rating agencies.

Glossary – Alternative performance measures continued

for the 12-month period ended 31 January 2025 (unaudited)

A1. Reconciliation of net revenue

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Revenue	**729,810**	734,673
Direct costs	**(160,114)**	(156,834)
Net revenue	**569,696**	577,839

A2. Reconciliation of adjusted operating profit to statutory operating profit

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Operating profit	**56,628**	77,119
Interest on finance lease liabilities	**(879)**	(1,104)
Operating profit after interest on finance lease liabilities	**55,749**	76,015
One-off charges for employee incentive schemes[1]	**175**	6,605
Employment-related acquisition payments[2]	**9,498**	10,006
Deal costs[3]	**600**	671
Costs associated with restructuring[4]	**16,966**	5,152
RCF fees write-off[5]	**—**	601
Property impairment[6]	**612**	—
Intangible write-off[7]	**1,409**	—
Goodwill impairment[8]	**3,000**	—
Total adjusted costs in operating profit excluding amortisation	**32,260**	23,035
Amortisation of acquired intangibles[9]	**19,437**	22,031
Total adjusted costs in operating profit	**51,697**	45,066
Adjusted operating profit	**107,446**	121,081

1 This charge relates to transactions whereby a restricted grant of brand equity was given to key management in MHP Group Limited (total of £0.2m) (2024: House 337 Limited, MHP Group Limited, Transform UK Consulting Limited, M Booth & Associates LLC, Brandwidth Marketing Limited and Plinc Limited) at nil cost which holds value in the form of access to future profit distributions as well as any future sale value under the performance-related mechanism set out in the share sale agreement. This value is recognised as an upfront cost in the Income Statement in the year of grant as the agreements did not include service requirements, thus the cost accounting is not aligned with the timing of the anticipated benefit of the incentive, namely the growth of the relevant brands. In the current year it also includes charges associated with equity transactions accounted for as share-based payments. The Group determines that these brand appreciation rights (or growth shares) should be excluded from performance as the cost accounting is not aligned to the timing of the anticipated benefit of the incentive, namely growth of the relevant brands.

A2. Reconciliation of adjusted operating profit to statutory operating profit continued

2 This charge relates to payments linked to the continuing employment of the sellers which is being recognised as a expense over the period of employment, as required by the accounting standard. Although these costs are not exceptional or non-recurring, the Group determines they should be excluded from the performance as the costs relate to acquiring the business. The sellers of the business are typically paid market-rate salaries and bonuses in addition to these acquisition-related payments and therefore the Group determines these costs solely relate to acquiring the business. Adjusting for these within the Group's adjusted performance measures gives a better reflection of the Group's profitability and enhances comparability year on year.

3 These costs are directly attributable to business combinations and acquisitions made during the year, as well as aborted acquisitions and other mergers. The charges are excluded from performance as they would not have been incurred had the business not explored these business combinations and a higher or lower spend has no relation on the organic business. They do not relate to the trading of the Group and are added back each year to aid comparability of the Group's profitability year on year.

4 In the current year the Group has incurred restructuring costs, of which £16.1m related to staff redundancies as we proactively reduced our cost base to take account of the weakness in demand from tech clients and anticipated efficiencies. Only costs that relate to roles permanently being eliminated from the business with no intention to replace are adjusted for. The remaining £0.9m costs relate to the reorganization and integration of a number of businesses across the Group. In both years, the costs do not relate to underlying trading of the relevant brands and have been added back to aid comparability of performance year on year.

5 In the prior year the Group refinanced its banking facilities and agreed to a new £150m revolving credit facility ('RCF') with a consortium of five banks. The refinance occurred before the old facility agreement ended and therefore there was £0.6m of capitalised fees remaining on the balance sheet in relation to the previous facility agreement that had yet to be amortised. As a result of the new agreement, the old RCF fees were written off as a one-off charge to the Income Statement. The Group adjusted for this significant cost as the charge is non-recurring and therefore added back to aid comparability of the Group's profitability year on year.

6 In the current year the Group recognised charges relating to the reorganisation of the property space across the Group. The majority of the charge is impairment of right-of-use assets which were linked to office spaces associated from the significant contract that was lost during the year. The Group adjusted for this cost, as the additional one-off impairment charge did not relate to the underlying trading of the business, and therefore added back to aid comparability.

7 In the current year the Group took an impairment charge of £1.4m for writing off internally generated intangible assets which were identified as no longer being offered to clients as a result of a strategic restructure at one of the Group's Customer Insights businesses. Therefore the associated products were deemed to no longer generate any future economic benefit and, as a result, the corresponding £1.4m remaining on the balance sheet was written off. The Group adjusted for this cost, as the charge was one-off and not relating to the underlying trading of the business, and therefore added back to aid comparability of the Group's profitability year on year.

8 In the current year the Group took an impairment charge of £3.0m against the carrying value of goodwill relating to House 337. Following a full review, it was identified that the value-in-use on the associated cash-generating unit was less than the carrying value of goodwill, resulting in negative headroom. Therefore, an impairment charge has been recognised. The Group adjusted for this cost, as the charge was one-off not relating to the underlying trading of the business and therefore added back to aid comparability of the Group's profitability year on year.

9 In line with its peer group, the Group adds back amortisation of acquired intangibles. Judgement is applied in the allocation of the purchase price between intangibles and goodwill, and in determining the useful economic lives of the acquired intangibles. The judgements made by the Group are inevitably different to those made by our peers and as such amortisation of acquired intangibles has been added back to aid comparability.

A3. Measurement of segment net revenue and adjusted operating profit

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted operating profit before intercompany recharges, which reflects the internal reporting measure used by the Board of Directors. Other information provided to the Board at a Group level is measured in a manner consistent with that in the financial statements. Head Office costs relate to Group costs before allocation of intercompany charges to the operating segments. Inter-segment transactions have not been separately disclosed as they are not material. The Group reports its results split into four divisions: Customer Engagement, Customer Delivery, Customer Insight and Business Transformation. The following tables provide additional information that has been deemed useful to the readers of the financial statements and show the split of alternative performance measures by operating and geographical segments which have been reconciled elsewhere within this glossary.

Glossary – Alternative performance measures continued
for the 12-month period ended 31 January 2025 (unaudited)

A3. Measurement of segment net revenue and adjusted operating profit continued

	Customer Engagement £'000	Customer Delivery £'000	Customer Insight £'000	Business Transformation £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Net revenue	**262,001**	**109,599**	**55,404**	**142,692**	**—**	**569,696**
Segment-adjusted operating profit/(loss)	**53,854**	**23,857**	**7,009**	**40,045**	**(17,319)**	**107,446**
Adjusted operating profit margin	**20.6%**	**21.8%**	**12.7%**	**28.1%**	**—**	**18.9%**
Organic net revenue (decline)/growth	**(2.4)%**	**2.7%**	**(9.5)%**	**(9.3)%**	**—**	**(4.0)%**
Year ended 31 January 2024						
Net revenue	263,120	107,653	57,476	149,590	—	577,839
Segment-adjusted operating profit/(loss)	53,178	29,117	10,358	48,253	(19,825)	121,081
Adjusted operating profit margin	20.2%	27.0%	18.0%	32.3%	—	21.0%
Organic net revenue (decline)/growth	(6.3)%	5.1%	4.3%	8.7%	—	0.3%

	UK £'000	EMEA £'000	US £'000	Asia Pacific £'000	Head Office £'000	Total £'000
Year ended 31 January 2025						
Net revenue	**258,897**	**12,330**	**282,492**	**15,977**	**—**	**569,696**
Segment-adjusted operating profit/(loss)	**44,526**	**2,641**	**75,686**	**1,912**	**(17,319)**	**107,446**
Adjusted operating profit margin	**17.2%**	**21.4%**	**26.8%**	**12.0%**	**—**	**18.9%**
Organic net revenue (decline)/growth	**(4.1)%**	**2.0%**	**(3.9)%**	**(6.6)%**	**—**	**(4.0)%**
Year ended 31 January 2024						
Net revenue	254,281	12,399	294,054	17,105	—	577,839
Segment-adjusted operating profit/(loss)	45,731	2,345	91,139	1,691	(19,825)	121,081
Adjusted operating profit margin	18.0%	18.9%	31.0%	9.9%	—	21.0%
Organic net revenue (decline)/growth	(0.4)%	6.1%	0.9%	(3.6)%	—	0.3%

A4. Reconciliation of adjusted profit before income tax and statutory profit before income tax

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Profit before income tax	**62,452**	80,348
Unwinding of discount on contingent, deferred consideration and additional contingent incentive (note 17)[1]	**15,407**	23,621
Unwinding of discount on share purchase obligation (note 17)[1]	**1,044**	1,250
Total adjusting items in operating profit (A2)	**51,697**	45,066
Change in estimate of future contingent consideration payable and additional contingent incentive (note 17)[2]	**(29,729)**	(31,787)
Change in estimate of future share purchase obligation (note 17)[2]	**574**	(553)
Adjusted profit before income tax	**101,445**	117,945

1 The unwinding of discount on these liabilities is also excluded from performance on the basis that it is non-cash and the balance is driven by the Group's assessment of the time value of money and this exclusion ensures comparability.

2 The Group adjusts for the remeasurement of the acquisition-related liabilities within the adjusted performance measures in order to aid comparability of the Group's results year on year as the charge/credit from remeasurement can vary significantly depending on the brand's performance. It is non-cash and its directional impact to the Income Statement is opposite to the brand's performance driving the valuations.

A5. Reconciliation of adjusted staff costs

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Staff costs	**411,854**	407,445
Reorganisation costs	**(16,073)**	(5,152)
Charges associated with equity transactions accounted for as share-based payments	**(160)**	(6,504)
Employment-related acquisition payments	**(9,498)**	(10,006)
Adjusted staff costs	**386,123**	385,783

Glossary – Alternative performance measures continued

for the 12-month period ended 31 January 2025 (unaudited)

A6. Reconciliation of adjusted earnings per share

Adjusted and diluted adjusted earnings per share have been presented to provide additional useful information. The adjusted earnings per share is the performance measure used for the vesting of employee share options and performance shares.

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Profit attributable to ordinary shareholders	**39,465**	52,907
Unwinding of discount on contingent and deferred consideration	**15,407**	23,621
Unwinding of discount on share purchase obligation	**1,044**	1,250
Change in estimate of future contingent consideration payable	**(29,729)**	(31,787)
Change in estimate of share purchase obligation	**574**	(553)
Costs associated with the current period restructure	**16,966**	5,152
One-off charges for employee incentive schemes	**175**	6,605
Property impairment	**612**	—
Deal costs	**600**	671
Employment-related acquisition payments	**9,498**	10,006
RCF fees write-off	**—**	601
Intangible write-off	**1,409**	—
Goodwill impairment	**3,000**	—
Amortisation of acquired intangibles	**19,437**	22,031
Tax effect of adjusting items above	**(6,313)**	(4,670)
Adjusted earnings attributable to ordinary shareholders	**72,145**	85,834

	2025 Number	2024 Number
Weighted average number of Ordinary Shares	**100,379,867**	99,247,832
Dilutive LTIP shares	**1,036,086**	1,848,787
Dilutive growth deal shares	**2,198,485**	3,345,900
Other potentially issuable shares	**537,069**	775,582
Diluted weighted average number of Ordinary Shares	**104,151,507**	105,218,101
Adjusted earnings per share	**71.9p**	86.5p
Diluted adjusted earnings per share	**69.3p**	81.6p

A7. Reconciliation of tax expense in the Consolidated Income Statement to adjusted tax expense

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Income tax expense reported in the Consolidated Income Statement	**21,482**	26,403
Add back tax on adjusting items:		
Costs associated with the current period restructure and office moves	**4,412**	1,248
Unwinding of discount on and change in estimates of contingent and deferred consideration	**(2,379)**	(2,220)
Share-based payment charge	**—**	273
Intangible write-off	**352**	—
Employment-related acquisition payments	**(15)**	—
Amortisation of acquired intangibles	**3,943**	5,369
Adjusted tax expense	**27,795**	31,073
Adjusted profit before income tax	**101,445**	117,945
Adjusted effective tax rate	**27.4%**	26.3%

A8. Reconciliation of net debt

	Year ended 31 January 2025 £'000	Year ended 31 January 2024 £'000
Total loans, borrowings and overdraft	**127,798**	90,429
Less: cash and cash equivalents	**(89,433)**	(89,073)
Net debt	**38,365**	1,356
Share purchase obligation (note 17)	**1,929**	9,603
Contingent consideration (note 17)	**72,716**	146,752
Additional contingent incentive (note 17)	**2,303**	4,330
Deferred consideration (note 17)	**4,416**	—
Net debt plus earn-out liabilities	**119,729**	162,041

Five-year financial information

for the 12-month period ended 31 January 2025 (unaudited)

	Year ended 2025 IFRS £'000	Year ended 2024 IFRS £'000	Year ended 2023 IFRS £'000	Year ended 2022 IFRS £'000	Year ended 2021 IFRS £'000
Profit and loss					
Net revenue	**569,696**	577,839	563,799	362,103	266,886
Staff costs	**411,854**	407,445	391,798	258,945	189,530
Operating profit	**56,628**	77,119	67,207	39,985	13,688
Net finance income/(expense)	**5,824**	3,229	(57,098)	(120,335)	(15,425)
Profit/(loss) before income tax	**62,452**	80,348	10,109	(80,139)	(1,306)
Income tax (expense)/credit	**(21,482)**	(26,403)	(7,123)	14,475	(2,643)
Profit/(loss) for the year	**40,970**	53,945	2,986	(65,664)	(3,949)
Non-controlling interests	**1,505**	1,038	1,363	3,555	989
Profit/(loss) attributable to owners of the Parent	**39,465**	52,907	1,623	(69,219)	(4,938)
Balance sheet					
Non-current assets	**348,407**	377,835	382,102	266,158	216,072
Net current liabilities	**(21,838)**	(24,617)	(26,704)	(1,651)	(6,128)
Non-current liabilities	**(145,377)**	(196,997)	(240,998)	(203,048)	(93,063)
Total equity attributable to owners of the Parent	**181,671**	155,980	113,948	59,829	116,957
Non-controlling interests	**(479)**	241	452	1,630	(76)
Total equity	**181,192**	156,221	114,400	61,459	116,881

	Year ended 2025 IFRS £'000	Year ended 2024 IFRS £'000	Year ended 2023 IFRS £'000	Year ended 2022 IFRS £'000	Year ended 2021 IFRS £'000
Cash flow					
Profit/(loss) for the year	**40,970**	53,945	2,986	(65,664)	(3,949)
Non-cash adjustments and working capital movements	**55,165**	51,096	92,220	154,424	76,882
Net cash generated from operations	**96,135**	105,041	95,206	88,760	72,933
Income tax paid	**(20,668)**	(25,408)	(20,301)	(14,109)	(8,423)
Net cash from operating activities	**75,467**	79,633	74,905	74,651	64,510
Acquisition of subsidiaries net of cash acquired	**(6,884)**	(13,006)	(70,268)	(14,454)	(8,097)
Acquisition of property, plant and equipment	**(2,197)**	(3,711)	(3,485)	(3,107)	(1,998)
Net cash outflow from investing activities	**(12,292)**	(17,885)	(67,462)	(18,532)	(26,994)
Net cash movement in bank borrowings	**21,191**	23,673	(1,514)	9,573	(24,912)
Dividends paid to owners of the Parent	**(15,457)**	(14,762)	(12,679)	(9,832)	—
Net cash outflow from financing activities	**(78,450)**	(64,378)	(21,179)	(24,741)	(39,126)
(Decrease)/increase in cash for the year	**(15,275)**	(2,630)	(13,736)	31,378	(1,610)
Dividend per share (p)	**15.35**	15.35	14.6	12.0	7.0
Basic earnings per share (p)	**39.3**	53.3	1.7	(74.9)	(5.5)
Diluted earnings per share (p)	**37.9**	50.3	1.5	(74.9)	(5.5)
Key performance indicators and other non-statutory measures					
Adjusted staff costs as a % of net revenue[1]	**67.8**	66.8	67.1	65.3	66.8
Adjusted EBITDA[2]	**122,989**	136,777	129,586	91,462	63,895
Adjusted profit before income tax[3]	**101,445**	117,945	112,538	79,268	49,117
Diluted adjusted earnings per share (p)[3]	**69.3**	81.6	80.4	59.7	40.7
Net (debt)/cash[4]	**(38,365)**	(1,356)	26,070	35,738	14,021

1 Staff costs excluding restructuring costs. See the Glossary for further information.

2 Operating profit before depreciation, amortisation, acquisition-related consideration movements and other adjusting items.

3 See the Glossary for further information.

4 Net debt excludes contingent consideration and share purchase obligations. See the Glossary for further information.

Shareholder information

Financial calendar

Preliminary results

2025 full-year results announcement	15 April 2025
Annual General Meeting	26 June 2025
2026 half-year results announcement	23 Sept 2025
Year end	31 January 2026
2026 full-year results announcement	April 2026

Final dividend

Ex-dividend date	3 July 2025
Record date	4 July 2025
Last date for DRIP election	18 July 2025
Payment of 2025 final dividend	8 August 2025

Interim dividend

Ex-dividend date	16 October 2025
Record date	17 October 2025
Last date for DRIP election	31 October 2025
Payment of 2026 interim dividend	21 November 2025

These dates are provisional and may be subject to change.

Annual General Meeting

Please see page 100 for further details.

Managing your shares and shareholder communications

The Company's shareholder register is maintained by its registrar, MUFG Corporate Markets (previously named Link Group). Information on how to manage your shareholdings can be found on the Investor Centre app or at uk.investorcentre.mpms.mufg.com.

Shareholders can contact MUFG Corporate Markets in relation to all administrative enquiries relating to their shares, such as a change of personal details, the loss of a share certificate, out-of-date dividend cheques, change of dividend payment methods and to apply for the Dividend Reinvestment Plan.

Shareholders who have not yet elected to receive shareholder documentation in electronic form can sign up by registering at uk.investorcentre.mpms.mufg.com. Should shareholders who have elected for electronic communications require a paper copy of any of the Company's shareholder documentation, or wish to change their instructions, they should contact MUFG Corporate Markets.

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

Telephone from the UK: 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. Lines are open Monday to Friday (9.00 a.m.–5.30 p.m.).

Telephone from overseas: +44 (0)371 664 0300

Calls outside the UK will be charged at the applicable international rate.

E-mail: shareholderenquiries@cm.mpms.mufg.com

Dividends

Dividends can be paid directly into your bank account by registering your dividend mandate at uk.investorcentre.mpms.mufg.com. This is the easiest way for shareholders to receive dividend payments and avoids the risk of lost or out-of-date cheques. Alternatively, a dividend mandate form is available from MUFG Corporate Markets.

MUFG Corporate Markets is also able to pay dividends to shareholder bank accounts in many currencies worldwide through the International Payment Service. An administrative fee will be deducted from each dividend payment. Further details can be obtained from MUFG Corporate Markets or at www.mpms.mufg.com/en/for-individuals/uk/shareholders/international-payment-service.

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan ('DRIP'), which enables shareholders to buy the Company's shares on the London Stock Exchange with their cash dividend. Further information about the DRIP is available from MUFG Corporate Markets. If shareholders would like their future dividends to qualify for the DRIP, completed application forms must be returned to the registrar.

Shareholder fraud

Fraud is on the increase and many shareholders are targeted every year. If you have any reason to believe that you may have been the target of fraud, or attempted fraud, in relation to your shareholding, please contact MUFG Corporate Markets immediately. More detailed information can be found on the FCA website at: www.fca.org.uk/consumers/share-bond-and-boiler-room-scams.

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References

Customer Insight
1. Market research: The Business Research Company (2025)
2. Data management: Grand View Research (2023)
3. Data analytics & implementation: Markets and Markets (2024)
4. Customer Relationship Management ('CRM') implementation: Fortune Business Insights (2025)

Customer Engagement
5. Customer experience: SNS Insider (2024)
6. Content, communications & creative: Spherical Insights (2024)

Customer Delivery
7. E-commerce implementation: Grand View Research (2023)
8. Search Engine Optimisation ('SEO'): Research and Markets (2024)
9. Media buying & Planning: Research and Markets (2024)
10. Social Media Management: Grand Review Research (2023)
11. Lead Generation Solutions: DataHorizzon Research (2024)

Business Transformation
12. Strategy Consulting: The Business Research Company (2024)
13. Digital Transformation: Business Research Insights (2025)
14. Big data and Analytics: The Business Research Company (2025)
15. Other:
    - 15.1. Supply Chain and Logistics: Precedence Research (2024)
    - 15.2. Legal: Precedence Research (2024)
    - 15.3. HR Advisory: Research and Markets (2024)
    - 15.4. Finance: Research and Markets (2024)
    - 15.5. Tax: Research and Markets (2024)

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