Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	917 774 374
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KAR NORWAY HOLDCO AS
Forretningsadresse:	Drammensveien 151 0277 OSLO

Regnskapsår

Årsregnskapets periode:	01.07.2023 - 30.06.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gro Langeseter Alvsåker
Dato for fastsettelse av årsregnskapet:	10.01.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert

År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.01.2026

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2, 3	630 244	368 073
Sum kostnader		**630 244**	**368 073**
Driftsresultat		**-630 244**	**-368 073**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		123 737 032	40 010 597
Renteinntekt fra foretak i samme konsern		291 868 268	236 611 870
Annen renteinntekt		33	796 836
Annen finansinntekt		1 771 000	1 053 580
Sum finansinntekter		**417 376 333**	**278 472 883**
Rentekostnad til foretak i samme konsern		411 871 270	276 082 621
Annen rentekostnad		10 345	44 338 819
Annen finanskostnad		4 874 820	-36 772 505
Sum finanskostnader		**416 756 435**	**283 648 935**
Netto finans		**619 898**	**-5 176 052**
Ordinært resultat før skattekostnad		**-10 345**	**-5 544 125**
Skattekostnad på resultat	4	-13 187 146	-1 219 708
Ordinært resultat etter skattekostnad		**13 176 801**	**-4 324 417**
Årsresultat	5	**13 176 801**	**-4 324 417**
Årsresultat etter minoritetsinteresser		**13 176 801**	**-4 324 417**
Totalresultat		**13 176 801**	**-4 324 417**
Overføringer og disponeringer			
Konsernbidrag		109 702 031	31 208 266
Udekket tap			-4 324 417
Avsatt til annen egenkapital		13 176 801	
Sum overføringer og disponeringer		**122 878 832**	**26 883 849**

Resultatregnskap

Beløp i: NOK	Note	2024	2023

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	13 187 146	
Sum immaterielle eiendeler		**13 187 146**	
Finansielle anleggsmidler			
Investering i datterselskap	6	5 508 876 552	2 227 380 696
Investering i annet foretak i samme konsern		8 997 069	8 997 069
Lån til foretak i samme konsern	7	2 749 679 617	2 732 083 152
Sum finansielle anleggsmidler		**8 267 553 237**	**4 968 460 918**
Sum anleggsmidler		**8 280 740 383**	**4 968 460 918**
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer		61 266	64 403
Konsernfordringer	7	1 461 224 059	1 100 597 170
Sum fordringer		**1 461 285 325**	**1 100 661 573**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.			1 654
Sum bankinnskudd, kontanter og lignende			**1 654**
Sum omløpsmidler		**1 461 285 325**	**1 100 663 227**
SUM EIENDELER		**9 742 025 709**	**6 069 124 145**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8	30 791 460	10 000 000

Balanse

Beløp i: NOK	Note	2024	2023
Overkurs		4 845 534 879	1 584 830 402
Sum innskutt egenkapital		**4 876 326 339**	**1 594 830 402**
Opptjent egenkapital			
Annen egenkapital/Udekket tap		16 464 239	3 287 438
Sum opptjent egenkapital		**16 464 239**	**3 287 438**
Sum egenkapital	5	**4 892 790 578**	**1 598 117 840**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9, 10	1 169 377 010	
Gjeld til konsernselskap	7, 10	1 879 797 310	3 009 922 254
Sum annen langsiktig gjeld		**3 049 174 319**	**3 009 922 254**
Sum langsiktig gjeld		**3 049 174 319**	**3 009 922 254**
Kortsiktig gjeld			
Sertifikatlån	7	320 007 472	212 685 020
Leverandørgjeld		291 378	120 735
Betalbar skatt	4	-860 970	860 970
Kortsiktig konserngjeld	7	1 480 622 931	1 247 417 325
Sum kortsiktig gjeld		**1 800 060 811**	**1 461 084 050**
Sum gjeld		**4 849 235 130**	**4 471 006 305**
SUM EGENKAPITAL OG GJELD		**9 742 025 709**	**6 069 124 145**

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
02.07.2021		Robin Ingebrigtsen
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	Gro L Alvsåker	99778267
Org.nr	Vår referanse	Postadresse
974761076	2021/6061547	Postboks 9200 Grønland 0134 OSLO

KAR NORWAY HOLDCO AS
Postboks 342 Sentrum
0101 OSLO

Fritak for konsernregnskapsplikt for Kar Norway Holdco AS, org. nr. 917 774 374

Vi viser til deres brev av 23. juni 2021 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Kar Norway Holdco AS.

Kar Norway Holdco AS er morselskap i et underkonsern hvor Azets Topco Limited er det ultimate morselskapet og er hjemmehørende i England. Konsernregnskap utarbeides av Azets Topco Limited på engelsk språk etter IFRS, hvor Kar Norway Holdco AS med datterselskaper er omfattet.

Skattekontoret finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Kar Norway Holdco AS. Det forutsettes at Azets Topco Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten norsk, kan være på svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Magrit Kilen Stoebner
underdirektør
Innsats, storbedrift
Skatteetaten

Robin Ingebrigtsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Kar Norway Holdco AS

Konklusjon

Vi har revidert årsregnskapet for Kar Norway Holdco AS som består av balanse per 30. juni 2024, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettvisende bilde av selskapets finansielle stilling per 30. juni 2024 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

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Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Oslo, 10. januar 2025
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Alexandra van der Zalm Bristol
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Bristol, Alexandra Van Der Zalm
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: no_bankid:9578-5998-4-1075564
IP: 147.161.xxx.xxx
2025-01-10 14:04:25 UTC

bankID

Penneo Dokumentnøkkel: TE0QH-OABJX-GM1KC-QC543-NNWGT-WIHBL

AZETS

ÅRSREGNSKAP 2024
Avvikende regnskapsår 01.07.2023- 30.06.2024
Kar Norway Holdco AS

Org.nr. 917 774 374

Innhold:

Årsregnskapet er utarbeidet av Azets Insight AS

AZETS

Kar Norway Holdco AS

org nr. 917 774 374

ÅRSBERETNING regnskapsåret 01.07.2023 - 30.06.2024

Virksomhetens art
Kar Norway Holdco AS er et holdingselskap i Azets-konsernet og virksomheten omfatter eierskap til konsernets datterselskaper i Norge og Storbritannia, samt utøvelse av konsernovergripende aktiviteter. Selskapet er lokalisert i Oslo kommune.

Fortsatt drift
I samsvar med regnskapslovens § 3-3a bekreftes det at forutsetningen om fortsatt drift er til stede og at denne forutsetningen er lagt til grunn ved utarbeidelsen av regnskapet. Selskapets drift er avhengig av tidsubestemte lån fra Azets Opco Ltd og Azets UK Holdco Ltd, og nedbetaling av lån skal skje etter nærmere avtale med långiver, men likevel tidligst 01.01.2026

Fremtidig utvikling
Etableringen av Azets-konsernet baserer seg på et positivt syn på bransjen og markedet. Styret ser gode muligheter i de kommende årene.

Redegjørelse for årsregnskapet
Styret kjenner ikke til forhold av viktighet for å bedømme selskapets stilling og resultat som ikke fremgår av regnskapet og balansen med noter. Det er heller ikke etter regnskapsårets utgang inntrådt forhold som etter styrets syn har betydning ved bedømmelse av regnskapet.

Finansiell risiko
Selskapet har en god finansiering og tilgang på tilstrekkelige likviditeter. Konsernet har i regnskapsåret en negativ kontantstrøm. Selskapet har forøvrig en relativt solid egenkapital og dette medfører at selskapet under nåværende situasjon har liten risiko både markedsmessig og finansielt.

Arbeidsmiljø, likestilling og diskriminering
Selskapet har ingen ansatte, men har en kjønnsnøytral personalpolitikk som fundament.
Selskapets styre består av 2 menn.

Forsikring for styrets medlemmer
Det er tegnet forsikring som dekker styrets ansvar overfor foretaket og tredjepersoner

Miljørapportering
Selskapet driver ikke virksomhet som forurenser det ytre miljøet og miljøpolitikken er en integrert del av konsernets kvalitetssystem som skal sikre en sunn virksomhet for både ansatte, samfunnet og miljøet.

Årsresultat og disponeringer
I regnskapsåret hadde selskapet et resultat etter skattekostnad på kr 13 176 801 som foreslås overført til annen egenkapital.

Oslo, 30.12.2024
Styret i Kar Norway Holdco AS

Chris Horne
Chris Horne (Jan 8, 2025 14:02 GMT)

Christopher Neil Horne	Vidar Bekken
styreleder	styremedlem

Resultatregnskap
Kar Norway Holdco AS

Driftsinntekter og driftskostnader	**Note**	**01.07.2023-30.06.2024**	**01.07.2022-30.06.2023**
Annen driftskostnad	2, 3	630 244	368 073
Sum driftskostnader		**630 244**	**368 073**
Driftsresultat		**-630 244**	**-368 073**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		123 737 032	40 010 597
Renteinntekt fra foretak i samme konsern		291 868 268	236 611 870
Annen renteinntekt		33	796 836
Annen finansinntekt		1 771 000	1 053 580
Rentekostnad til foretak i samme konsern		411 871 270	276 082 621
Annen rentekostnad		10 345	44 338 819
Annen finanskostnad		4 874 820	-36 772 505
Resultat av finansposter		**619 898**	**-5 176 052**
Resultat før skattekostnad		**-10 345**	**-5 544 125**
Skattekostnad på resultat	4	-13 187 146	-1 219 708
Årsresultat	**5**	**13 176 801**	**-4 324 417**
Overføringer			
Avsatt til annen egenkapital		13 176 801	0
Overført til udekket tap		0	4 324 417
Sum overføringer		**13 176 801**	**-4 324 417**
Mottatt konsernbidrag uten skatteeffekt		59 941 574	0
Mottatt konsernbidrag netto etter skatteeffekt		49 760 457	31 208 266

Balanse
Kar Norway Holdco AS

Eiendeler	Note	30.06.2024	30.06.2023
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	13 187 146	0
Sum immaterielle eiendeler		**13 187 146**	**0**
Finansielle anleggsmidler			
Investeringer i datterselskap	6	5 508 876 552	2 227 380 696
Investeringer i annet foretak i samme konsern		8 997 069	8 997 069
Lån til foretak i samme konsern	7	2 749 679 617	2 732 083 152
Sum finansielle anleggsmidler		**8 267 553 237**	**4 968 460 918**
Sum anleggsmidler		**8 280 740 383**	**4 968 460 918**
Omløpsmidler			
Fordringer			
Andre kortsiktige fordringer		61 266	64 403
Konsernfordringer	7	1 461 224 059	1 100 597 170
Sum fordringer		**1 461 285 325**	**1 100 661 573**
Bankinnskudd, kontanter o.l.		0	1 654
Sum likvider		**0**	**1 654**
Sum omløpsmidler		**1 461 285 325**	**1 100 663 227**
Sum eiendeler		**9 742 025 709**	**6 069 124 145**

Balanse
Kar Norway Holdco AS

Egenkapital og gjeld	Note	30.06.2024	30.06.2023
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8	30 791 460	10 000 000
Overkurs		4 845 534 879	1 584 830 402
Sum innskutt egenkapital		**4 876 326 339**	**1 594 830 402**
Opptjent egenkapital			
Annen egenkapital/Udekket tap		16 464 239	3 287 438
Sum opptjent egenkapital		**16 464 239**	**3 287 438**
Sum egenkapital	**5**	**4 892 790 578**	**1 598 117 840**
Gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9, 10	1 169 377 010	0
Gjeld til konsernselskap	7, 10	1 879 797 310	3 009 922 254
Sum annen langsiktig gjeld		**3 049 174 319**	**3 009 922 254**
Kortsiktig gjeld			
Konsernkontoordningen	7	320 007 472	212 685 020
Leverandørgjeld		291 378	120 735
Betalbar skatt	4	-860 970	860 970
Konserngjeld	7	1 480 622 931	1 247 417 325
Sum kortsiktig gjeld		**1 800 060 811**	**1 461 084 050**
Sum gjeld		**4 849 235 130**	**4 471 006 305**
Sum egenkapital og gjeld		**9 742 025 709**	**6 069 124 145**

Oslo, 30.12.2024
Styret i Kar Norway Holdco AS

Chris Horne

Christopher Neil Horne
styreleder

Vidar Bekken
styremedlem

Addo Sign identifikasjonsnummer: c480d6f3-e8cf-4e42-85af-ddb1cf95c65a

Kontantstrømoppstilling
Kar Norway Holdco AS

		Note	01.07.22-30.06.2024	01.07.21-30.06.2023
Kontantstrømmer fra operasjonelle aktiviteter				
Resultat før skattekostnad			-10 345	-5 544 125
-	Finansinntekter		-417 376 333	-278 472 883
+	Finanskostnader		416 756 435	283 648 935
	Resultat fra ordinær drift		**-630 244**	**-368 073**
Endring i leverandørgjeld			170 643	1 066
Endring i andre tidsavgrensningsposter			-185 746 102	-104 448 928
Netto kontantstrøm fra operasjonelle aktiviteter			**-185 575 459**	**-104 447 862**
Kontantstrømmer fra finansieringsaktiviteter				
Innbetalinger av konsernbidrag			40 010 597	66 873 718
Innbetalinger ved opptak av IC - lån			38 871 000	0
Utbetalinger ved nedbetaling av IC-lån			0	-88 795 040
Netto kontantstrøm fra finansieringsaktiviteter			**78 881 597**	**-21 921 322**
Netto endring i kontanter og kontantekvivalenter			**-107 324 106**	**-126 737 257**
Beh. av kont. og kontantekvivalenter ved per. begynnelse			-212 683 366	-85 946 109
Beh. av kont. og kontantekvivalenter ved per. slutt			**-320 007 472**	**-212 683 366**
Spesifikasjon av kontanter og kontantekvivalenter:				
Bankinnskudd			0	1 654
Konsemkontoordningen			-320 007 472	-212 685 020
Sum kontanter og kontantekvivalenter			**-320 007 472**	**-212 683 366**

Addo Sign identifikasjonsnummer: c480d6f3-e8cf-4e42-85af-ddb1cf95c65a

Kar Norway Holdco AS

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Note 1 Regnskapsprinsipper og virkning av prinsippendringer

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Avvikende regnskapsår
Regnskapsåret 2024 omfatter perioden 01.07.2023 - 30.06.2024.

Konsolidering
Selskapet konsolideres inn i Lynx Topco Limited og konsernregnskap fås utlevert hos Lynx Topco Limited sin forretningsadresse i 44 Esplanade, St. Helier, Jersey.

Valuta
Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Klassifisering
Eiendeler bestemt til varig eie eller bruk, samt fordringer med forfall mer enn ett år etter balansedagen er medtatt som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn et år etter regnskapsperiodens utløp er oppført som langsiktig gjeld.

Varige driftsmidler og immaterielle eiendeler
Varige driftsmidler og immaterielle eiendeler er vurdert til historisk kost etter fradrag for bedriftsøkonomiske avskrivninger som er beregnet på grunnlag av kostpris og antatt økonomisk levetid. I de tilfeller der den virkelige verdien er lavere enn kostprisen, og dette ikke er forbigående, er det foretatt nedskrivning. Gevinst/tap ved salg er klassifisert som annen driftsinntekt / annen driftskostnad.

Fordringer
Fordringer er oppført i balansen med fordringens pålydende etter fradrag for konstaterte og forventede tap. Avsetning til tap gjøres på grunnlag av av individuelle vurderinger av de enkelte fordringene.

Investeringer i finansielle anleggsmidler
Investeringer i finansielle anleggsmidler er medtatt i regnskapet etter kostpris. I de tilfeller der den virkelige verdien er lavere enn kostprisen, og dette ikke er forbigående, er det foretatt nedskrivning.

Kontanter og bankinnskudd
Bundne bankinnskudd er inkluderte i bankinnskudd under omløpsmidler i balansen.

Driftsinntekter og kostnader
Inntektsføring skjer etter opptjeningsprinsippet. Kostnader medtas etter sammenstillingsprinsippet, dvs at kostnader medtas i samme periode som tilhørende inntekter inntektsføres.

Betingede forpliktelser
Betingede forpliktelser avsettes etter beste estimat dersom det er sannsynlighetsovervekt for at forpliktelsen vil komme til oppgjør.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort.

Konsernbidrag

Kar Norway Holdco AS

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Konsernbidrag avgitt og mottatt fra datterselskap regnskapsføres netto etter skatt som økning eller reduksjon av investeringen, eller inntektsføres som avkastning på finansinvestering.

Kontantstrøm
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Likviditetsbeholdning defineres som kontanter, bankinnskudd.

Note 2 - Driftskostnader

	2024	**2023**
Honorarer	619 026	361 358
Annen kostnad	11 218	6 713
SUM	630 244	368 071

Note 3 - Godtgjørelse til ansatte og andre

Selskapet har ikke hatt ansatte i året, og har derfor heller ingen plikt til å ha pensjonsordning. Det er ikke utbetalt godtgjørelse til styret i regnskapsåret.

Godtgjørelse til revisor for regnskapsåret 2024 utgjør kr 155 108 eks mva

Kar Norway Holdco AS

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Note 4 - Skatt

Årets skattekostnad	**01.07.23-30.06.24**	**01.07.22-30.06.23**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	0
Endring i utsatt skatt	-13 187 146	-1 219 708
Skattekostnad ordinært resultat	**-13 187 146**	**-1 219 708**
Skattepliktig inntekt:		
Ordinært resultat før skatt	-10 345	-5 544 125
Permanente forskjeller	-59 931 229	
Endring i midlertidige forskjeller		5 544 125
Anvendelse av fremførbart underskudd		
Skattepliktig inntekt	**-59 941 574**	**0**
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	0	
Betalbar skatt på fjorårets resultat	0	860 970
Betalbar skatt på mottatt konsernbidrag		
Sum betalbar skatt i balansen	**0**	**860 970**
Beregning av effektiv skattesats:		
Resultat før skatt	**-10 345**	**- 5 544 125**
Beregnet skatt av resultat før skatt	-13 187 146	-1 219 708
Skatteeffekt av permanente forskjeller	13 184 870	0
Avsatt for lite skatt tidl. år	0	0
Sum	**-2 276**	**-1 219 707**
Effektiv skattesats	22 %	22,0 %

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	30.06.2024	**30.06.2023**	**Endring**
Andre forskjeller			0
Sum	**0**	**0**	**0**
Underskudd til fremføring	-123 737 032	- 40 010 597	83 726 435
Mottatt konsernbidrag	63 795 458	40 010 597	-23 784 861
Grunnlag for beregning av utsatt skatt	**-59 941 574**	**0**	**59 941 574**
Utsatt skatt / skattefordel(-) (22%)	**-13 187 146**	**0**	**-13 187 146**

Kar Norway Holdco AS mottok konsernbidrag fra Azets Norway Holding AS pålydende NOK 123 737 032 hvorav kr 59 941 574 er uten skatteeffekt

Kar Norway Holdco AS

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Note 5 - Egenkapital

	Aksje kapital	Overkurs	Annen innskutt egenkapital	Annen egenkapital / udekket tap	SUM
Pr. 30.06.2023	10 000 000	1 584 830 402	0	3 287 438	1 598 117 840
Kapitalforhøyelse	20 791 460	3 260 704 477			3 281 495 937
Årets resultat				13 176 801	13 176 801
Kapital 30.06.2024	**30 791 460**	**4 845 534 879**	**0**	**16 464 239**	**4 892 790 578**

Note 6 Investeringer i datterselskap, tilknyttede selskap og investering i aksjer og andeler

Selskapet eier ved utgangen av året 100% av aksjene i datterselskapet Azets AS, (Drammensveien 151, 0877 OSLO) og disse er bokført til kr 2 222 830 655 pr 30.06.2024. Årsresultatet for Azets AS i regnskapsåret 01.07.2023 til 30.06.2024 viste et årsresultat på kr -72 289, og bokført egenkapital pr 30.06.2024 var kr 2 542 677 470.

I tillegg eier selskapet aksjeposter i Azets Group IP Limited og Azets UK Holdco Limited.
Disse har pr 30.06.2024 en bokført verdi på totalt kr 3 276 229 782. Via Azets UK Holdco Limited eier Kar Norway Holdco AS Blick Rothenberg-konsernet og Baldwins-konsernet.
Aksjer i øvrige konsernselskap er relatert til konsernbidrag.

Note 7 - Konsern, tilknyttede selskaper m.v.

Kar Norway Holdco AS mottok KB fra Azets Norway Holding AS pålydende NOK 123 737 032.

Mellomværende med konsernselskap er som følger:

Fordringer	**30.06.2024**	**30.06.2023**
Andre kortsiktige fordringer *	1 450 134 824	1 100 597 170
Langsiktige fordringer**	2 760 768 852	2 732 083 152
Mellomværende konsern	**4 210 903 676**	**3 832 680 322**

Gjeld	**30.06.2024**	**30.06.2023**
Annen kortsiktig gjeld***	1 480 622 931	1 247 417 326
Annen langsiktig gjeld ****	3 692 199 783	3 009 922 254
Konsernkontoordningen*****	320 007 472	212 685 020
Mellomværende konsern	**5 492 830 186**	**4 470 024 600**

*Andre kortsiktige fordringer på konsernselskap inneholder påløpte renter på kr 297 222 880 fra Azets Br Bidco Ltd, kr 702 462 892 fra Azets BA Bidco Ltd, kr 209 694 107 fra Azets UK Holdco Ltd og kr 117 068 695 fra Azets AS, samt mottatt konsernbidrag fra Azets Norway Holding AS på 123 737 032

**Langsiktige fordringer gjelder lån til Azets AS på kr 956 203 446, Azets Br Bidco Ltd kr 340 894 767, Azets BA Bidco Ltd på kr 1 120 188 631, Azets UK Holdco Ltd på kr 332 392 773.

*** Annen kortsiktig gjeld inneholder lån til Azets Opco Ltd på 643 025 464 påløpte renter på kr 392 738 771 til Azets UK Holdco Ltd og kr 399 498 044 til Azets Opco Ltd.

Kar Norway Holdco AS

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**** Annen langsiktig gjeld inneholder lån fra Azets UK Holdco Ltd på kr 105 244 043 og lån fra Azets Opco Ltd på kr 2 943 930 276

***** Azets-konsernet har etablert et konsernkontosystem hvor Azets Treasury AS iht avtalen er innehaver, mens øvrige konsernselskaper er underkontohavere eller deltakere. Banken kan avregne trekk og innestående mot hverandre slik at nettoposisjonen representerer mellomværende mellom Danske Bank og Azets Treasury AS. Kar Norway Holdco AS sitt opptrekk i konsernkontosystemet er å betrakte som et mellomværende med Azets Treasury AS.

Oversikt over transaksjoner med konsernselskaper i regnskapsåret:

Type transaksjoner	**30.06.2024**	**30.06.2023**
Ytt nye lån	14 671 559	7 342 426
Opptak nye lån	14 671 559	2 597 655 092
Renteinntekter på lån*	291 868 268	239 705 205
Rentekostnader på lån**	395 243 318	271 504 249
Renter på konsernkontoordningen	16 620 379	7 671 708

* Renteinntekter på lån gjelder lån til Azets AS på kr 99 298 575, til Azets UK Holdco Ltd på kr 38 802 751, til Azets BA Bidco Ltd på kr 113 075 855 og til Azets BR Bidco Ltd på kr 40 691 088

*Rentekostnader på lån gjelder lån fra Azets Opco Ltd på kr 381 073 178 og fra Azets UK Holdco Ltd på kr 12 528 459.

.

Note 8 - Antall aksjer, aksjeeiere m.v

Aksjekapitalen i selskapet er på kr 30 791 460 fordelt på 3 073 aksjer à pålydende kr 10 020. Det er kun en aksjeklasse og alle aksjer har lik stemmerett. Azets Opco Ltd eier alle aksjene.

Note 9 - Pantstillelser og garantier mv.

Det er etablert pant i selskapets aksjer, aksjeinvesteringer, kundefordringer og alle innskudd i konsernets flerkontosystem hos Danske Bank, som sikkerhet for konsernets låneforpliktelser.

Note 10 - Langsiktig gjeld

Selskapets interne langsiktige lån forfaller til betaling etter nærmere avtale.

Signaturene i dette dokumentet er juridisk bindende. Dokumentet er signert med Addo Sign sin sikre digitale signatur.
Underskriverens identitet er fysisk registrert i det elektroniske PDF-dokumentet og er vist nedenfor.
Alle tider er gitt i koordinert universaltid (UTC).

Underskrivere

bankID

Vidar Bekken
Styremedlem
9578-5990-4-2939042 *2024-12-30 12:13:17Z*

Dokumenter i transaksjonen

Kar Norway Holdco AS 30.12.24.pdf *SHA256:* *6cb67b376e17a240fefc3e83d9973f62cef72bfc668227adb097a1b8f9bede39*

Addo Sign identifikasjonsnummer: c480d6f3-e8cf-4e42-85af-ddb1cf95c65a

Kar Norway Holdco AS 30.12.24 (1)

Final Audit Report 2025-01-08

Created:	2025-01-08
By:	liz ferry (liz.ferry@azets.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAALJ_aiWBvXvJJmoiDdjrXuo36Wkqrajct

"Kar Norway Holdco AS 30.12.24 (1)" History

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Signer chris.horne@azets.co.uk entered name at signing as Chris Horne
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Document e-signed by Chris Horne (chris.horne@azets.co.uk)
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Lynx Topco Limited

Annual report and financial statements

For the year ended 30 June 2024

Jersey registered number 149240

Contents

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Strategic report

The Director's present their Strategic Report, Directors' Report and the audited consolidated financial statements for the year ended 30 June 2024.

Company overview
On 19 June 2023, Azets, an international advisory, outsourcing and compliance Group, announced that PAl Partners S.à r.l ("PAI") a pre-eminent private equity firm, had joined the business as a new investor. Following completion on 31 October 2023, PAI now holds a co-controlling stake in Azets alongside current owners Hg Pooled Management Limited ("Hg") a leading investor in European and transatlantic software and services businesses. This is referred to as the "investment transaction" in these accounts.

As part of the investment transaction, Lynx Topco Limited ("the Company") and Lynx Bidco Limited were incorporated on 15 June 2023 under the Companies (Jersey) Law 1991. On 31 October 2023, the Company's immediate subsidiary, Lynx Bidco Limited, acquired the entire share capital of Azets Topco Limited and its related subsidiaries, with the Company becoming the new parent company of the Azets Group. The directors have concluded that the insertion of the Company and Lynx Bidco on top of the existing Azets Group does not constitute a business combination under IFRS 3 'Business combinations'. As the Company and Lynx Bidco Limited were incorporated as part of the investment transaction, which saw PAI join the business as a new co-controlling investor, the change in ultimate parent company has been accounted for as a group reorganisation using merger accounting as explained further in the Basis of Preparation note to the consolidated financial statements.

Business strategy

Azets provide trusted advice and personalised client services across accounting, tax, audit, advisory, people, and technology, saving companies and business owners precious time, so they can focus on achieving their ambitions. We serve a number of client segments, including private clients, large companies, and smaller growing businesses both privately owned and in the public sector. The majority of our clients are entrepreneurial, owner-managed, and family-owned businesses in the SME/SMB sector.

We have identified significant scope for growth in this sector, and Azets aims to become the leading integrated, scaled provider of business critical, professional services to ambitious businesses and their owners across Northern Europe. Larger audit firms are continuing to exit the SME/SMB sector and the demand for digital accounting services is necessitating client change. Azets is well positioned to capitalise on these dynamics in all our geographies.

Azets is committed to providing a high-quality client service. We get to know our clients both on a human level and by using data insights that enable us to increase our focus on advisory services aligned to client needs. We are increasing our service portfolio, with a key focus on identifying opportunities to deliver value-added services to new and existing clients. This is a key part in remaining the primary trusted business relationship to our clients. We do this both by developing and extending our core services and through a network of complimentary strategic services. This strategy is rapidly strengthening Azets' position as a provider of business-critical services, increasing our share of spend and delivering greater benefits for clients.

Our propositions are underpinned by market leading technology. The Azets client portal, Cozone, provides clients access to their data and all services from anywhere on any device, including talking to advisors. Aligned to our wide range of client propositions this gives Azets a unique position in the market.

In the past 12 months, the Azets Group has strengthened its Environmental, Social and Governance ("ESG") structure, creating an Executive Steering Committee and an ESG Delivery Group that brings together senior colleagues from across the Group. This structure determines the Group-wide initiatives and actions that build a better environment for our colleagues, clients and communities whilst also increasing awareness and mitigating potential financial and reputational risks.

As a result of growth during the year ended 30 June 2024 and up to the date of signing this report, Azets now employs more than 8,200 people from 150+ offices in Denmark, Finland, Ireland, Norway, Sweden and the UK; our four highly effective processing centres in Romania and Estonia; and in software development centres in Lithuania and Romania.

Strategic report (continued)

Corporate activity

During the year ended 30 June 2024, the Group continued to acquire new businesses with a focus on high quality accountancy businesses and complimentary business services providers across existing and new geographies, aligned with the Group's strategic plan and with a focus on smooth and successful integration.
The Group entered the Irish market for the first time in FY23 following the acquisition of Baker Tilly Ireland, which was rebranded as Azets Ireland, and also completed another smaller acquisition during that year. Expansion into the Republic of Ireland was accelerated during the current year with the acquisition of PKF O'Connor, Leddy &Holmes Ireland, providing more depth across all incumbent service lines and the scale to build a flagship transaction services business. Further investment in the Republic of Ireland is expected going forward.

In Sweden, the Group acquired Thorell Revision AB, an organisation with a long history of assisting businesses of various sizes and across multiple industries. The Group also acquired RSM UK's specialist medical accounting team and client book. This is Azets' second specialist medical accounting acquisition after Dorset-based Sandisons joined the Group in September 2022 and expands Azets' regional footprint in the South East, North West, and Yorkshire. Azets now plans to drive further growth as the number one provider of accounting and advisory services to the UK's medical sector.

Two businesses were identified as non-core during the year and were classified as held for sale at the balance sheet date. The sale of Isännöinti Luotsi Oy, the Group's property management business based in Finland completed in August 2024 and the sale of the second, smaller business completed on 25 October 2024.

Business Review

Revenue for the year of £726.8 million was £67.0 million or 10% higher than last year (2023: £659.8 million). This reflects strong organic growth in our existing businesses along with acquisitions in the year and a full-years impact of prior year acquisitions. Given the timing of the acquisitions in FY24, they did not make a significant contribution to revenue this year, but they are expected to do so going forward.

The main measure of the Group's profit performance is operating profit from continuing operations before depreciation, interest, taxation, intangible asset amortisation and exceptional items ("EBITDAE") and this measure is defined and reconciled to statutory measures on page 70. The Group adopted IFRS 16 'Leases' in FY20, but to maintain consistency with internal reporting, EBITDAE is also stated before the impact of IFRS 16.

EBITDAE for the year at £109.9 million was £11.0 million or 11% higher than last year (2023: £98.9 million) with strong revenue growth and a focus on margin expansion. EBITDAE margin of 15.1% was 10 bps ahead of last year (2023: 15.0%) demonstrating the Group's ability to deliver margin growth in excess of revenue growth.

After accounting for IFRS 16 and before impairment and exceptional items, the Group generated an operating profit of £68.0 million (2023: £57.5 million). There were exceptional items (within operating profit) of £61.5 million (2023: £29.3 million) and impairment charges of £8.2 million (2023: £0.9 million) resulting in an operating loss for the year of £1.6 million (2023: £27.4 million profit). There was a net interest charge of £187.7 million (2023: £121.1 million) and a tax credit of £7.9 million (2023: £2.4 million) resulting in a loss after tax for the year of £181.4 million (2023: £91.4 million). During the year, the Group continued to develop scale and diversification through a number of acquisitions for a total consideration of £40.7 million. These acquisitions were completed with a combination of cash, equity and contingent consideration. Further details are contained in note 24.

Impairment charges have been recorded against goodwill (£5.5m), right of use assets (£2.2 m) and assets held for sale (£1.0m), there is also a £0.5m reversal of a previously booked impairment.

Strategic report (continued)

Business Review (continued)

As noted above, the Group is expanding into the Republic of Ireland, having completed three acquisitions to date and with more expected in the future. To build scale and to ensure smooth integration of future acquisitions, there has been investment in the infrastructure in Ireland, including leased property and new IT systems. As these costs are committed to, they must be included in the annual impairment review cash flows, but the accounting standards do not allow the benefit of future acquisitions to be included, the impact of which on our projected cashflows has generated an impairment charge which has been booked. Despite this charge, which arises from the technical application of the accounting standards, the Group remains confident in the future prospects of both its existing business in Ireland and the value in further acquisitions. See note 8 to the accounts for further details of the goodwill impairment reviews, details of the other, smaller impairments are included in note 4 to the accounts.

Exceptional costs of £61.5 million principally relate to costs associated with securing the investment transaction, including legal, due diligence and other professional costs along with management retention and completion bonuses payable on completion of the transaction. Exceptional costs also include legal and professional costs associated with the acquisitions in the year and post-acquisition integration and restructuring costs.

The consolidated balance sheet on page 15 shows the Group's financial position at the year end with net current assets (excluding lease liabilities and borrowings) of £96.5 million (2023: £83.9 million). The net liabilities of £780.7 million (2023: £483.0 million) are a consequence of the financing structure of the Group.

There was strong operational cash flow in the year with a cash flow from operating activities of £37.6 million (2023: £84.2 million). After investing in acquisitions, and paying interest on the bank debt, there was a cash inflow for the year of £4.7 million (2023: inflow of £18.2 million).

In October 2023, the Group secured incremental debt facilities totalling £175m (see note 14 for further details). The Group's financial position is considered satisfactory in terms of working capital and cash, and the directors believe the Group to be well positioned for future growth.

Future developments

FY24 saw Azets enter its next growth phase, welcoming new investment from PAI, who hold a co-controlling stake in the Group alongside existing investors Hg. This represents the next phase of embedding our five-year strategy - The Pathway - which sets out our ambitious growth strategy to be a £1bn+ revenue business by 2027 by offering trusted, business critical advice, compliance and outsourcing services to ambitious companies and business owners via our talented colleagues, network of local offices, effective technology and digital insights.

Underpinning our strategy is our purpose: to improve the lives of our colleagues, clients and communities, in a sustainable way. This is our driving force, and the successful delivery of our five-year strategy is underpinned by five strategic pillars, each with executive Group ownership for delivery.

1. *Ambitious Growth Pillar* – We continue to expand our range of services across our geographies and client segments to offer our existing clients the service they need as well as attracting new clients. Our successful M&A growth strategy means we have acquired and integrated new businesses globally increasing our footprint into new sectors too. In FY24, we completed three significant transactions, including doubling the size of our platform business in Ireland through the merger with PKF O'Connor, Leddy & Holmes. We will continue to target acquisitions of quality, complimentary businesses in existing and new territories, with an increased focus on smooth, successful integrations.

   We are continuing to develop our data capabilities and client insights to identify opportunities to help our clients achieve their ambitions - be that to grow, to exit, to increase profitability or to simply remain confidently compliant. We will continue to actively grow our market share in the SME/SMB sector, whilst retaining and growing our presence in private client, public sector, large and enterprise corporates and international businesses. We have strength and depth in a number of sectors, and this is our next area of focus, to maximise the opportunity to go to market by sector which will give our colleagues an opportunity to evolve and refine their skills.

Strategic report (continued)

Future developments (continued)

2. *Talented Smart People Pillar* – Our colleagues are central to our success and core to our purpose is our aim to improve the lives of our colleagues. Our goal is to be an attractive company to work for – the employer of choice – where our colleagues want to stay, and new people want to join. We continue to proactively invest in the development of our people through Azets Reach! - our talent and performance development framework that focuses on offering learning and development that enables our colleagues to progress to the most senior levels within Azets or to develop their specialist skills to be experts. More than 100,000 courses have been completed and by increasing our internal expertise, we will continue to attract the best talent in the market. We continue to offer an agile and flexible way of working, enabling our people to have the opportunity to diversify their careers across Azets in a way that is unavailable in other businesses. We are passionate and committed to recognising our internal talent and have a goal to fill 30% of our vacancies through internal promotions.
3. *Personalised Client Service Pillar* – We have a very loyal client portfolio of more than 92,000 clients driven by our ambitious client feedback process and network of local offices across our communities. We recognise that our clients want to find a local support network and no business of our scale operates through as many local communities as we do. Our ambition is to deliver a personalised client service using both traditional client service techniques but also leveraging best in breed technologies, enhancing our client propositions, and increasing our use of data analytics. Our data is a huge asset, providing client insight unrivalled in our sector. Investment in data analytics continues and will generate significant growth opportunities for both existing and new clients.
4. *Operational Excellence Pillar* – Our continuous improvement programmes continue to touch every area of our business enabling us to work smarter and more effectively, creating capacity to deliver services that our clients want and will enhance our trusted client relationships. We continue to optimise our core systems and processes to create and build a solid, scalable foundation for future growth. These include demand and resource planning tools, expansion of nearshoring to our Romania operation, process optimisation and automation technologies. Data is rapidly becoming one of the world's most valuable commodities and armed with the rich data our investments are generating; our colleagues can identify opportunities to help our clients make the right decisions for their business or on a personal level. Our use of data will increase and become the bedrock of business. Across Azets we will continue to enhance our automation strategy and deployments ensuring we fully embrace and maximise the potential that automation technologies can bring to our business. Process automation, system integration, software robotics and artificial intelligence sit at the heart of accelerated automation projects we have in the pipeline, all designed to create capacity to focus on higher value client work. These technologies provide us with opportunities to further improve both the predictability and reliability of our service delivery and, more importantly, the ability to scale up / down quickly to meet client demand and smooth peaks in our delivery.

5. *Effective Technology* – Our future client propositions will remain a combination of personal, face to face advisory support combined with a digital proposition to ensure we continue to capitalise on the demand for real time advice aimed at making our clients' businesses better. We will equip our advisors with the skills to deliver compliance services efficiently and proactive business advice, using real-time business intelligence from end-to-end digital solutions. We will deploy specialist technology consulting teams to help our clients successfully transition to digital business processes. Through our scale we will continue to partner with leading industry strategic third-party vendors such as Dext & Xero to embed the right end-to-end business solutions, for example the regulatory UK requirements of MTD mean our clients will interact with us more regularly, strengthening client relationships and opportunities to grow revenue. The combination of digital business tools, business intelligence, data driven client insight and the ongoing re-development of the Azets Cozone portal will differentiate us in our markets.

Strategic report (continued)

Risk management review

Building upon its existing risk management processes, the Group continues to improve its capability and visibility of key risks by embedding an Enterprise Risk Management (ERM) Framework. This framework supports the Group ethos of continuous improvement and enables a rigorous and co-ordinated approach to identifying, assessing and responding to a full spectrum of risks, aligned to its appetite, that may impact the achievement of strategic objectives (to include, but not limited to, operational, regulatory, ESG, people and financial objectives) and growth targets.

With a sound risk culture, governance framework and monitoring and oversight, risks and controls are recorded, reported and reviewed to enable the Group to have a full understanding of its overall risk profile and the associated control environment. Risks are monitored and updated, as appropriate, in line with changing exposures (internal and external) or on a quarterly basis as a minimum, with bespoke reporting to Executive Committee, Board and Audit and Risk Committee. Reports on internal financial control issues raised by management and the external auditor are reported to the Group Board, at least annually.

The ERM Framework is led, designed and implemented by the Legal, Risk and Compliance function and, the Group Risk and Governance Director.

Principal risks and uncertainties

There are seven notable risk category themes for this reporting period: *Financial* (including Liquidity / Capital Management), *Technology and Systems* (including Operational Resilience), *Legal and Regulatory Compliance*, *Macro Environment*, *Data and Information Security*, *Acquisitions* (including integration) and *Client Service Delivery.* The specific risks below are not static or exhaustive and may be subject to modification as risk exposure changes; some of which are not within the control of the Group or its directors:

- *Credit:* The Group's credit risk is primarily attributable to its trade receivables. The Group has no significant concentration of credit risk, with exposure spread over many customers and market segments.
- *Liquidity / Capital Management / Cash Flow:* The Group is financed through a combination of bank instruments that carry variable rates of interest (see note 14 on page 44 for more details). The appropriateness of these bank instruments and the risks related to variable rate debt has been reviewed by management and the Board and various interest rate swaps have been entered into to hedge against movements in interest rates. These facilities are secured against the assets of the Group including those of the Company. This financing provides the necessary headroom to support the expansion plans of the business. The facilities are the subject of financial covenants which management monitors on a regular basis to ensure that there are no actual or anticipated breaches. There were no covenant breaches during the reporting year or in any subsequent period and no breaches are anticipated in the future.
- *Foreign Exchange:* There is limited foreign exchange risk in the income statement as most of the Group's trading income is denominated in the local currency of the business operations which provides a natural hedge against the currency of its cost base.
- *Operational Resilience (Systems, People and Processes):* With ongoing acquisitions, emerging technologies and operational improvement in mind, the ability to realise operational benefits and integrate systems effectively provides the Group with opportunities as well as risk exposure. Focus remains on integrating new acquisitions efficiently, optimising/embedding change, new opportunities and process improvements including automation opportunities and implementing effective people strategies (workforce planning, recruitment and retaining the right people in the right roles) to support agility and efficiency. The Group is monitoring the emerging use of generative artificial intelligence and other digital advances/disruptions (to include changing risk exposure and/or opportunities).

Strategic report (continued)

Risk management review (continued)

Principal risks and uncertainties (continued)

- *Data Capability and Management:* The Group continues to focus on data as an asset and an enabler for growth. Keeping in mind the update of existing systems, data held or new systems through acquisitions and/or obsolete, end of life systems, effective data management is vital to minimise the risk of data loss or missed opportunities, across the Group. The data management risk (including availability, accuracy and completeness) is monitored by the Data Governance Board, with stakeholders across the Group, including our Group GDPR lead and Data Protection Officer (DPO), monitoring risks, opportunities and actions (including data cleansing activities).

- *Information / Cyber Security:* The Group is committed to maintaining security of its internal and client data. Information security risk and the risk of a cyber-attack (for example, malware, phishing, ransomware, denial of service) continues to feature as a key risk for the Group. All employees are required to complete a programme of mandatory cyber security training and will be trained as part of their induction. This training, along with ongoing communication and testing, supports staff awareness and their need to report potential issues; for example, phishing attacks have been spotted, reported and dealt with appropriately.

- *Macro Environment / Geopolitical:* With macro-economic changes (interest rates, inflation) and wider geo-political instability, the Group continues to monitor direct and indirect impacts and risk exposure. Emerging risks, including but not limited to, changes to legislation and regulation and ESG requirements, are recorded, monitored and, where appropriate, actioned through the existing Group Horizon Scanning Forum and Group Risk Committee.

Going concern

The financial statements have been prepared on a going concern basis. In making their assessment of going concern, the Directors have considered the Group's cashflows, liquidity and likely business activities over the period to 31 March 2026.

As set out in the basis of preparation, the results of the base case scenario considered by the Directors in their assessment of going concern supports that the Group can continue to comply with the financial covenants and pay its liabilities as they fall due for the period of their assessment up to March 2026.

The Directors have also considered a severe but plausible downside scenario which assumes a 10 per cent reduction in pro forma EBITDA as compared to the year ended 30 June 2024. Should this scenario arise, there would be no breach in the financial covenants and the Group would continue to be able to pay its liabilities. As such, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

Approved by the Board of Directors and signed on their behalf by:

JL Radford
Director

Signed by:
JL Radford
31716631B99E45B...

18 December 2024

Directors' report

The directors present their annual report and the audited financial statements for the year end 30 June 2024. The financial statements are presented in Sterling rounded to the nearest thousand.

Company overview
Lynx Topco Limited was incorporated on 15 June 2023 under the Companies (Jersey) Law 1991.

Principal activities
During the year, the principal activity of Lynx Topco Limited and subsidiaries ("the Group") was the provision of critical business support, Business Process Outsourcing ("BPO") and advisory services to clients, of which the majority are entrepreneurial, owner-managed, and family-owned businesses in the SME/SMB sector.

Directors
The directors who held office during the year were:

NA McIlroy (appointed 15 June 2023)
CP O'Sullivan (appointed 15 June 2023)
D Marriott (appointed 31 October 2023)
LP Kinsella (appointed 31 October 2023)
CN Horne (appointed 31 October 2023)
EA Crosier (appointed 31 October 2023; resigned 2 August 2024)
MJ Richards (appointed 31 January 2024)
JL Radford (appointed 30 September 2024)
DJ Lockie (appointed 30 September 2024)
N Martin (appointed 27 November 2024)

Results and dividends
The Group's result for the year is reflected in the consolidated income statement on page 13. The loss on ordinary activities after taxation amounted to £181.4 million (2023: £91.3 million).

The directors do not recommend the payment of a dividend (2023: nil).

Share capital
During the year, the Company issued the following share capital:

5,910,468 Ordinary A share capital, with a nominal value of £0.01, for consideration of £5.9 million
125,827 Ordinary B share capital, with a nominal value of £0.01, for consideration of £0.1 million
754,781 Ordinary C share capital, with a nominal value of £0.01, for consideration of £3.2 million
72,435,743,913 Preference shares, with a nominal value of £0.01, for consideration of £724.4 million

Going concern
The directors set out in the Strategic report:
- the reasoning for the adoption of the going concern basis in preparing the annual report and financial statements for the company; and
- the financial risk management objectives and policies of the company.

Accordingly, the financial statements have been prepared on the going concern basis.

Directors' report (continued)

Auditor
The company's auditor is Ernst and Young LLP. They have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at a forthcoming meeting of the members of the Company.

Approved by the Board of Directors and signed on their behalf by:

Signed by:
JL Radford
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JL Radford
Director

44 Esplanade
St Helier, Jersey
JE4 9WG

18 December 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Consolidated financial statements in accordance with the accounting standards they elect which have been determined as International Financial Reporting Standards as adopted by the European Union (the applicable financial reporting framework) and the Companies (Jersey) Law 1991 ("the Law").

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 are 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 with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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 Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Lynx Topco Limited

Opinion

We have audited the financial statements of Lynx Topco Limited (the "Group") for the year ended 30 June 2024 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's company's ability to continue as a going concern for a period to 31 March 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Lynx Topco Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management. We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the direct laws and regulations relating to tax legislation in respective jurisdictions, the Companies (Jersey) Law 1991, ICAEW accountancy practice regulations, the Money Laundering and Terrorist financing (Amendment) (EU Exit) Regulations 2020 and International Financial Reporting Standards as adopted by European Union;

- We understood how the Group is complying with these frameworks by making enquiries of management and those responsible for legal and compliance matters to understand how the Group maintains and communicates its policies and procedures in these areas. We made enquiries to understand the responsibilities of those charged with governance and how these drive a culture of honestly and ethical behaviour. We also made enquiries with the Group's external legal counsel where appropriate. We also perform procedures over the financial statements to assess the Group's compliance with International Financial Reporting Standards as adopted by the European Union;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by considering areas of significant judgement and estimation, complex transactions, performance targets, economic or external pressures and the impact these factors have on a likelihood of material misstatement. Where the risk was considered to be higher, we performed additional audit procedures to address each identified risk;

Independent auditor's report to the members of Lynx Topco Limited (continued)

- We identified a risk that management might override controls in certain key processes in order to achieve a desired financial reporting outcome. We determined that the most susceptible area to any such override was revenue recognition;
- We performed a targeted test of transactions and specific engagements including validation through to engagement agreements and other supporting documentation. We made direct enquiry of a sample of engagement partners in order to assess the appropriateness of their evaluation of revenue to recognise. We identified and tested manual adjustments made by management to the reported balances and tested evidence to support the reasonableness of recovery rates calculated by management; and
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of documentation, direct enquiry of management and those charged with governance. Further we complete testing of specific journals identified based upon risk criteria and assessment of any correspondence received from the relevant authorities through to the date of this audit opinion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Colin Brown
for and on behalf of Ernst & Young LLP
London

18 December 2024

Lynx Topco Limited
Consolidated income statement

For the year ended 30 June 2024

	Note	**Year ended 30 June 2024** Pre-exceptional items £'000	Exceptional items (note 4) £'000	Total £'000	Year ended 30 June 2023 Pre-exceptional items £'000	Exceptional items (note 4) £'000	Total £'000
Revenue	1,2	**726,794**	-	**726,794**	659,809	-	659,809
Employee and other direct costs	5	**(521,519)**	**(13,957)**	**(535,476)**	(475,581)	(10,414)	(485,995)
Other operating costs	3	**(76,098)**	**(47,511)**	**(123,609)**	(68,971)	(18,859)	(87,830)
Impairment loss on trade receivables	12	**(1,138)**	-	**(1,138)**	(692)	-	(692)
Depreciation of property, plant & equipment	9	**(8,143)**	-	**(8,143)**	(6,640)	-	(6,640)
Depreciation of right of use assets	20	**(15,129)**	-	**(15,129)**	(14,374)	-	(14,374)
Amortisation	8	**(37,023)**	-	**(37,023)**	(36,138)	-	(36,138)
Impairment charges	4	-	**(8,170)**	**(8,170)**	-	(889)	(889)
Share of profit after tax from associates	10	**262**	-	**262**	126	-	126
Operating profit/(loss)		**68,006**	**(69,638)**	**(1,632)**	57,539	(30,162)	27,377
Finance income	6	**2,170**	-	**2,170**	6,182	2,805	8,987
Finance costs	6	**(189,869)**	-	**(189,869)**	(126,321)	(3,732)	(130,053)
Loss before taxation		**(119,693)**	**(69,638)**	**(189,331)**	(62,600)	(31,089)	(93,689)
Taxation credit/(charge)	7	**4,925**	**3,013**	**7,938**	(1,600)	3,954	2,354
Loss for the year		**(114,768)**	**(66,625)**	**(181,393)**	(64,200)	(27,135)	(91,335)

There is no material difference between the Group's results as reported and on a historical cost basis. All results relate to continuing operations.

Lynx Topco Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2024

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Loss for the year recognised in the income statement	**(181,393)**	(91,335)
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Effect of movements in foreign exchange	**375**	(10,417)
Other comprehensive loss for the year	**(181,018)**	(101,752)
Total comprehensive loss for the year	**(181,018)**	(101,752)

Lynx Topco Limited - Registered number FC033952
Consolidated balance sheet

As at 30 June 2024

	Note	**2024**	2023
		£'000	£'000
Non-current assets			
Intangible assets	8	**660,883**	664,155
Property, plant & equipment	9	**14,999**	15,746
Right of use assets	20	**55,028**	51,452
Investment in associates	10	**6,525**	6,263
Lease receivables	20	-	44
Total non-current assets		**737,435**	737,660
Current assets			
Trade and other receivables	12	**206,362**	247,087
Derivative financial instruments	19	-	1,185
Assets classified as held for sale	25	**9,593**	-
Cash and cash equivalents	13	**58,758**	56,202
Total current assets		**274,713**	304,474
Total assets		**1,012,148**	1,042,134
Current liabilities			
Trade and other payables	15	**(147,629)**	(195,093)
Derivative financial instruments	19	**(9,271)**	-
Lease liabilities	20	**(14,846)**	(13,909)
Provisions	16	**(18,449)**	(23,762)
Borrowings	14	**(21,682)**	(78,112)
Liabilities classified as held for sale	25	**(2,634)**	-
Income tax		**(220)**	(1,754)
Total current liabilities		**(214,731)**	(312,630)
Non-current liabilities			
Borrowings	14	**(712,982)**	(1,060,750)
Cumulative redeemable preference shares	19	**(783,080)**	(59,577)
Lease liabilities	20	**(48,629)**	(44,152)
Other non-current liabilities	15	**(622)**	(1,986)
Provisions	16	**(8,102)**	(15,354)
Deferred tax liabilities	11	**(24,747)**	(30,669)
Total non-current liabilities		**(1,578,162)**	(1,212,488)
Total liabilities		**(1,792,893)**	(1,525,118)
Net liabilities		**(780,745)**	(482,984)
Equity			
Issued capital	17	**68**	5
Share premium		**9,173**	21,814
Translation reserve		**(21,326)**	(21,701)
Merger reserve		**(108,132)**	-
Retained earnings		**(660,528)**	(483,102)
Total equity attributable to equity shareholders		**(780,745)**	(482,984)

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Consolidated balance sheet *(continued)*

These financial statements were approved by the board of directors on 18 December 2024 and were signed on its behalf by:

Signed by:
Christopher Horne
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CN Horne
Director

Lynx Topco Limited
Consolidated cash flow statement

For the year ended 30 June 2024

	Notes	**Year ended 30 June 2024**	Year ended 30 June 2023
		£'000	£'000
Cash flow from operating activities			
Loss before taxation		**(189,331)**	(93,689)
Finance income	6	**(2,170)**	(4,864)
Finance expense	6	**188,783**	130,053
Share of profit after tax of associates	10	**(262)**	(126)
Amortisation	8	**37,023**	36,138
Impairments	4	**8,170**	889
Depreciation of property, plant & equipment	9	**8,143**	6,640
Depreciation of right of use assets	20	**15,129**	14,374
Net foreign exchange differences	6	**1,086**	(4,123)
Equity share-based payments	17	**3,968**	1,262
Gain on disposal of property, plant and equipment		**(54)**	(73)
Exceptional items (non-cash)		-	(76)
		70,485	86,405
Decrease / (increase) in receivables		**30,313**	(49,770)
(Decrease) / increase in payables		**(59,139)**	53,612
Cash generated from operations		**41,659**	90,247
Income taxes paid		**(4,029)**	(6,041)
Net cash inflow from operating activities		**37,630**	84,206
Cash flows from investing activities			
Purchase of property, plant and equipment	9	**(7,417)**	(6,147)
Purchase of intangibles	8	**(7,839)**	(4,027)
Purchase of subsidiaries (net of cash acquired and bank loans repaid)	24	**(24,501)**	(52,503)
Disposal of property, plant and equipment		**171**	372
Payment of deferred consideration and contingent consideration		**(17,544)**	(11,115)
Interest received		**1,975**	874
Net cash outflow from investing activities		**(55,155)**	(72,546)
Cash flows from financing activities			
Interest paid		**(58,029)**	(39,480)
Repayment of debt on refinancing	18	**(41,335)**	(525,704)
Increase in short-term loans	18	**30,635**	33,707
Increase in long-term loans	18	**137,003**	579,384
Payment of commitment fees	18	**(2,436)**	(1,395)
Share buy-back		-	(280)
Payment of capitalized finance fees		**(12,008)**	(20,936)
Payment of lease liabilities (including interest)	20	**(19,007)**	(18,804)
Cash inflow from investment transaction		**34,819**	-
Repayment of debt following investment transaction		**(47,399)**	
Net cash inflow from financing activities		**22,243**	6,492
Net increase in cash and cash equivalents		**4,718**	18,152
Cash and cash equivalents at the beginning of the year		**56,202**	39,693
Cash reclassified as held for sale		**(1,966)**	-
Effect of movements in foreign exchange	18	**(196)**	(1,643)
Cash and cash equivalents at the end of the year	13	**58,758**	56,202

Lynx Topco Limited
Consolidated statement of changes in equity

For the year ended 30 June 2024

	Issued capital £'000	Share premium £'000	Foreign currency translation reserve £'000	Merger reserve £'000	Retained earnings £'000	Equity attributable to owners of parent £'000	Non-controlling interests £'000	Total equity £'000
Balance as at 1 July 2022	5	30,103	(11,284)	-	(393,029)	(374,205)	-	(374,205)
Loss for the year ended 30 June 2023	-	-	-	-	(91,335)	(91,335)	-	(91,335)
Other comprehensive loss								
Currency translation differences	-	-	(10,417)	-	-	(10,417)	-	(10,417)
Total other comprehensive loss for the year ended 30 June 2023	-	-	(10,417)	-	(91,335)	(101,752)	-	(101,752)
Equity share-based payment (see note 17)	-	-	-	-	1,262	1,262	-	1,262
Cancelled during the year	-	(8,289)	-	-	-	(8,289)	-	(8,289)
Balance as at 30 June 2023	5	21,814	(21,701)	-	(483,102)	(482,984)	-	(482,984)
Group restructure (note 17)	**63**	**(12,641)**		**(108,132)**	-	**(120,710)**	-	**(120,710)**
Loss for the year ended 30 June 2024	-	-	-		**(181,393)**	**(181,393)**	-	**(181,393)**
Other comprehensive loss								
Currency translation differences	-	-	**375**	-	-	**375**	-	**375**
Total other comprehensive loss for the year ended 30 June 2024	-	-	**375**	-	**(181,393)**	**(181,018)**	-	**(181,018)**
Equity share-based payment (see note 17)	-	-	-	-	**3,967**	**3,967**	-	**3,967**
Balance as at 30 June 2024	**68**	**9,173**	**(21,326)**	**(108,132)**	**(660,528)**	**(780,745)**	-	**(780,745)**

Basis of preparation and critical accounting estimates and judgements

Accounting policies applicable across the financial statements are shown below. Accounting policies that are specific to a component of the financial statements have been incorporated into the relevant note.

General information
The financial statements of Lynx Topco Limited and subsidiaries (the "Group") for the year ended 30 June 2024 were authorised for issue by the board of Directors on 18 December 2024. Lynx Topco Limited is incorporated and domiciled in Jersey. The registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The principal activities of the Group are the provision of critical business support, BPO and advisory services to the entrepreneurial and private company business markets together with their owners and managers.

Group reorganisation
The Group has undertaken a group reorganisation exercise during the year. As part of this process, Lynx Bidco Limited and the Company were inserted above Azets Topco in the Group's structure.

On 31 October 2023, the Company's immediate subsidiary, Lynx Bidco Limited, acquired the entire share capital of Azets Topco Limited and its related subsidiaries, with the Company becoming the Group's new parent company. The directors have concluded that the insertion of the Company and Lynx Bidco on top of the existing Azets Group does not constitute a business combination under IFRS 3 'Business combinations' as there is no identifiable acquirer or new controlling owner of the Group, and instead has been accounted for as a group reorganisation. The reorganisation was undertaken as part of the investment transaction described in the Strategic Report, which saw PAI join the business as a new investor, with the Company and Lynx Bidco both being incorporated as part of the process. As such, merger accounting has been used to account for the insertion of the Company as the new ultimate parent of the Azets Group, the impact of which is described further below.

Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with the Companies (Jersey) Law 1991. The accounting policies as set out below have, unless otherwise stated, been consistently applied to all years presented in these financial statements. The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments and contingent consideration that have been measured at fair value.

These consolidated financial statements provide comparative information in respect of the previous year. In line with the application of merger accounting, the comparatives are those of the Group formerly headed by Azets Topco Limited as we consider these to be the most useful comparatives for the users of these financial statements.

The consolidated financial statements are presented in Sterling, which is the Company's functional currency, rounded to the nearest thousand pounds (£'000), except where otherwise indicated.

Basis of consolidation

In line with the principles of merger accounting, these consolidated financial statements include the results of the Company and all its subsidiaries for the years to 30 June 2024 and 30 June 2023 as if the Group reorganisation had taken place at the start of the earliest period presented.
The consolidated financial statements also include the Group's share of the after-tax results, other comprehensive income and net assets of its associates on an equity-accounted basis from the point at which significant influence respectively commences, to the date that it ceases.

The Group controls an entity when it has the power, directly or indirectly, to direct the activities of an entity so as to significantly affect the returns of that entity, to which it is exposed, or has rights to variable returns from its involvement with the investee.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Basis of preparation and critical accounting estimates and judgements *(continued)*

Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. In making their assessment of going concern, the directors have considered the Group's cashflows, liquidity and likely business activities over the period to 31 March 2026.

The Group has net liabilities of £780.7 million and at 30 June 2024 and recorded a loss after taxation for the year of £181.4 million and a cash inflow of £4.7 million. During the year, funding was provided to the Group through external borrowings, PIK notes, and a VLN. The PIK notes and the VLN were repaid as part of the investment transaction.

In making their assessment of going concern, the Directors have reviewed both the liquidity of the company and its ability to comply with the financial covenants in both a base case and a downside scenario. At the time of this review in December 2024, there was cash of £46.7 million which is available for operations. See note 14 for details of available facilities.

Liquidity
The Directors assessment of going concern shows that the Group will have adequate resources to continue to meet its liabilities for the period under review.

External debt
On 7 October 2022, the Group completed a refinancing of its external debt with all external borrowings now maturing in October 2029, apart from the revolving credit facility which matures in October 2028 and the PIK note which matures in October 2030. On 31 October 2023, an additional £95m Senior Debt was agreed and drawn down.

The Group is subject to a leverage ratio (Total net debt to consolidated pro-forma EBITDA) financial covenant related to this external debt which is assessed quarterly during the year. Under the terms of the banking agreement, the financial covenant becomes progressively more stringent after the first 36 months.

As at 30 June 2024, there were external borrowings of £734.7 million of which £543.3 million was due to mature in October 2028; £21.7 million in October 2029; and £169.7 million in October 2030.

Other borrowings
As at 30 June 2023, there were other borrowings of £548 million comprising PIK notes of £502m and a NOK 400 million (£46m) VLN issued as part of the formation of the Group, along with accrued interest on those instruments. The PIK notes were repayable in October 2026 and the VLN in December 2023. As part of the investment transaction, both of these loans were repaid on 31 October 2023.

Going concern review
In making their assessment of going concern, the Directors have reviewed both the liquidity of the company and its ability to comply with the financial covenant in both a base case and a downside scenario,

The base case scenario applied by the Directors in their assessment of going concern shows that the Group will have adequate resources to continue in operational existence for the period under review and will meet its financial covenant during that period.

Basis of preparation and critical accounting estimates and judgements *(continued)*

Going concern (continued)

The Directors have also considered what they believe to be a severe but plausible downside scenario being a 10% reduction in pro-forma EBITDA compared to pro forma EBITDA generated in the year ended 30 June 2024. This scenario also shows that the Group would continue to meet its financial covenant and meet its liabilities as they fall due for the period to 31 March 2026.

For these reasons, the Directors continue to believe that it is appropriate to continue to adopt a going concern basis for the preparation of the financial statements.

Foreign currency

The Group's consolidated financial statements are presented in Sterling, which is the functional currency of the parent. Each group company determines its own functional currency, and items are included in the accounts of that company using that functional currency.

At the individual company level, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate prevailing at the balance sheet date and any resulting foreign exchange differences are recorded in the income statement. Non-monetary assets and liabilities are maintained at historical cost and are translated using the exchange rate at the date of the transaction.

On consolidation, the results of Group companies with a functional currency other than Sterling are translated at a monthly average exchange rate. The net assets are translated at the rate prevailing on the balance sheet date.

Exchange differences arising from the retranslation of opening net assets of Group companies, together with differences arising from the restatement of the net results of Group companies from average rates to rates at the balance sheet date, are recognised in other comprehensive income and are shown within foreign currency translation reserve in equity.

New or amended accounting standards

There are no new accounting standards or amendments to existing accounting standards that are relevant in the year.

Future accounting standards

There are no IFRS, IAS amendments or IFRIC interpretations which are not yet effective that would be expected to have a material impact on the Group.

Critical accounting estimates and judgements

In applying the Group's accounting policies, which have been incorporated into the relevant note that are specific to a component of the financial statements, management are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or future periods if the revision affects future periods.

Basis of preparation and critical accounting estimates and judgements *(continued)*

Critical accounting estimates and judgements (continued)

Information about these judgements and estimates is included in relevant note that are specific to a component of the financial statements, the most significant being:

Revenue recognition

Other than for assignments undertaken on a contingent fee basis, revenue on client assignments is recognised over time. This requires management to determine the measurement method that best depicts the Group's performance in transferring services to its clients. Management has concluded that the input method of measuring progress is appropriate based on the internal time and external costs incurred to date as a percentage of total expected internal time and external costs.

This requires an estimate to be made of the stage of completion of those assignments. Management estimates the remaining internal time and external costs to be incurred in completing the assignments and the client's willingness and ability to pay for the services provided. A different assessment of the outturn on an assignment may result in a different value being determined for revenue and a different carrying value being determined for unbilled revenue for client work. Unbilled revenue as at 30 June 2024 was £41.2 million (2023: £38.8 million), given that the timing of billing has not yet been agreed with the clients, there remains a risk that elements of this balance are not billable and so will not be recovered in cash. A sensitivity analysis has been performed to illustrate the impact of a change in management's assumptions related to the valuation of unbilled revenue. This indicates that a 5% reduction in the amount billable would result in an additional charge to the income statement of £2.1 million.

Impairment of goodwill

As at 30 June 2024, the carrying value of goodwill was £489.7 million. Goodwill is tested for impairment annually, or more often if indicators of impairment exist. There are two key areas of estimation in relation to goodwill impairment.

The first is the appropriateness of the cash-generating units ("CGUs") for the purpose of impairment testing. In the year ended 30 June 2024, management determined the CGUs as the four separate operating segments. A cash-generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset (or a group of assets) are largely independent of the cash inflows from other assets (or groups of assets), management considers various factors including how management monitors the entity's operations (such as by product or service lines businesses geographical areas).

The other key area of estimation relates to the assumptions applied in calculating value in use of the CGUs being tested for impairment. The key assumptions applied in the calculation relate to the future performance expectations of the business – primarily, the Group's 5-year forecasts and long-term growth rates. Assessment for impairment involves comparing the book value of an asset with its recoverable amount (being the higher of value in use and fair value less costs to sell). Value in use is determined with reference to projected future cash flows of the existing perimeter i.e. excluding any future planned / expected investment, discounted at an appropriate rate. Both the cash flows and the discount rate involve a significant degree of estimation uncertainty.

The impairment test performed as at 30 June 2024 indicated that the recoverable amount of the Republic of Ireland CGU was less than its carrying value and an impairment charge of £5.5 million has been booked. See note 8 for further details.

Basis of preparation and critical accounting estimates and judgements *(continued)*

Critical accounting estimates and judgements *(continued)*

Valuation of acquired intangible assets in a business combination

As at 30 June 2024, the carrying value of acquired intangible assets was £163.0 million. The Group's intangible assets are initially measured at fair value in accordance with IFRS 3, *Business Combinations*. Management has determined the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the intangible assets, the Group uses market-observable data to the extent it is available. For material carrying values, management have engaged external providers for valuation analysis, and these are based on the prevailing market, economic and other conditions at the date of the business combination. Valuation methodologies adopted in determining the fair value of intangibles include:

- Income method in determining the fair value of customer relationship and contracts;
- Relief from Royalty method in determining the fair value of patents and trade names; and
- Cost approach in determining the fair value of software.

Information on the carrying values of intangibles assets are disclosed in note 8.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of property. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). There is no significant risk of material adjustment in FY25.

Valuation of contingent consideration for acquired businesses

A number of the Group's recent acquisitions have consideration payments which are based on earn out provisions. This requires estimates to be made of the future revenue, profit and working capital of acquired businesses. These estimates are reviewed on a regular basis and any variance in the actual performance will result in future payments being higher or lower than the balance sheet provision. Further details of contingent consideration are disclosed in note 24.

Equity related balances - estimating the share price

Certain estimates within the financial statements require a value to be placed on either the current or future value of the equities in Lynx Topco Limited. As these equities are not publicly traded, this requires the use of a valuation technique and estimates to be made of the expectation of future performance of the business – primarily the Group's 5-year forecast, and the value multiple that would be applied in the event of a sale of the Group.

Notes to the financial statements

Note 1. Divisional results

Accounting policy

Revenue
Revenue represents the value of sales made to customers after deduction of discounts and sales taxes. Revenue does not include sales between Group companies. Revenue is measured based on the consideration specified in a contract with a customer, which are less than a year in duration. The Group recognises revenue when it transfers control of its good and services to the customer. For the majority of services revenue is recognised over time, but for services performed on a contingent fee basis, revenue is typically recognised when the appropriate milestone, as set out in the contracts, is achieved.

Divisional reporting
The Group is not required to identify its operating segments or present financial information related to their performance during the year as the parent company does not have any debt or equity instruments traded in a public market. However, in order to allow for a fair presentation of the Group's results, the directors have elected to present financial information related to the performance of each of its four divisions.

In preparing this information, the directors have identified the chief operating decision maker and the divisional information below is presented on a consistent basis with the information presented to the chief operating decision maker for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The chief operating decision maker is the Group's Board.

The Board assesses the performance of the divisions based on EBITDAE prior to the adoption of IFRS 16. EBITDAE is a non-GAAP measure of operating profit or loss including share of profit after tax from associates, but excluding exceptional items, depreciation and amortisation and the impact of IFRS16. EBITDAE is reconciled to the Group's loss before tax on page 70.

Divisional results include items directly attributable to a division as well as those that can be allocated on a reasonable basis.

For the year ended 30 June 2024, the Group had four divisions, as described below. These divisions are derived from the management and internal reporting structure, which combine businesses with common characteristics, primarily with respect to the type of services offered by each business and the geographical location of where the services are carried out.

Azets Europe
Provision of accounting and payroll outsourcing services and tax and advisory services across the Nordic region (Norway, Sweden, Denmark and Finland).

Azets UK
Provision of accounting, tax, business advisory, payroll and other outsourcing services across the UK.

Blick Rothenberg
Provision of accounting, tax, business advisory, payroll and other outsourcing services in London.

Republic of Ireland ("ROI")
Provision of accounting, tax, business advisory, payroll and other outsourcing services in the Republic of Ireland.

Notes to the financial statements *(continued)*

Note 1. Divisional results *(continued)*

The accounting policies of the divisions are the same as the Group's accounting policies described in the relevant note to the financial statements. Divisional profit/(loss) represents the profit after tax earned by each division without allocation of central administration costs and excluding the impact of IFRS 16. This is the measure reported to the chief operation decision maker, the Group's Board, for assessment of divisional performance.

For the year ended 30 June 2024

	Azets Europe £'000	Azets UK £'000	Blick Rothenberg £'000	ROI £'000	Head Office/ elims £'000	Total Pre-IFRS 16 £'000	Impact of IFRS 16 £'000	Total per income statement £'000
Revenue from external customers	**312,053**	**296,798**	**107,513**	**14,199**	**(3,687)**	**726,876**	**(82)**	**726,794**
Operating profit before associates, exceptional items, depreciation and amortisation	**49,944**	**47,929**	**24,392**	**2,103**	**(14,758)**	**109,610**	**18,429**	**128,039**
Profit after tax from associates	**-**	**162**	**100**	**-**	**-**	**262**	**-**	**262**
EBITDAE	**49,944**	**48,091**	**24,492**	**2,103**	**(14,758)**	**109,872**	**18,429**	**128,301**
Amortisation of intangibles	**(11,429)**	**(18,262)**	**(5,479)**	**(853)**	**(1,000)**	**(37,023)**	**-**	**(37,023)**
Depreciation	**(1,754)**	**(5,760)**	**(986)**	**(74)**	**(4)**	**(8,578)**	**435**	**(8,143)**
Depreciation of right of use asset	**-**	**-**	**-**	**-**	**-**	**-**	**(15,129)**	**(15,129)**
Operating profit/(loss) before exceptional costs	**36,761**	**24,069**	**18,027**	**1,176**	**(15,762)**	**64,271**	**3,735**	**68,006**
Exceptional items	**(1,797)**	**(8,021)**	**(493)**	**(8,329)**	**(45,851)**	**(64,491)**	**3,023**	**(61,468)**
Impairment	**(706)**	**(265)**	**-**	**(5,510)**	**530**	**(5,951)**	**(2,219)**	**(8,170)**
Profit/(loss) before interest and taxation	**34,258**	**15,783**	**17,534**	**(12,663)**	**(61,083)**	**(6,171)**	**4,539**	**(1,632)**
Finance income	**1,704**	**6**	**774**	**-**	**(318)**	**2,166**	**4**	**2,170**
Finance costs	**(26,077)**	**(16,990)**	**(1,426)**	**(2,172)**	**(139,649)**	**(186,314)**	**(3,555)**	**(189,869)**
Taxation	**(2,931)**	**3,864**	**3,052**	**530**	**3,584**	**8,099**	**(161)**	**7,938**
Profit/(loss) for the year	**6,954**	**2,663**	**19,934**	**(14,305)**	**(197,466)**	**(182,220)**	**827**	**(181,393)**

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Notes to the financial statements *(continued)*

Note 1. Divisional results *(continued)*

For the year ended 30 June 2023

	Azets Europe £'000	Azets UK £'000	Blick Rothenberg £'000	ROI £'000	Head Office/ elims £'000	Total Pre-IFRS 16 £'000	Impact of IFRS 16 £'000	Total per income statement £'000
Revenue from external customers	299,019	262,730	98,321	2,765	(2,910)	659,925	(116)	659,809
Operating profit before associates, exceptional items, depreciation and amortisation	50,714	38,092	23,570	179	(13,799)	98,756	15,809	114,565
Profit after tax from associates	-	26	100	-	-	126	-	126
EBITDAE	50,714	38,118	23,670	179	(13,799)	98,882	15,809	114,691
Amortisation of intangibles	(12,512)	(17,773)	(5,464)	-	(389)	(36,138)	-	(36,138)
Depreciation	(1,928)	(4,144)	(987)	(20)	(22)	(7,101)	461	(6,640)
Depreciation of right of use asset	-	-	-	-	-	-	(14,374)	(14,374)
Operating profit/(loss) before exceptional costs	36,274	16,201	17,219	159	(14,210)	55,643	1,896	57,539
Exceptional items	(4,936)	(4,582)	(2,115)	(14)	(18,472)	(30,119)	846	(29,273)
Impairment	-	-	-	-	(655)	(655)	(234)	(889)
Profit/(loss) before interest and taxation	31,338	11,619	15,104	145	(33,337)	24,869	2,508	27,377
Finance income	796	6	12	-	8,164	8,978	9	8,987
Finance costs*	(19,797)	(16,940)	(1,752)	(47)	(88,379)	(126,915)	(3,138)	(130,053)
Taxation	(4,023)	3,708	786	-	1,966	2,437	(83)	2,354
Profit/(loss) for the year	8,314	(1,607)	14,150	98	(111,586)	(90,631)	(704)	(91,335)

* Including amounts presented as exceptional

Notes to the financial statements *(continued)*

Note 2. Revenue

In the following table, revenue is disaggregated by primary geographical market and major service line. The service lines reported have changed during the year to align with those reported internally.

For the year ended 30 June 2024

	Azets Europe £'000	**Azets UK £'000**	**Blick Rothenberg £'000**	**ROI £'000**	**Head Office / elims £'000**	**Total £'000**
Primary geographical market:						
UK	-	**296,798**	**107,513**	-	**(3,769)**	**400,542**
Europe	**312,053**	-	-	**14,199**		**326,252**
Revenue	**312,053**	**296,798**	**107,513**	**14,199**	**(3,769)**	**726,794**
Major service line:						
Advisory and tax	**48,953**	**92,253**	**46,822**	**5,618**	**(578)**	**193,068**
Audit, accounting and bookkeeping	**119,089**	**171,600**	**54,526**	**7,175**	**(2,636)**	**349,754**
Payroll and HR	**95,172**	**12,607**	**6,165**	**168**	**(461)**	**113,651**
IT	**48,839**	**2,193**	-	-	**(86)**	**50,946**
Corporate finance	-	**18,145**	-	**1,238**	**(8)**	**19,375**
Revenue	**312,053**	**296,798**	**107,513**	**14,199**	**(3,769)**	**726,794**

For the year ended 30 June 2023

	Azets Europe £'000	Azets UK £'000	Blick Rothenberg £'000	ROI £'000	Head Office / elims £'000	Total £'000
Primary geographical market:						
UK	-	262,730	98,321	-	(3,026)	358,025
Europe	299,019	-	-	2,765	-	301,784
Revenue	299,019	262,730	98,321	2,765	(3,026)	659,809
Major service line:						
Advisory and tax	46,767	84,169	46,574	915	(211)	178,214
Audit, accounting and bookkeeping	109,419	152,710	46,182	1,307	(1,202)	308,416
Payroll and HR	97,118	10,819	5,565	-	(780)	112,722
IT	45,715	1,829	-	-	(833)	46,711
Corporate finance	-	13,203	-	543	-	13,746
Revenue	299,019	262,730	98,321	2,765	(3,026)	659,809

Notes to the financial statements *(continued)*

Note 2. Revenue *(continued)*

The Group's revenue is largely derived from the provision of services over time, however there was revenue recognised of £0.1m (2023: £0.1m) in Blick Rothenberg and £4.4m (2023: £5.0m) in Azets UK that related to engagements carried out on a contingent fee basis and where the revenue was recognised on completion.

Contract assets and liabilities

The following table provides a summary of contract asset and liabilities arising from the Group's contracts with customers:

	2024	2023
	£'000	£'000
Trade receivables	**110,371**	103,916
Unbilled receivables and work-in-progress	**41,217**	38,769
Deferred income	**(5,613)**	(5,548)

The contract asset balances include amounts the Group has invoiced to customers (trade receivables) as well as amounts where the Group has the right to receive consideration for work completed which has not been billed at the reporting date (unbilled receivables and work-in-progress). Unbilled receivables and work-in-progress are transferred to trade receivables when the rights become unconditional which usually occurs when the customer is invoiced.

Trade receivables and unbilled receivables and work-in-progress are included within the 'Trade and other receivables' heading in the consolidated balance sheet.

During the year, the Group has continued to focus on credit control and work-in-progress management and has strong cash conversion. This is demonstrated by a reduction in receivable days, including the full year's impact of acquisitions, to 57 days (2023: 60 days). Year end balances for billed and unbilled revenue have increased compared to the prior year as a result of the acquisitions in the year.

Deferred income primarily relates to advance consideration received from customers, for which revenue is recognised over time. The deferred income of £5.5 million as at 30 June 2023 was recognised as revenue in its entirety during the year. Deferred income is included in the 'Trade and other payables' heading in the consolidated balance sheet.

The information required by IFRS 15 paragraph 120 is not disclosed as the contracts with customers are expected to be less than one year in duration.

Notes to the financial statements *(continued)*

Note 3. Operating costs

Operating costs (pre-exceptional items) include:	**2024**	2023
	£'000	£'000
IT costs	**28,796**	23,239
Legal & professional costs	**12,030**	11,656
Other operating and administration costs	**18,670**	13,585
Other property costs	**12,969**	17,029
Motor and travel	**3,633**	3,462
	76,098	68,971

Other property costs include rental payments for short term leases along with utilities, rates, service charges and other property costs.

Note 4. Exceptional items

Accounting policy

Exceptional items are items of income and expenditure which are non-recurring and unrelated to the ongoing operating performance of the business. They require separate disclosure by virtue of their nature, size or incidence to obtain a clear and consistent presentation of the Group's underlying performance and to provide consistency with internal management reporting.
Exceptional items include, but are not limited to:

- Acquisition related costs;
- Restructuring costs which are outside of normal business operations;
- Gains and losses on the disposal, or closure, of businesses;
- Gains and losses on the disposal of property, plant and equipment;
- Impairment charges.

Acquisition-related costs may include financing costs; legal and professional fees (including external advisory, legal, valuation and other professional fees); post-acquisition integration costs; internal costs that can be directly attributed to the acquisition (including payments to selling shareholders that are accounted for as remuneration) and changes in the fair value of contingent consideration.

	2024	2023
Exceptional income	**£'000**	£'000
Movement in the fair value of contingent consideration	**(4,155)**	(1,239)
Other income	**(6,077)**	-
Total exceptional income	**(10,232)**	(1,239)
Exceptional costs		
Transformation costs	**6,644**	5,070
Acquisition costs	**8,063**	1,641
Restructuring and integration costs	**694**	4,087
Investment and refinancing costs	**54,258**	13,913
Other costs	-	4,639
Movement in the fair value of contingent consideration	**2,041**	1,162
Impairment costs	**8,170**	889
Total exceptional costs included within operating profit	**79,870**	31,401
Financing costs classed as exceptional (note 6)	-	927
Net exceptional costs	**69,638**	31,089

Notes to the financial statements *(continued)*

Note 4. Exceptional items *(continued)*

Other exceptional income - £6.1 million (2023: £nil)
As part of the investment transaction discussed in the strategic report and below, the Group's Employee Benefit Trust (the "Trust") sold the shares that it held in Azets Topco Limited and used part of the proceeds to repay its loan to that company. The trust then lent the remaining proceeds to Azets Opco Limited to fund payment of retention and completion bonuses to management. As the Trust was liquidated as part of the investment transaction, this loan will not be repayable.

Transformation costs – £6.6 million (2023: £5.1 million)
Delivery of the Operational Excellence Pillar, as described on page 4, involves continuous improvement programmes that touch every area of the business, enabling smarter and more efficient working. In delivering against this pillar, the office footprint is being reviewed to ensure that Group has the right number of offices, in the correct locations to best serve our clients and people. During FY24, there was a charge of £1.3 million related to properties closed in the year and the costs of holding properties vacated in prior year along with redundancy costs of £5.0m.

Acquisition costs – £8.1 million (2023: £1.6 million)
Acquisition costs include legal, professional and other transactions costs related to acquisition and potential acquisitions, along with certain costs related to investment in staff in new business areas. Acquisition costs also include payments to selling shareholders that are accounted for as remuneration and retention arrangements put in place for certain key individuals post-acquisition.

The Group completed one acquisition in Europe and one in the Republic of Ireland during the year along with the client book and the associated client facing employees of a business based in the UK. During the prior year, the Group acquired 9 businesses, three based in the UK, four based in Europe and two in the Republic of Ireland.

Restructuring and integration costs – £0.7 million (2023: £4.1 million)
Restructuring and integration costs of £0.7 million related to acquisitions in the current and prior years includes post-acquisition integration costs such as dual management costs, rebranding and cessation of pre-acquisition contractual obligations and post-acquisition restructuring such as redundancy, IT and property costs. In addition, during FY23, costs of £3.8 million were incurred in restructuring and reducing the cost base of the UK business including offshoring certain central functions with associated redundancy and dual running costs.

Investment and refinancing costs- £54.3million (2023: £13.9 million)
During FY23, the Group completed a refinancing of its debt facilities and launched a process to secure new investment which completed during FY24. Costs of £54.3 million (2023: £13.9 million) were incurred in securing the new investment and refinancing the Group.

Costs incurred in FY24 of £15.6 million include legal and professional fees related to due diligence and sell-side advisory (£5.2 million), external contractors (£0.6 million), retention arrangements for key individuals (£4.9 million) and other success related bonuses (£4.9 million).

Costs incurred in FY23 of £13.9 million included legal and professional fees of £3.6m related to the refinancing and costs of £7.9 million related to the investment transaction. Investment transaction costs included professional fees (£1.2 million), external contractors (£1.3 million), retention arrangements (£1.8 million) and other costs directly related to the investment (£0.1 million). In addition, there was a provision of £5.9 million for a bonus that became payable on exit.

Other costs – £nil (2023: £4.6 million)
Other costs of £4.6 million incurred in FY23 include provisions of £1.0 million for a change in management of a recently acquired business, legal fees of £0.4 million and £3.5 million for the settlement of claims. These costs have been partially offset by a £0.3 million adjustment to a previously provided liability.

Impairment charges – £8.2 million (2023: £0.9 million)
Goodwill allocated to the Republic of Ireland £5.5. million (2023: £nil). Following the annual impairment review there was an impairment of £5.5 million charged against the goodwill allocated to the Republic of Ireland CGU. See note 8 for more details

Notes to the financial statements *(continued)*

Note 4. Exceptional items *(continued)*

Impairment charges (continued)

Right of use assets –£2.2 million (2023: £0.2 million). As part of delivery of the Operational Excellence Pillar, there is an ongoing review of the Group's property portfolio to ensure that the Group has the right number of offices in the right locations to best support its business and clients. Once an office has closed, and is not expected to reopen, the associated right of use asset is fully impaired, with a charge of £2.2 million in the year ended 30 June 2024 (2023: £0.2 million).

Amounts due from related parties – credit of £0.5 million (2023: charge of £5.4 million). In a prior year, the Group made a loan to a former director, repayment of which was limited to the proceeds from their shares on sale. An impairment of £5.4 million was booked against the carrying value of this loan in the year ended 30 June 2023 based on the view of the expected share price at that time. The completion of the investment transaction in October 2023 and finalisation of the actual share price generated a reversal of £0.5m to the previously booked impairment.

Amount due from employee benefit trusts – £nil (2023: credit of £4.7 million). In a prior year following the award of shares under the Management Investment Plan during that year, the amounts receivable from the Employee Benefits Trust was evaluated for impairment resulting in a charge of £4.7 million, taking into account the expected share price on exit, this impairment was reversed in FY23.

Assets held for sale - £1.0 million (2023: £nil). Following a strategic review of the business in early 2024, two businesses were identified as non-core, and a disposal process was launched. As at 30 June 2024, Isännöinti Luotsi Oy, the property management business based in Finland and a smaller business based in Scotland met the definition of held for sale. A review of the carrying value of these businesses compared to the expected sale proceeds resulted in an impairment charge of £1.0 million.

Note 5. Employees and other direct costs

Accounting policy
Employee costs consist of salary and wages paid to employees, social security costs and contributions payable by the Group in respect of defined contribution pension schemes.

Average number of employees

	2024 Number	2023 Number
United Kingdom	**4,236**	3,968
Europe	**3,581**	3,398
Republic of Ireland	**217**	94
Average number of employees	**8,034**	7,460

Employee costs	**2024 £'000**	2023 £'000
Wages and salaries	**440,204**	383,018
Social security contributions	**61,017**	42,128
Contributions to defined contribution pension schemes	**19,896**	19,845
Share-based payments	**3,967**	1,262
Total employee benefits expense	**525,084**	446,253

Total employee benefits expense	**525,084**	446,253
Other direct costs	**10,392**	39,742
Employees and other direct costs	**535,476**	485,995

Other direct costs include subcontractor costs, costs related to agency and other staff not directly employed by the company.

Notes to the financial statements *(continued)*

Note 6. Finance income and costs

Accounting policy

Finance income and costs are recognised using the effective interest method. Finance costs are recognised in the income statement simultaneously with the recognition of an increase in a liability or the reduction in an asset. Foreign currency movements on intercompany balances are recognised in the profit and loss account within finance income and costs. Fair value gains and losses associated with interest rate swaps are recognised in the profit and loss account within finance income and costs and classified as fair value adjustment to derivative.

	2024	2023
	£'000	£'000
Finance income		
Interest income	**2,170**	874
Gain on buyback of redeemable preference shares	-	2,805
Fair value gain on derivative financial instruments	-	1,185
Foreign exchange gains on financing activities	-	4,123
Total finance income	**2,170**	8,987
Finance costs		
Interest expense on bank loans	**(94,538)**	(63,052)
Interest expense on PIK and Vendor Loan Note	**(19,936)**	(57,197)
Dividend on cumulative redeemable preference shares	**(60,298)**	(6,658)
Interest expense on lease liabilities	**(3,555)**	(3,146)
Fair value loss on derivative financial instruments	**(10,456)**	-
Foreign exchange losses on financing activities	**(1,086)**	-
Total finance costs	**(189,869)**	(130,053)

Within finance income in FY23 is a gain of £2.8m which arose on the buyback of redeemable preference shares in the year and classified as exceptional.

Within finance costs in FY23 is £3.7m of previously capitalised financing costs which were written off as part of the refinancing and classified as exceptional.

Notes to the financial statements *(continued)*

Note 7. Taxation

Accounting policy

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly taken to equity.

Current tax is the tax expected to be payable on taxable income for the year, using tax rates enacted or substantively enacted during the year, together with any adjustment to tax payable in respect of previous years.

	2024 £'000	2023 £'000
Current tax expense		
UK - Corporate tax	-	2,576
Overseas - Corporate tax	**2,206**	3,835
Adjustment in respect of previous periods	**(2,115)**	(3,234)
	91	3,177
Deferred tax (credit)/expense		
Origination & reversal of temporary differences	**(8,263)**	(5,228)
Effect of changes in tax rates	-	(72)
Adjustment in respect of previous periods	**234**	(231)
	(8,029)	(5,531)
Total income tax credit in income statement	**(7,938)**	(2,354)

Reconciliation of effective tax rate	2024 £'000	2023 £'000
Loss before taxation	**(189,331)**	(93,689)
Nominal tax charge at UK corporation tax rate of 25% (2023: 20.5%)	**(47,333)**	(19,202)
Expenses not deductible for tax purposes	**32,282**	12,679
Income not taxable for tax purposes	**(2)**	(575)
Uncertain tax provisions	**714**	-
Effect of overseas tax rates	**1,987**	(492)
Tax rate differences	-	(72)
Movement in deferred tax not recognised	**6,294**	8,773
Adjustment in respect of previous periods	**(1,880)**	(3,465)
Total income tax credit in income statement	**(7,938)**	(2,354)

Notes to the financial statements *(continued)*

Note 7. Taxation *(continued)*

The Company's central management and control is undertaken in the UK, consequently the company is considered to be a UK tax resident. As a result of this, the tax disclosures have been prepared on the basis of UK corporation tax rules and rates.

From 17 March 2020, the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, in the Finance Bill 2021, the UK Government announced an increase in the UK corporation tax rate to 25% with effect from 1 April 2023. This increased tax rate was substantively enacted on 24 May 2021, closing deferred tax balances have been calculated at this rate.

On 20 June 2023, the UK substantively enacted the Pillar Two global minimum tax model rules (the "Pillar Two" rules) of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ("BEPS"). The legislation took effect for financial years commencing on or after 1 January 2024, making it effective for Azets from 1 July 2024. Under these rules, a top-up tax will arise where the effective tax rate of the Group's operations in any individual jurisdiction, calculated using principles set out in the Pillar Two legislation, is below 15%. Any resulting tax would be payable by Lynx Topco Limited, being the Group's ultimate parent, to the UK tax authority (HMRC). The Group has applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income tax in these accounts.

The Group monitors its potential impact to the global minimum tax rules for when it comes into effect on a regular basis. An assessment of the potential global minimum tax has been performed based on the FY24 actual results for each jurisdiction, this assessment has also considered which of the Transitional Safe Harbour Exemptions ("TSHE") will be available to the Group.

The assessment has indicated that the Group's operations in Estonia meet the threshold test, those in Norway and Sweden pass the simplified Expected Tax Rate (ETR) test and operations in the UK, Ireland, Denmark, Finland and Estonia meet the routine profits test. All the Group's operations therefore fall within one or more of the THSEs. Furthermore, if in future periods, any of the Group's operations in a territory do not meet the threshold or simplified ETR tests, it is anticipated that given the significant payroll costs incurred by the Group, all jurisdictions would qualify for the routine profits test. Given the ongoing availability of the TSHE, the global minimum tax rules are not expected to have a material impact on the results or cash flows of the Group.

Deferred taxation balances are analysed in note 11.

Note 8. Intangible assets

This note provides details of the non-physical assets used by the Group to generate revenues and profits. These assets include items such as goodwill, which represents the excess of the amount paid to acquire a business over the fair value of the identifiable net assets of that business at the acquisition date, and other intangible assets such as brands, customer relationships and computer software, which have predominantly been acquired as part of business combinations. These assets are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

This section also explains the accounting policies applied, and the specific judgements and estimates made by the management in arriving at the carrying value of these assets.

Notes to the financial statements *(continued)*

Note 8. Intangible assets *(continued)*

Accounting policy

Intangible assets acquired separately are initially measured at cost. Operating intangible assets are acquired in the ordinary course of business and typically include computer software. Non-operating intangible assets acquired in a business combination such as brands, patents and customer relationships with cost deemed to be their fair value at the date of acquisition. Following initial recognition, they are carried at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill is not amortised. Other intangible assets are amortised over their estimated useful economic lives. Estimated useful economic lives and amortisation rates are as follows:

Brand	-	5 years straight-line
Patents	-	5 years straight-line
Customer relationships	-	10 years straight-line
Computer software	-	3 - 5 years straight-line

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Cash generating unit

A cash-generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset (or a group of assets) are largely independent of the cash inflows from other assets (or groups of assets), management considers various factors including how management monitors the entity's operations (such as by product or service lines businesses geographical areas).

Impairment

The carrying amounts of the Group's intangible assets, right of use assets and property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangibles without a finite life, the recoverable amount is estimated at least annually.

An impairment charge is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Impairment charges recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to that CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and their value in use. In assessing value in use, estimated future cash flows are discounted to present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Notes to the financial statements *(continued)*

Note 8. Intangible assets *(continued)*

	Goodwill	Patents and brand names	Customer relationships	Computer software	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 July 2022	489,451	22,371	315,952	10,860	838,634
Acquired through business combinations	46,242	219	29,926	45	76,432
Additions	-	-	-	4,027	4,027
Exchange and other movements	(24,158)	(2,343)	(6,765)	(459)	(33,725)
At 30 June 2023	511,535	20,247	339,113	14,473	885,368
Acquired through business combinations	**23,757**	-	**14,049**	-	**37,806**
Additions	**16**	-	**6,028**	**3,497**	**9,541**
Reclassified as held for sale	**(5,024)**	-	**(3,658)**	-	**(8,682)**
Exchange and other movements	**1**	**95**	**(532)**	**117**	**(319)**
At 30 June 2024	**530,285**	**20,342**	**355,000**	**18,087**	**923,714**
Amortisation and impairment					
At 1 July 2022	35,063	17,614	133,250	7,091	193,018
Amortisation charge for the year	-	1,350	32,460	2,328	36,138
Exchange and other movements	-	(1,889)	(5,171)	(883)	(7,943)
At 30 June 2023	35,063	17,075	160,539	8,536	221,213
Amortisation charge for the year	-	**322**	**35,350**	**1,351**	**37,023**
Reclassified as held for sale	-	-	**(1,509)**	-	**(1,509)**
Impairment charge for the year	**5,510**	-	-	-	**5,510**
Exchange and other movements	-	**184**	**349**	**61**	**594**
At 30 June 2024	**40,573**	**17,581**	**194,729**	**9,948**	**262,831**
Net book value					
At 30 June 2023	476,472	3,172	178,574	5,937	664,155
At 30 June 2024	**489,712**	**2,761**	**160,271**	**8,139**	**660,883**

Goodwill on acquisitions of £23,757,000 includes £23,515,000 which arose on acquisitions in the year and £242,000 of hindsight period adjustments related to acquisitions in the prior year.

Goodwill

As at 30 June 2024, the consolidated balance sheet included goodwill of £489.7 million (2023: £476.5 million). The Group is required to test its goodwill and intangible assets for impairment at least annually, or more frequently if indicators of impairment exist. The review of goodwill for indicators of impairment by management is performed at the operating segment level, being the lowest level of cash generating unit ('CGU') monitored for goodwill purposes. The table below shows the goodwill by CGU, post recognition of any impairment losses.

Notes to the financial statements *(continued)*

Note 8. Intangible assets *(continued)*

CGU	**2024**	2023	Pre-tax discount rate **2024**	2023
	£'000	£'000	**%**	%
Azets Europe	**346,259**	348,913	**13.8**	14.6
Azets UK	**97,836**	97,820	**14.3**	15.1
Blick Rothenberg	**20,783**	20,783	**13.8**	13.7
Republic of Ireland	**24,834**	8,956	**17.8**	17.1
Total	**489,712**	476,472		

The recoverable amount of all CGUs has been based on value in use calculations. These calculations use cash flow projections included in the most recent budget for FY25 and the 5-year plan, which has been approved by the Board and reflects management's expectations of revenue growth and operating costs and margin for the core business in place at 30 June 2024, based on all information available to it. Where long-term growth rates for periods are not covered by the annual budget, management has used assumptions relating to the services, industries and countries in which the relevant CGU operates.

For some recently acquired businesses, management expects to achieve growth over the next five years in excess of the long-term growth rates for the applicable country or region. In these circumstances, budgeted cash flows are extended, using specific growth assumptions and considering the specific business risks.

For the purpose of impairment testing, central costs were allocated to the CGUs on a proportion of revenue.

The growth rates to perpetuity beyond the initial budgeted cash flows, applied in the value in use calculations for goodwill allocated to each of the CGUs or groups of CGUs that are significant to the total carrying amount of goodwill were: 2.7% (2023: 2.7%) for the UK CGUs based on the spot and the forecast yields for 30-year UK government bonds. In the Europe CGU, a blend of appropriate risk-free rates was used between the range of 2.7% and 3.4% (2023: 2.7% and 3.4%) in each of the geographical regions.

The carrying value of the Republic of Ireland CGU has been reduced to its recoverable amount through recognition of an impairment loss of £5.5 million against goodwill. This has been presented separately in the income statement. Any adverse changes in the key assumptions would increase this impairment loss.

As noted in the strategic report, the Group is expanding into the Republic of Ireland, having completed three acquisitions to date and with more expected in the future. To build scale and to ensure smooth integration of future acquisitions, there has been investment in the infrastructure in Ireland, including leased property and new IT systems. As these costs are committed to, they must be included in the annual impairment review cash flows, but the accounting standards do not allow the benefit of future acquisitions, which remain a core part of the investment thesis, to be included. As a result, the full expected return on the investment already made has not been included, the impact of which has generated an impairment charge which has been booked. Despite this charge, which arises from the technical application of the accounting standards, the Group remains confident in the future prospects of both its existing business in Ireland and the value in further acquisitions.

Sensitivity to changes in key assumptions

A sensitivity analysis has been performed in respect of the UK, Blick Rothenberg and Europe CGUs in order to review the impact of changes in key assumptions. The results of this sensitivity analysis indicate that no reasonably possible change in any of the key assumptions would cause the carrying value of those CGUs to exceed its recoverable amount. The most sensitive assumptions in the impairment analysis are deemed to be the discount rate and the terminal value rate. An increase of 1% in the Ireland CGU discount rate would result in an additional impairment of £3.2 million. A decrease of 1% in the Ireland terminal value rate would result in an additional impairment of £2.2 million.

Intangible assets

During the year, the UK business acquired a client book and associated client facing employees at a cost of £6.0m

Notes to the financial statements *(continued)*

Note 9. Property, plant and equipment

Accounting policy
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment charges. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment sufficient to reduce them to estimated residual value. Estimated useful lives are generally deemed to be no longer than:

Leasehold improvements	10 years and/or over the period for lease straight line
Fixtures and fittings	3 – 8 years straight line
Motor vehicles and equipment	3 – 5 years straight line

	Motor vehicles & equipment	Leasehold improvements	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2022	22,876	6,007	3,114	31,997
Acquired through business combinations	391	-	17	408
Additions	3,262	1,344	1,541	6,147
Disposals	(884)	(488)	(206)	(1,578)
Exchange and other movements	(1,341)	-	-	(1,341)
At 30 June 2023	24,304	6,863	4,466	35,633
Acquired through business combinations	**391**	-	-	**391**
Additions	**4,636**	**777**	**2,004**	**7,417**
Disposals	**(478)**	**(181)**	**(267)**	**(926)**
Exchange and other movements	**(97)**	-	-	**(97)**
At 30 June 2024	**28,756**	**7,459**	**6,203**	**42,418**
Accumulated depreciation				
At 1 July 2022	12,370	2,350	525	15,245
Depreciation charge for the year	4,925	572	1,143	6,640
Disposals	(178)	(342)	(206)	(726)
Exchange and other movements	(1,272)	-	-	(1,272)
At 30 June 2023	15,845	2,580	1,462	19,887
Depreciation charge for the year	**5,499**	**479**	**2,165**	**8,143**
Disposals	**(393)**	**(154)**	**(262)**	**(809)**
Exchange and other movements	**95**	**56**	**47**	**198**
At 30 June 2024	**21,046**	**2,961**	**3,412**	**27,419**
Net book value				
At 30 June 2023	8,459	4,283	3,004	15,746
At 30 June 2024	**7,710**	**4,498**	**2,791**	**14,999**

Notes to the financial statements *(continued)*

Note 10. Investments in associates

Accounting policy
The Group's investments in associates are accounted for using the equity method. Under the equity method, the investments are initially measured at cost. Subsequently, the carrying amounts are adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition dates. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. The income statement reflects the Group's share of the associate's profit or loss after tax and any non-controlling interests in the subsidiaries of the associate.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the income statement within operating profit. The financial statements of the associates are prepared for the same reporting period as the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the income statement.

This note presents information about the Group's investment in its associates, which are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The Group determines whether it has significant influence based on the voting and any other rights it holds as a result of its investment and any contractual arrangements in place. Normally, if the Group holds over 20% of the voting rights of an entity without having control or joint control of that entity, the investment will be treated as an associate unless it can be clearly demonstrated that this is not the case.

The Group has 100% economic interest in its associates but does not have a controlling interest because it holds more than 20% but less than 50% of the voting rights. The remaining voting rights in both associates are held by a single individual. As a result of its economic interest, the Group equity accounts 100% of revenue, expenditure and net assets of those associates.

The Group's associates provide audit services to customers of the Group. Due to the nature of the relationship with the associates, the Group is considered to be acting as principal and the revenue from audit services is included within consolidated Group revenue. Details of associates are listed in note 22.

Summarised financial information that represents the Group's share of the assets, liabilities and profit of associates is as follows:

	2024	2023
	£'000	£'000
Non-current assets	**5,583**	5,583
Current assets	**24,293**	21,983
Current liabilities	**(23,351)**	(21,303)
Net assets	**6,525**	6,263
Group's carrying amount of the investment	**6,525**	6,263

	Year ended 30 June 2024	Year ended 30 June 2023
	£'000	£'000
Revenue	**111,432**	82,341
Profit	**262**	126
Total other comprehensive profit	**262**	126

Notes to the financial statements *(continued)*

Note 11. Deferred tax assets and liabilities

Accounting policy
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred taxes are recognised in equity to the extent that they relate to equity transactions.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

	2024	2023
	£'000	£'000
Net deferred tax liability	**24,747**	30,669

The deferred taxation balance is attributed to the following:	**2024**	2023
	£'000	£'000
Fixed asset temporary differences	**1,076**	1,230
Intangible assets arising on consolidation	**36,905**	41,552
Losses	**(4,089)**	(109)
Interest restricted under Corporate Interest Restriction rules	**(6,544)**	(9,309)
Leases	**(587)**	(748)
Other temporary differences	**(2,014)**	(1,947)
Provision at end of year	**24,747**	30,669

In calculating the amount of deferred tax asset to be recognised, the Group has considered the extent to which the deferred tax asset may be offset against taxable profits arising on the reversal of the deferred tax liability currently existing within the Group.

The Group has a gross unrecognised deferred tax asset value of £155.9 million (2023: £129.8 million). This asset comprises: £155.4 million (2023: £64.7 million) of interest restricted under Corporate Interest Restriction rules; £nil million (2023: £64.9 million) of non-trade financial instruments; £nil million (2023: £0.2 million) of fixed asset temporary differences; and £0.5 million (2023: £nil) of provisions and other short term timing differences.

Notes to the financial statements *(continued)*

Note 11. Deferred tax assets and liabilities *(continued)*

The Group holds the following unrecognised deferred tax assets (net of tax):	**2024**	2023
	£'000	£'000
Interest restricted under Corporate Interest restriction rules	**(38,844)**	(16,171)
Non-trade financial instruments	**-**	(16,222)
Fixed asset temporary differences	**-**	(46)
Short term timing differences	**(129)**	-
Balance at end of year	**(38,973)**	(32,439)

Movement in deferred tax during the current year

	At 1 July 2023	**Recognised in profit or loss**	**On acquisition of subsidiaries**	**Disposal of subsidiaries & other balance sheet movement**	**Exchange and other movements**	**At 30 June 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Fixed asset temporary differences	**1,230**	**(70)**	**51**	**9**	**(144)**	**1,076**
Intangible assets arising on consolidation	**41,552**	**(6,755)**	**2,179**	**(426)**	**355**	**36,905**
Losses	**(109)**	**(3,975)**	**-**	**3**	**(8)**	**(4,089)**
Interest restricted under Corporate Interest Restriction rules	**(9,309)**	**2,765**	**-**	**-**	**-**	**(6,544)**
Leases	**(748)**	**161**	**-**	**-**	**-**	**(587)**
Short term timing differences	**(1,947)**	**(155)**	**-**	**17**	**71**	**(2,014)**
	30,669	**(8,029)**	**2,230**	**(397)**	**274**	**24,747**

Movement in deferred tax during the prior year

	At 1 July 2022	Recognised in profit or loss	On acquisition of subsidiaries	Other balance sheet movement	Foreign exchange movements	At 30 June 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset temporary differences	1,085	242	23	-	(120)	1,230
Intangible assets arising on consolidation	42,348	(6,031)	5,115	-	120	41,552
Losses	(56)	(95)	-	-	42	(109)
Interest restricted under Corporate Interest Restriction rules	(9,550)	241	-	-	-	(9,309)
Leases	(831)	83	-	-	-	(748)
Short term timing differences	(1,805)	29	-	-	(171)	(1,947)
	31,191	(5,531)	5,138	-	(129)	30,669

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Notes to the financial statements *(continued)*

Note 12. Trade and other receivables

Accounting policy

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss. Allowances are made against trade receivables based on the Group's estimate of expected losses using the simplified method set out in IFRS 9 whereby lifetime expected credit loss is estimated using a provision matrix and is accounted for on initial recognition of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets adjusted for expected future losses.

Work-in-progress

Work-in-progress ("WIP") is work performed, and not yet billed. The carrying values includes outlays incurred on behalf of clients and an appropriate portion of directly attributable costs and overheads on incomplete assignments. Revenue not billed to clients is included in amounts recoverable on contracts, within trade and other receivables. Payments on account in excess of the relevant amount of revenue are included in excess payments received on account within trade and other payables.

Revenue is generally recognised as contract activity progresses and in determining the amount of revenue to be recognised on incomplete contracts, it is necessary to estimate their stage of completion, the remaining time and cost to be incurred and the amount that will be paid for the services provided. These estimates are made on a contract-by-contract basis and a different assessment of any these factors would result in a change to the amount of revenue recognised. Revenue related to contingent fee arrangements is typically recognised when the appropriate milestones as set out in the contracts are met.

	2024	2023
	£'000	£'000
Amounts expected to be recovered within one year		
Trade receivables	**115,731**	108,967
Provision for expected credit loss	**(5,360)**	(5,051)
Net trade receivables	**110,371**	103,916
Unbilled receivables and work-in-progress	**41,217**	38,769
Receivables due from associates	**17,181**	14,382
Receivables due from related parties	**574**	7,073
Receivables due from employee benefit trusts	-	17,936
Prepayments	**14,327**	10,080
Income tax	**11,583**	8,565
Other receivables	**11,061**	46,284
Lease receivable	**48**	82
Trade and other receivables	**206,362**	247,087

Other receivables and prepayments include prepaid rent, IT licences, professional fees and other prepaid costs along with the insurance receivable related to claims under the Group's professional indemnity insurance. See note 16 for further details.

Notes to the financial statements *(continued)*

Note 12. Trade and other receivables *(continued)*

Ageing of receivables	**2024**	2023
	£'000	£'000
Not past due	**84,000**	77,593
0 - 3 months	**14,234**	15,035
Greater than 3 months	**17,497**	16,339
Total trade receivables	**115,731**	108,967

The movement on the Group's provision allowance for expected credit loss is as follows:

	2024	2023
	£'000	£'000
At 1 July	**5,051**	5,072
Acquired through business combinations	**70**	365
Created	**2,110**	1,350
Utilised	**(848)**	(988)
Reversed/released	**(972)**	(658)
Effect of movement in foreign exchange	**(51)**	(90)
At 30 June	**5,360**	5,051

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Total trade receivables (net of allowances) held by the Group at 30 June 2024 amounted to £110.4 million (2023: £103.9 million).

The average credit period taken on sales of services, including the full year's impact of acquisitions is 57 days (2023: 60 days).

Allowances for expected credit losses are made against trade and other receivables based on the Group's estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets adjusted for expected future losses.

Trade receivables disclosed include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. See note 19 for details on the Group's credit risk management.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. The other classes within trade and other receivables do not contain impaired assets.

Note 13. Cash and cash equivalents	**2024**	2023
	£'000	£'000
Cash at bank and in hand	**58,758**	56,202

Cash at bank and in hand generally earns interest at rates based on the daily bank deposit rate. The carrying amount of cash and cash equivalents approximates fair value. Included within the cash balance is restricted cash of £2.4 million (2023: £0.5 million).

Notes to the financial statements *(continued)*

Note 14. Borrowings

Accounting policy

Interest-bearing borrowings are initially recognised at fair value, net of transaction costs incurred. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liabilities in the balance sheet. Interest expense in this context includes initial transaction costs and any interest payable while the liability is outstanding.

	2024	2023
	£'000	£'000
Current loans		
Revolving facility	**21,682**	32,236
Other loans	-	45,876
Total current loans	**21,682**	78,112
Non-current loans		
Bank loans	**712,982**	558,357
Other loans	-	502,393
Total non-current loans	**712,982**	1,060,750
Secured loans		
- GBP floating rate	**532,237**	371,999
- NOK floating rate	**103,875**	108,722
- EUR floating rate	**49,111**	60,376
- DKK floating rate	**29,674**	30,026
- SEK floating rate	**19,767**	19,470
Unsecured loans		
- GBP fixed rate	-	502,393
- NOK fixed rate	-	45,876
Total Secured loans	**734,664**	1,138,862

Bank loans

At 30 June 2024, the Group had a number of committed facilities with a syndicate of commercial banks having undertaken a refinancing of the Group's borrowings during FY23. These borrowings are secured by fixed and floating charges over the assets of a number of the Group's subsidiaries.

In order to secure its long-term funding, the Group completed a complete refinancing of its facilities during FY23.

The senior facilities include a £428 million term loan facility B ("**Facility B**"), a £112 million acquisition facility (the "**Acquisition Facility**") and a £50 million revolving facility (the "**Revolving Facility**").

Facility B is split into GBP 202,376,165, NOK 1,442,045,128, SEK 275,048,165, DKK 267,392,748 and EUR 60,051,663.

The Revolving Facility is available for general corporate purposes. The Acquisition Facility is available to fund permitted acquisitions and deferred consideration payments.

Facility B was drawn down in full on 28 October 2022 and the existing bank loans were repaid in full on that date. Facility B and the Acquisition facility mature on 26 October 2029, and the Revolving Facility matures on 28 October 2028.

Notes to the financial statements *(continued)*

Note 14. Borrowings *(continued)*

Facility B, the Acquisition Facility and the Revolving Facility bear interest at a rate of 6.5% above SONIA (0.75% floor), NIBOR (0.75% floor), STIBOR (0.25% floor), CIBOR (0.25% floor) or EURIBOR (zero floor), as applicable.

On 7 October 2022, alongside the refinancing of the banking facilities, the Group also secured additional PIK funding of £135 million (the "**PIK Facility**") by way of a PIK ('payment in kind') facility agreement between, among others, Azets Debtco Limited and the lenders listed therein. The PIK Facility was drawn down in full on 28 October 2022 and matures on 28 October 2030. During the year, interest of £24.5 million was capitalised (2023: £10.0 million). Interest of £4.6 million had accrued as at 30 June 2024 (2023: £3.8 million).

In October 2023, the Group secured incremental debt facilities totalling £175m, including £95m Senior Debt, an additional acquisition facility of £60m and an extension to the RCF of £20m. The £95m Senior debt was drawn on 31 October 2023.

As at 30 June 2024, there were unamortised capitalised finance costs of £22.1 million (2023: £15.2 million). These loan arrangement costs are being written off over the period of the debt.

As at 30 June 2024, the Group had committed banking facilities of £748.0 million. Of these available facilities, £587.1 million was drawn, of which £22.9 million was the Revolving Credit Facility; £505.9 million term loans; and £58.3 million the acquisition facility. £160.9 million of the available facilities was undrawn.

As at the date of signing this report, the Group had committed banking facilities of £741.5 million, of which £590.8 million was drawn and £150.7 million was undrawn. In addition, the £135.0 million PIK note is fully drawn, with £48.2 of interest capitalised.

The Group is subject to a quarterly financial covenant test, which is a leverage ratio test. All covenants attached to borrowings were complied with in the current and prior year and the Group expects to pass all covenant hurdles in the future.

Other loans

As part of its formation, the Group arranged fixed-rate unsecured Payment in Kind facilities ("PIK notes") on 30 October 2016 comprising a £500 million unsecured PIK facility and a £8.0 million unsecured PIK facility. During September 2020, the Group issued PIK notes with a value of £84.8 million from its existing facilities in partial settlement of interest accrued to the end of August 2020. Interest accrued on the PIK facilities at a fixed rate of 12% per annum compounding on 31 October each year.

As part of the acquisition of Azets on 1 December 2016, the Group arranged a fixed-rate Unsecured Vendor Loan Note payable to the sellers and comprising a facility limit of NOK 400 million. This was drawn down in its entirety immediately after the completion date and has a maturity date of seven years from the date of issue. The interest on the Vendor Loan Note accrues at a fixed rate of 7% per annum, compounding on 30 June each year until maturity.

Both of these loans were repaid on 31 October 2023.

Notes to the financial statements *(continued)*

Note 15. Trade and other payables

Current trade and other payables	**2024**	2023
	£'000	£'000
Trade payables	**25,450**	25,408
Accrued interest	**11,946**	7,847
Other taxes and social security payables	**38,210**	36,985
Employee benefit payables	**46,402**	44,073
Deferred income	**5,613**	5,548
Other payables and accruals	**11,817**	69,788
Deferred consideration	**8,191**	5,444
Total trade and other payables	**147,629**	195,093

Non-current trade and other payables	**2024**	2023
	£'000	£'000
Non-current liabilities		
Other payables	**387**	401
Deferred consideration	**235**	1,585
Total other non-current liabilities	**622**	1,986

Due to the short-term nature of the financial liabilities included in this note they are held at undiscounted cost and are repayable on demand. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Other payables reported with current payables primarily relate to professional fees. Other payables at 30 June 2023 included claims settled prior to the approval of those accounts, professional fees and other transaction related costs, a bonus liability that is payable on exit and payables to former shareholders related to the acquisition of their shares.

Non-current other payables relate to certain amounts due to former owners of acquired businesses.

Note 16. Provisions

This note provides details of the provisions recognised by the Group, where a liability exists of uncertain timing or amount. The main estimates in this area relate to contingent consideration, dilapidation charges and claims.

This section also explains the accounting policies applied, and the specific judgements and estimates made by the Directors in arriving at the value of these liabilities.

Accounting policy

Provisions are recognised when a present obligation (legal or constructive) as a result of past events exists, and it is probable that a settlement of that obligation will be paid, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle that obligation, at the balance sheet date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Notes to the financial statements *(continued)*

Note 16. Provisions *(continued)*

	Contingent consideration £'000	Dilapidation £'000	Claims £'000	Others £'000	Total £'000
At 1 July 2022	21,617	7,596	4,547	1,033	34,793
Acquisition of subsidiary	18,050	337	-	-	18,387
Created	1,161	-	2,620	-	3,781
Utilised	(8,327)	(191)	(851)	-	(9,369)
Released	(1,123)	(29)	(2,405)	(300)	(3,857)
Transfer to payables	(3,885)	(147)	-	-	(4,032)
Exchange and other movements	(587)	-	-	-	(587)
At 30 June 2023	26,906	7,566	3,911	733	39,116
Acquisition of subsidiary	**9,181**	**15**	-	-	**9,196**
Created	**3,182**	**47**	**635**	-	**3,864**
Utilised	**(13,466)**	**(674)**	**(596)**	-	**(14,736)**
Released	**(4,155)**	-	**(1,776)**	**(300)**	**(6,231)**
Transfer to payables	**(4,569)**	-	-	-	**(4,569)**
Exchange and other movements	**(653)**	-	**564**	-	**(89)**
At 30 June 2024	**16,426**	**6,954**	**2,738**	**433**	**26,551**
2024					
Current	**15,251**	**27**	**2,738**	**433**	**18,449**
Non-current	**1,175**	**6,927**	-	-	**8,102**
	16,426	**6,954**	**2,738**	**433**	**26,551**
2023					
Current	18,753	365	3,911	733	23,762
Non-current	8,153	7,201	-	-	15,354
	26,906	7,566	3,911	733	39,116

Contingent consideration
Certain acquisitions include payments of contingent consideration to the previous owners of the businesses linked to post-acquisition financial performance. Provision is made based on the expected future payments based on expectations of post-acquisition performance. The payments will be made over the period to December 2025 based on the acquisition agreements.

During the year, £4.1 million was released representing the change in estimate of contingent consideration payable on two of the acquisitions made by the Europe business in a prior year; and £0.1m related to a prior acquisition made by the UK business.

Refer to note 24 for more details on contingent consideration with respect to uncertainties about the amount or timing and the major assumptions made concerning future events.

Dilapidations
Relates to the dilapidation provision on the property leases within Azets UK, Blick Rothenberg and Ireland. The majority of the resulting outflow of economic benefit is not expected within the next 5 years and is dependent on the timing of the lease agreement termination.

Claims
From time to time, the Group will provide business advisory services on a number of matters which exposes the Group to risks of future investigation and potential claims. Provisions have been recognised for certain known or reasonably likely legal claims or actions against the Group, these are expected to settle within the next 12 months.

Notes to the financial statements *(continued)*

Note 16. Provisions *(continued)*

In nearly all cases, the known claims are covered by the Group's professional indemnity insurance. Once the insurer has accepted liability and panel solicitors have been appointed, an insurance receivable is recognised and reported within other receivables on the balance sheet. In the rare cases where a legal claim or action is made which is not covered by the Groups PI insurance, then an appropriate provision will be made in the event that the directors believe that it is probable that a settlement of that obligation will be paid, and a reliable estimate can be made of the amount of the obligation.

Others
These provisions relate to PAYE and National Insurance payments on amounts paid to senior management employees. This stems from legacy payment arrangements in our UK regional platform that were phased out at the start of FY19, the Group has provided for any likely liability which is expected to settle in the next 12 months.

Note 17. Share Capital

On 31 October 2023, the Company's immediate subsidiary, Lynx Bidco Limited, acquired the entire share capital of Azets Topco Limited and its related subsidiaries, with the Company becoming the Group's new parent company. The insertion of the Company and Lynx Bidco on top of the existing Azets Group does not constitute a business combination under IFRS 3 'Business combinations' and instead has been accounted for as a group reorganisation. Merger accounting was used to account for the insertion of the Company and Lynx Bidco Limited. The effect was an increase in share capital, to reflect the underlying capital structure of the Company, with the offset posted to a newly created merger reserve. The reorganisation was undertaken as part of the investment transaction, which saw PAI joining the business as a new investor, with the Company and Lynx Bidco being incorporated as part of the process.

The movement in issued share capital during the year was as follows:

	Nominal value £	Number of shares	Share capital £000	Share premium £000	Merger reserve £000
As at 1 July 2023 (per accounts of Azets Topco Limited)	0.01	535,367	5	21,814	-
Group reorganisation Remove Azets Topco Limited	0.01	(535,367)	(5)	(21,814)	21,819
Insertion of Lynx Topco Limited	0.01	6,791,076	68	9,173	(9,241)
Additional merger reserve created on Group reorganisation	-	-	-	-	(120,710)
As at 30 June 2024	**0.01**	**6,791,076**	**68**	**9,173**	**(108,132)**

Share based payment
In prior years, a number of shares in Azets Topco Limited were awarded to selected senior employees under the Management Investment Plan ("the plan") at a cost to the employee of £2.95. Under the terms of this plan, the Group does not have any obligation to repurchase the awards for cash or other assets. The intention was that the employees will sell their shares to a third-party purchaser on a future sale of the Group, as such, the employees have to remain in employment until a future exit event in order to realise any gain on their shares. All of these shares issued in prior years vested as part of the investment transaction in October 2023.

Notes to the financial statements *(continued)*

Note 17. Share Capital *(continued)*

Share based payment *(continued)*

Also, as part of the investment transaction, there was an award of shares in Lynx Topco Limited to selected senior employees at a weighted average cost of £4.43.

The number of shares awarded and outstanding under the plan was as follows:

	2024 Number	2023 Number
Outstanding at 1 July	**192,632**	192,632
Vested during the year	**(192,632)**	-
Awarded during the year	**754,781**	
Lapsed during the year	**(2,831)**	-
Outstanding at 30 June	**751,950**	192,632

The fair value of services received in return for shares awarded is measured by reference to the fair value of those shares. The fair value is measured at grant date and spread over the period during which the employees are expected to become unconditionally entitled to the shares, this period being reassessed on an annual basis. The amount recognised as an expense is adjusted for leavers who have lost the rights to their shares. The Monte Carlo pricing model was used to value the awards, the inputs (on a weighted average basis where appropriate) into the model were as follows:

	2024	2023
Issue price	**4.43**	N/A
Expected share price volatility	**45%**	N/A
Expected term	**59 months**	N/A

Note 18. Analysis of net debt

	As at 30 June 2023 £'000	**Cash flow £'000**	**Non-cash items £'000**	**Exchange adjustments £'000**	**As at 30 June 2024 £'000**
Bank loans	(590,593)	(114,295)	(29,977)	201	**(734,664)**
Other loans	(548,269)	47,399	501,294	(424)	-
Cumulative redeemable preference shares	(59,577)	-	(723,503)	-	**(783,080)**
	(1,198,439)	(66,896)	(252,186)	(223)	**(1,517,744)**
Cash at bank	56,202	4,718	(1,966)	(196)	**58,758**
Net debt excluding leases liabilities	(1,142,237)	(62,178)	(254,152)	(419)	**(1,458,986)**
Lease liabilities	(58,061)	19,007	(24,538)	117	**(63,475)**
Net debt including leases liabilities	(1,200,298)	(43,171)	(278,690)	(302)	**(1,522,461)**

Cash and cash equivalents comprise cash and bank balances. The carrying amount of these assets is equal to their fair values. Cash at bank at the end of the year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance position as shown above. The Group did not maintain any overdrafts during either FY24 or FY23.

Notes to the financial statements *(continued)*

Note 18. Analysis of net debt *(continued)*

Non-cash transactions

Non-cash items include the interest payable on the Vendor Loan Notes issued as deferred consideration for the acquisition of Azets Europe (see note 14 for further details), interest on the PIK notes and bank loans, amortisation of capitalised finance fees and interest accretion, addition and disposal of lease liabilities. During the year ended 30 June 2024 there were non-cash transactions as follows:

- Amortisation of finance fees associated with the secured bank debt of £7.3 million (2023: £9.1 million), including exceptional write off of finance fees associated with the refinancing of £3.7 million in FY23;
- Additional accrued interest on the new PIK notes of £25.2 million, of which £24.5 million was capitalised (2023: £13.8 million, of which £10.0 million was capitalised);
- Additional accrued interest on the old PIK notes of £18.8 million (2023: £53.8 million) prior to the settlement of this loan as part of the investment transaction in October 2023;
- Additional accrued interest on the Vendor Loan Notes of £1.1 million (2023: £3.4 million). As at 30 June 2024 the carrying value of the loan was £nil (2023: £45.9 million) as the loan was settled as part of the investment transaction;
- Additional accrued interest on the existing cumulative preference shares of £1.6 million (2023: £6.7 million). The investment transaction saw the existing preference share principal converted into ordinary shares in Azets Topco Limited and the accrued interest thereon became payable to the Company;
- The investment transaction resulted in the issuance of new cumulative preference shares of £724.4 million on which interest of £58.7 million accrued during the year; and
- Interest accretion, additions and disposals of lease liabilities. See note 20 for more details.

Note 19. Financial instruments

This note shows details of the fair value and carrying value of long-term borrowings, trade and other payables, lease liabilities, trade and other receivables, cash at bank and derivative financial instruments. These items are all classified as "financial instruments" under accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

To assist users of these financial statements in assessing any risks relating to financial instruments, this note also shows the ageing of these items and analyses their sensitivity to changes in key inputs, such as interest rates and foreign exchange rates. An explanation of the Group's exposure to and management of capital, liquidity, credit, interest rate and foreign currency risk is set out in the financial risk management section at the end of this note.

Accounting policy

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired, or when the Group has transferred those rights and either has also transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but no longer has control of the asset.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments are initially recognised at cost and subsequently measured at fair value. Changes in fair value are included within financing costs in the income statement.

Notes to the financial statements *(continued)*

Note 19. Financial Instruments *(continued)*

Carrying amounts and fair values of financial assets and liabilities
Most of the Group's financial instruments are carried at amortised cost in the Consolidated Balance Sheet. For certain other financial instruments, specifically trade and other receivables and payables, the carrying amounts approximate to fair value due to the immediate or short-term nature of these financial instruments. The fair value of the interest-bearing loans is approximate to the carrying value. Derivative financial instruments are remeasured to fair value at each balance sheet date.

	2024	2023
	£'000	£'000
Financial assets		
Cash and bank balances	**58,758**	56,202
Derivative financial instruments	**-**	1,185
Trade and other receivables	**206,362**	247,087
Total financial assets	**265,120**	304,474
Financial liabilities		
Current		
Trade and other payables	**147,629**	195,093
Contingent consideration	**15,251**	18,753
Lease liabilities	**14,846**	13,909
Derivative financial instruments	**9,271**	-
Revolving credit facility	**21,682**	32,236
Other loans	**-**	45,876
Non-current		
Trade and other payables	**622**	1,986
Contingent consideration	**1,175**	8,153
Lease liabilities	**48,629**	44,152
Bank loans	**712,982**	558,357
Other loans	**-**	502,393
Redeemable preference shares	**783,080**	59,577
Total financial liabilities	**1,755,167**	1,480,485

The maturity profile of the undiscounted contractual amounts of the Group's bank loans and non-current financial liabilities was as follows:

	2024				
	Due within 1 year	**Due between 1 and 5 years**	**Due after 5 years**	**Contracted amount**	**Carrying amount**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Bank loans	**92,716**	**272,649**	**1,063,497**	**1,428,862**	**734,664**
Trade and other payables	**-**	**622**	**-**	**622**	**622**
Lease liabilities	**-**	**44,361**	**14,210**	**58,571**	**48,629**
Contingent consideration	**-**	**1,175**	**-**	**1,175**	**1,175**
Cumulative redeemable preference shares	**-**	**-**	**1,315,464**	**1,315,464**	**783,080**
Total bank loans and non-current financial liabilities	**92,716**	**318,807**	**2,393,171**	**2,804,694**	**1,568,170**

Notes to the financial statements *(continued)*

Note 19. Financial instruments *(continued)*

	2023				
	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Contracted amount	Carrying amount
	£'000	£'000	£'000	£'000	£'000
Bank loans	85,402	202,184	975,836	1,263,422	590,593
Other loans	47,383	732,480	-	779,863	548,269
Trade and other payables	-	1,986	-	1,986	1,986
Lease liabilities	-	42,112	7,818	49,930	44,152
Contingent consideration	-	8,153	-	8,153	8,153
Cumulative redeemable preference shares		32,877	74,539	107,416	59,577
Total bank loans and non-current financial liabilities	132,785	1,019,792	1,058,193	2,210,770	1,252,730

Borrowing facilities
The Group's borrowing facilities and other loans are disclosed in note 14.

During the year ended 30 June 2020, the Azets Topco Group issued 6.2 million redeemable cumulative preference shares with a coupon rate of 12% per annum and an issue price of £1 per share. These shares do not contain any equity component and are classified as financial liabilities in their entirety. The preference shares were issued in 2020 as part of the consideration for a number of the acquisitions during the year.

During the year ended 30 June 2023, 5.3 million redeemable cumulative preference shares with a coupon rate of 12% per annum and an issue price of £1 per shares were redeemed. The total carrying value of the cumulative preference shares, including the associated accrued interest, redeemed during the year ended 30 June 2023 was £16.1 million.

These original preference shares were redeemable ten years from the date of issue at £1 per share, are not publicly traded and represented unsecured borrowings of the Group. The investment transaction, in October 2023, saw the existing preference share principal converted into ordinary shares in Azets Topco Limited and the accrued interest thereon became payable to the Company.

As part of the Group restructure (see basis of preparation on page 19 for details), 72,435,743,913 new cumulative redeemable preference shares were issued, with a coupon rate of 12% per annum and an issue price of £0.01 per share for consideration of £724.4 million. These preference shares are: redeemable on exit at the paid up amount per share plus a sum equal to the accrued (and unpaid) preference dividend; are not publicly traded; and represent unsecured borrowings of the Group.

Both the new and existing instruments are measured at cost and the Directors consider that the carrying amount approximates to their fair value. There were no dividends paid on the redeemable cumulative preference shares during 2024 (2023: nil).

Interest rate swaps
The Group uses interest rate swaps to minimise its exposure to interest rate movements on its bank borrowings. As part of the October 2022 refinancing, the Group entered into certain interest rate swaps that fixed interest payments on an element of the variable rate debt. The original interest rate swaps expired in October 2023 and during the year, new interest rate swaps were taken out to partially hedge changes in interest rates until October 2026. The net fair value loss on these costs been recognised in finance cost as a fair value adjustment to derivative financial instruments.

Notes to the financial statements *(continued)*

Note 19. Financial instruments *(continued)*

Fair value hierarchy

Accounting policy

The group determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group classifies these financial instruments using a fair value hierarchy that reflects the relative significance of both objective evidence and subjective judgements on the inputs used in making the fair value measurements.

Trade and other receivables excluding prepayments and accrued income are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of cash and trade and other payables excluding tax and social security approximates fair value.

The fair value of secured loans approximates to their carrying amounts as they reflect the floating rates, and these are level 1. The fair value of unsecured loans disclosed in note 14 approximates to their carrying amounts.

Financial risk identification and management

The Group is exposed to the following financial risks from its use of financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

Notes to the financial statements *(continued)*

Note 19. Financial instruments *(continued)*

Market Risk
Market risk is the risk of movements in the fair value of future cash flows of a financial instrument or forecast transaction as underlying market prices change. The Group is exposed to changes in interest rates and foreign exchange rates.

(i) Interest rate risk
Interest rate risk arises on floating rate borrowings, as changes in floating interest rates affect the fair value of these financial instruments and cash flows on interest receivable or payable.

The Group exposure to interest rate risk relates primarily to obligations on debt facilities, which are based on the relevant risk-free reference rate (SONIA, NIBOR, CIBOR and EURIBOR) plus a margin.

At 30 June 2024, 79% (2023: 83%) of the Group's total borrowings were at fixed rates. The Group does not have significant sensitivities to the impact of interest rates on floating rate borrowings as it has interest rate swaps in place to fix the interest rates on the refinanced bank debt until October 2026. The total outstanding debt is not fully covered by the interest rate swap and therefore the sensitivity to a reasonable possible change (+/– 1.0%) in the relevant base rates would equate to a £3.5 million (2023: +/– 1.0% £2.8 million) post tax profit or loss exposure over the next 12 months.

(ii) Foreign exchange risk
The Group is exposed to changes in foreign exchange rates as it presents its financial statements in pounds Sterling but the operations in the Nordic region and Republic of Ireland have a functional currency other than Sterling. Changes in foreign currency exchange rates impact the translation into sterling of both the income statement and net assets of these foreign operations.

Where appropriate, the Group finances its operations by borrowing locally in the functional currency of its operations. This reduces net asset values reported in functional currencies other than Sterling, thereby reducing the economic exposure to fluctuations in foreign currency exchange rates on translation.

The Group does not actively hedge the translation impact of foreign exchange rate movements on the income statement (other than via the partial economic hedge arising from the servicing costs on non-sterling borrowings).

At the balance sheet date, the sensitivity to a reasonable possible change (+/– 10%) in the NOK exchange rates would equate to a £0.8 million (2023: £0.7 million) post tax profit or loss exposure in relation to the NOK for the unhedged forecast foreign currency exposures over the next 12 months.

Credit risk
Credit risk is the risk that counterparties to financial instruments do not perform according to the terms of the contract or instrument. The Group's businesses are exposed to counterparty credit risk when dealing with customers and arises principally from the Group's receivables from customers. The Group has low operational credit risk due to the transactions being principally of a high volume and low value. There is no significant concentration of credit risk since the risk is spread over a large number of unrelated counterparties and customers.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets adjusted for expected future losses.

Notes to the financial statements *(continued)*

Note 19. Financial instruments *(continued)*

Credit risk *(continued)*

The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive fair value by counterparty at 30 June 2024. The Group considers its maximum exposure to credit risk to be:

	2024	2023
	£'000	£'000
Cash and cash equivalents	**58,758**	56,202
Trade and other receivables	**206,362**	247,087
	265,120	303,289

Group cash balances are held with strong investment-grade banks or financial institutions.

The credit risk on liquid funds is considered to be low, as the Group Board assesses and approves all significant investments with approved counterparties to minimise the risk of loss.

In addition, the Group is exposed to the credit risk in relation to financial guarantees given to external suppliers by the Group. The Group's maximum exposure in this respect is the maximum amount the Group will have to pay if guarantees are called on (see note 21 for details of guarantees).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities as they fall due. The Group evaluates and continuously monitors the amount of liquid funds needed for business operations and ensures that the Group has sufficient headroom in its committed facilities to meet unforeseen or abnormal requirements. The Group also has access to committed facilities to assist with short-term funding requirements.

Available headroom is monitored via the use of cash flow forecasts prepared by each business, which are reviewed at least quarterly, or more often, as required. Actual results are compared to budget and forecast each period, and variances are investigated and explained, with particular focus on working capital.

Details of the Group's borrowing facilities are given note 14.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group is presented in the balance sheet. The statement of changes in equity provides details on the equity structure and note 14 provides details of borrowings and available facilities. Short and medium-term funding requirements are provided by a variety of committed loan facilities with a single syndicate of lenders and a range of maturities. Longer term funding is sourced from the same facilities.

The Group is not subject to any externally imposed capital requirements.

The Group does not have any target gearing ratios and operationally, management focuses on debt optimisation to meet financial covenants. The Group is subject to quarterly leverage ratio tests under its financial covenants.

Notes to the financial statements *(continued)*

Note 20. Leases

Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold improvements	10 years
Fixtures and fittings	3 – 8 years
Motor vehicles and equipment	3 – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. See note 4 for further details.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are presented separately on the face of the balance sheet.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements *(continued)*

Note 20. Leases *(continued)*

Group as a lessee

The Group has lease contracts for various items of property, vehicles and equipment used in its operations. Leases of property generally have lease terms between 5 and 15 years, while motor vehicles and equipment generally have lease terms between 3 and 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group also has certain leases of property with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings £'000	**Motor vehicles & equipment £'000**	**Total £'000**
As at 1 July 2022	40,698	1,625	42,323
Acquired through business acquisition	2,698	78	2,776
Additions	24,094	283	24,377
Depreciation expense	(13,567)	(807)	(14,374)
Impairment charge	(234)	-	(234)
Disposals	(2,207)	(18)	(2,225)
Exchange and other movements	(1,205)	14	(1,191)
As at 30 June 2023	50,277	1,175	51,452
Acquired through business acquisition	**283**	-	**283**
Additions	**20,839**	**1,098**	**21,937**
Depreciation expense	**(14,478)**	**(651)**	**(15,129)**
Impairment charge	**(2,219)**	-	**(2,219)**
Disposals	**(1,237)**	-	**(1,237)**
Exchange and other movements	**(67)**	**8**	**(59)**
As at 30 June 2024	**53,398**	**1,630**	**55,028**

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the year:

	2024 £'000	2023 £'000
As at 1 July	**58,061**	50,841
Acquired through business acquisition	**283**	2,776
Additions	**21,937**	24,377
Accretion of interest	**3,555**	3,146
Payments	**(19,007)**	(18,804)
Disposals	**(1,237)**	(2,777)
Exchange and other movements	**(117)**	(1,498)
As at 30 June	**63,475**	58,061
Current liability (note 19)	**14,846**	13,909
Non-current liability (note 19)	**48,629**	44,152

Notes to the financial statements *(continued)*

Note 20. Leases *(Continued)*

The maturity analysis of lease liabilities is disclosed in note 19.

The following amounts are recognised in profit or loss:

	2024	2023
	£'000	£'000
Depreciation expense of right-of-use assets	**15,129**	14,374
Interest expense on lease liabilities	**3,555**	3,146
Impairment charge of right-of-use assets	**2,219**	234
Expense relating to short-term leases (included in other operating costs)	**1,167**	973
Expense relating to leases of low-value assets (included in other operating costs)	**440**	263
Total amount recognised in profit or loss	**22,510**	18,990

The Group had total cash outflows for leases (excluding short-term leases and leases of low value) of £19.0 million for the year ended 30 June 2024 (2023: £18.8 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of £21.9 million for the year ended 30 June 2024 (2023: £24.4 million). See note 4 for additional details on the impairments. The future cash outflows relating to leases that have not yet commenced are disclosed in note 21.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see section "Critical accounting estimates and judgements" on page 21).

Set out below are the undiscounted potential future rental payments:

Maturity analysis	**2024**	2023
	£'000	£'000
Within one year	**17,867**	16,444
In two to five years	**44,361**	42,112
In over 5 years	**14,210**	7,818
Total undiscounted liabilities	**76,438**	66,374
Future finance charges	**(12,963)**	(8,313)
Lease liabilities in the financial statements	**63,475**	58,061

Notes to the financial statements *(continued)*

Note 21. Commitments and contingent liabilities

a) Guarantees and related matters

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until it becomes probable that the company will be required to make a payment under the guarantee. As at 30 June 2024, the company provided guarantees of £14.9 million (2023: £13.6 million) in respect of liabilities of third parties in the ordinary course of business. These related to guarantees on building leases.

b) Commitments

There are no lease contracts that had not yet commenced as at 30 June 2024 (2023: one). The future lease payments for the non-cancellable lease contract in the prior year were: within one year £0.02 million; within five years £0.2 million; and greater than five years £nil.

c) Contingent liabilities

From time to time, the Group will provide business advisory services on a number of matters which exposes the Group to risks of future investigation and potential claims.

We have recognised provisions for certain known or reasonably likely legal claims or actions against the Group where it is probable that a settlement of that claim or action will be paid, and a reliable estimate can be made of the amount of the related claim or action. None of the actual legal claims or actions which are known and for which a provision has not been established are currently expected to have a material adverse impact of the Group's financial position, results of operations or cash flows.

Each of the platforms acquired by the Group on formation had previously traded for many years prior and as such, there are potential residual risks from this period. At the date of financial statements and up to the date of signing of these financial statements, no material regulatory investigations had been established but they remain a potential regulatory risk to the Group. The risk management framework established by the Group seeks to mitigate the likelihood of any such incidents occurring post formation of the Group.

Note 22. Group entities

The largest Group in which the results of the Company are consolidated is that headed by Lynx Topco Limited, which is incorporated in Jersey.

A number of limited partnerships, which are managed by Hg Pooled Management Limited (held through a nominee company) and PAI Partners S.à r.l. held a significant interest in the ordinary shares of the ultimate parent company as at 30 June 2024.

The directors understand and believe that there is no ultimate controlling party as there is no individual investor in any of the funds managed by PAI Partners S.à r.l. or HG Pooled Management Limited that hold more than a 25% interest in the funds or their underlying investment or exercise control over the funds.

Notes to the financial statements *(continued)*

Note 22. Group entities *(continued)*

Subsidiary undertakings

A list of the Group's subsidiaries as at 30 June 2024 is given below. The entire share capital of subsidiaries is held within the Group except where the Group's ownership percentages are shown. All subsidiaries are consolidated in the Group's financial statements.

Jersey	**% effective holding if not 100%**
Lynx Bidco Limited	
Azets Topco Limited	
Azets BA Bidco Limited	
Azets BA Holdco Limited	
Azets BR Bidco Limited	
Azets Debtco Limited	
Azets Holdco Limited	
Azets Holdco 2 Limited	
Azets Group Limited	
Azets Midco Limited	
Azets Opco Limited	
Azets UK Holdco Limited	
Kar Romania Bidco Limited	
United Kingdom	
Cogidocs Holdings Limited	
Azets Document Solutions Limited	
Blick Rothenberg Limited	
Blick Rothenberg Global Business Services Limited	
NBB Associates Limited	
TaxFax Limited	
Blick Rothenberg Audit LLP	
Azets (Ashby) Limited	
Azets (Bicester) Limited (dissolved 18 June 2024)	
Azets (Cannock) Limited	
Azets (Cheltenham) Limited	
Azets Corporate Finance Limited	
Azets Corporate Services Limited	
Azets (Coventry) Limited	
Azets (Dursley) Limited	
Azets Holdings Limited	
Azets (Jesmond) Limited (dissolved 11 June 2024)	
Azets (Leamington) Limited	
Azets (MCC) Limited	
Azets (North East) Limited	
Azets (Oswestry) Limited (dissolved on 29 August 2023)	

Notes to the financial statements *(continued)*

Note 22. Group entities *(continued)*

United Kingdom *(continued)*

Azets (Tamworth) Limited	
Azets Technology Solutions Limited	
Azets (TP) Limited	
Azets (Walsall) Limited	
Azets (West Country) Limited	
Azets (Wolverhampton) Limited	
Azets (Yarm) Limited	
Azets (BDM) Limited	
Azets (B&A) Limited	
Azets (CD) Limited	
Azets Debt Solutions Limited	
Azets (CDSW) Limited (dissolved 29 August 2023)	
Azets (CHBS) Limited	
Azets (CHG) Limited	
Azets (Holywell) Limited	
Azets Property Holding Company Limited (dissolved 11 June 2024)	
Azets (Barnstaple) Limited (dissolved 11 June 2024)	
Azets (Peterborough) Limited	
Azets Payroll & HR Limited (dissolved 16 July 2024)	
Azets (TR) Limited (dissolved 11 June 2024)	
Titanium Trustees Limited	
Azets Financial Planning Limited	
Azets Probate Services Limited	5%
Roffe Swayne Limited	
Azets Ireland Holdco Limited	
Gorilla Holdings Limited	
Gorilla Accounting Limited	
Naylor Wintersgill Limited	
Azets Sandisons Limited	
Azets Inspire Ventures & Investments Ltd	
Azets Inspire Professional Services Limited	
Azets G & E Professional Services Limited	
Azets Garbutt & Elliott LLP	
Azets Garbutt & Elliott Audit Limited	
Azets Tait Walker Management Limited	
Don't Fret About Debt Limited	
Azets Wealth Management Limited	

Republic of Ireland

Azets Ireland Holdings Limited
Azets HB Limited
Azets AB Limited
Azets AK Limited
Azets GH Unlimited Company

Notes to the financial statements *(continued)*

Note 22. Group entities *(continued)*

Republic of Ireland *(continued)*
Heptad Ireland Holdings Limited
Azets OLH Limited
Azets Payroll Services Ireland Limited
Azets Corporate Services Limited

Norway

Azets AS
Azets Norway Holding AS
Azets People AS
Azets People Management AS
Azets Insight AS
Azets Document Solutions AS
Azets Treasury AS
Kar Norway Holdco AS
Azets Legeregnskap AS
Saga Regnskap Tønsberg AS
Saga Regnskap Hønefoss AS
Saga Entreprenør Regnskap AS
Saga Consult AS
Sørum økonomi AS
Duit AS
Karabin AS
Karabin Impello AS
Karabin Sans AS
Karabin Inpello AS
Karabingruppen AS

Denmark

Azets Denmark Holdco ApS
Azets Denmark Holding ApS
Azets Insight A/S
Azets Insight III ApS
Azets Labs A/S
Azets Employee Public A/S
Azets ATB ApS
Azets Perspektiv A/S
Azets Solutions ApS

Estonia

Azets Estonia Holding OÜ
Azets Insight OÜ

Notes to the financial statements *(continued)*

Note 22. Group entities *(continued)*

Finland

Azets Finland Holdings Oy
Azets Insight OY
Azets Document Solutions OY
Isännöinti Luotsi Oy

Sweden

Azets Sweden Holding AB
Azets Insight AB
Azets Document Solutions AB
IDUR Information AB
Azets Software AB
Azets Solutions AB
Azets Norrköping AB
Azets Linköping AB

Romania

Azets Document Solutions SRL
Azets Insight SRL
Azets AS Holding SRL

USA

Blick Rothenberg Inc

Associates

A list of the Group's associates as at 30 June 2024 is given below. All associates are included in the Group's financial statements using the equity method of accounting.

Name	Country	% effective holding if not 100%
Blick Rothenberg Holdco Limited	United Kingdom	49.0%
Azets Audit Services Limited	United Kingdom	49.0%
Azets Audit Services Ireland Limited	Republic of Ireland	49.0%

The principal activity of these associates is the provision of audit services.

Note 23. Related parties

The Group has a related party relationship with its associates, key management personnel, Hg and PAI. Key management personnel include the directors of the Company and the directors of its parent and subsidiary undertakings.

Related party transactions entered into by the Company in the course ordinary trading have been contracted on an arm's length basis unless otherwise noted in the table below. Material transactions and year end balances with related parties were as follows:

Notes to the financial statements *(continued)*

Note 23. Related parties *(continued)*

	Sub note	2024 £'000	2023 £'000
Charges from Hg Pooled Management Limited in respect of services provided for the Group	1	**3,575**	70
Charges from PAI Partners S.à r.l. in respect of services provided for the Group	1	**7,000**	-
Charges to associates in respect of services provided by the Group on normal trading terms	2	**111,532**	82,341
Rental payments	3	**1,103**	1,237
Amounts due from associates	4	**17,181**	14,382
PIK Notes due to Hg Capital 7 Nominees Limited	5	-	502,393
Amounts due to related parties	6	-	5,822
Interest free loans to related parties	6	-	6,600
Interest bearing loans	6	**574**	473
Short term employee benefits to key management personnel	7	**10,688**	4,201
Amount due from employee benefit trusts	8	-	17,936
Preference shares due to Hg Capital 7 Nominees Limited	9	**354,380**	-
Preference shares due to PAI Life Investments 2 S.à r.l (via Lynx UK Holdco)	9	**354,380**	-
Preference shares due to key management personnel	9	**2,476**	266
Ordinary shares held by key management personnel	10	**2,469**	245

1. During the year ended 30 June 2024, Hg Pooled Management Limited recharged the Group for recurring management fees and director's fees and costs associated with the investment transaction. During the year ended 30 June 2024, PAI Partners Sàrl. recharged the Group for costs associated with the investment transaction.

2. During the year ended 30 June 2024, the Group recharged employee and other direct costs related to services provided to its associates during the year.

3. During the year ended 30 June 2024, the Group made rental payments of £1.1 million in respect of properties occupied by group companies in which management and shareholders had an ownership interest. There were no amounts outstanding in respect of these arrangements at 30 June 2024.

4. As at 30 June 2024, the Group is owed £1.4 million (2023: £0.6 million) by Blick Rothenberg Holdco Limited and is owed £15.7 million (2023: £13.8 million) by Azets Audit Services Limited.

5. Series A & B Unsecured PIK Notes 2026 payable by the Group to HG Capital 7 Nominees Limited. The amount represents the principle and rolled-up interest outstanding. This loan was repaid in FY24 as part of the investment transaction.

6. As at 30 June 2023, the Group was owed £12.0 million by one of the former directors. This loan was interest free and had no fixed repayment date. During FY23, the loan was impaired by £5.4 million and at 30 June 2023 had a carrying value of £6.6 million. In line with the terms of the loan agreement, there was a bonus payable to the former director of £5.8 million at the time that the loan was repaid. As part of the investment transaction in FY24, the loan was repaid and the associated bonus paid to the director.

   During FY24, the Group made loans of £0.6 million to certain management as part of Management Incentive Plan. The loans due from key management personnel at the end of the prior year were repaid as part of the investment transaction in FY24.

7. The Group paid £10.7 million (2023: £4.2 million) in short term employee benefits to key management personnel during the year. There were no other employment benefits.

8. As part of the FY24 investment transaction, the £17.9 million owed to the Group from the Employee Benefit Trust was repaid. During the year, there was a loan of £6.1 million received from the Employee benefit trust that was subsequently waived.

Notes to the financial statements *(continued)*

Note 23. Related parties *(continued)*

9. As part of the Group restructure,72,435,743,913 new cumulative redeemable preference shares were issued, with a coupon rate of 12% per annum and an issue price of £0.01 per share for consideration of £724.4 million. Of these new preference shares, £354.4 million were issued to each of PAI Partners Sàrl and Hg Capital 7 Nominees Limited, with a further £2.5 million issued to key management personnel.

10. At the year end, key management personnel held the following ordinary shares in the Company:

    4,132 A ordinary shares, with a nominal value of £0.01, issued for consideration of £4,132
    16,446 B ordinary shares, with a nominal value of £0.01, issued for consideration of £16,446
    355,766 C ordinary shares, with a nominal value of £0.01, issued for consideration of £1,243,521

Note 24. Acquisitions

Accounting policy

Business combinations
On the acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities acquired, reflecting conditions at the date of acquisition. Provisional fair values are finalised within 12 months of the acquisition date. This may involve judgement to determine these values.

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets and liabilities acquired (including separately identified intangible assets), net of non-controlling interests. Non-controlling interests are measured at the proportionate share of the net identifiable assets acquired.

Contingent considerations
Contingent consideration which represents future anticipated payments to vendors (earnout agreements) are initially recorded at fair value which is the present value of the expected cash outflows of the obligations and are classified as a liability. The obligations are dependent on the future financial performance of the interests acquired (typically over a one to three-year period following the year of acquisition) and assume the operating companies improve profits in line with directors' estimates. Management derives their estimates from internal business plans together with financial due diligence performed in connection with the acquisition.

Subsequent changes in contingent consideration other than those changes relating to the finalisation of provisional fair values is recognised in the income statement.

2024
During the year, the Group acquired one business in Europe and one business in the Republic of Ireland. Total consideration was £40.7 million, comprising £26.8 million in cash; £2.5 million equity consideration; deferred consideration of £2.2 million and contingent consideration of £9.2 million. 100% of these businesses were acquired and both were joined onto the existing businesses in the respective territories.

The acquisitions contributed aggregate revenues of £3.1 million and a profit before tax of £1.7 million for the period between the dates of acquisition and 30 June 2024. Aggregate contributions to revenue and adjusted profit before tax, had the acquisitions occurred at the beginning of the period and for pro-forma full year, are not disclosed as appropriate financial information, prepared under IFRS, is not available.

Notes to the financial statements *(continued)*

Note 24. Acquisitions *(continued)*

2023

During the year, the Group acquired three business in the UK; four in Europe and two in the Republic of Ireland. Total consideration was £75.5 million, comprising £54.6 million in cash; £2.9 million deferred consideration; and contingent consideration of £18.0 million. 100% of these businesses were acquired with the Europe & UK acquisitions being joined onto the existing businesses and the Republic of Ireland acquisitions opening a new territory to the business.

The acquisitions contributed aggregate revenues of £9.5 million and a profit before tax of £1.7 million for the period between the dates of acquisition and 30 June 2024. Aggregate contributions to revenue and adjusted profit before tax, had the acquisitions occurred at the beginning of the period and for pro-forma full year, are not disclosed as appropriate financial information, prepared under IFRS, is not available.

2024

The provisional fair value of net assets acquired, and cash consideration paid in respect of the acquisition of businesses for the year ended 30 June 2024 are as follows:

	Azets Europe £'000	**Republic of Ireland £'000**	**Total £'000**
Identifiable assets and liabilities			
Intangible assets	5,846	8,203	**14,049**
Property, plant and equipment	259	132	**391**
Right of use assets	-	283	**283**
WIP	-	712	**712**
Trade receivables	663	2,603	**3,266**
Other debtors and prepayments	771	233	**1,004**
Cash and cash equivalents	24	2,283	**2,307**
Trade payables	(156)	(238)	**(394)**
Other payables	(995)	(89)	**(1,084)**
Lease liabilities	-	(283)	**(283)**
Other non-current liabilities	-	(932)	**(932)**
Deferred tax liabilities	(1,205)	(1,025)	**(2,230)**
Current tax (payable)/recoverable	81	19	**100**
Net identifiable assets and liabilities	5,288	11,901	**17,189**
Goodwill	2,149	21,366	**23,515**
Total consideration	7,437	33,267	**40,704**
Satisfied by			
Cash consideration	4,681	22,127	**26,808**
Equity consideration	337	2,140	**2,477**
Deferred consideration	-	2,238	**2,238**
Contingent consideration	2,419	6,762	**9,181**
	7,437	33,267	**40,704**
Net cash			
Cash consideration	4,681	22,127	**26,808**
Cash and cash equivalents acquired	(24)	(2,283)	**(2,307)**
	4,657	19,844	**24,501**

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Notes to the financial statements *(continued)*

Note 24. Acquisitions *(continued)*

2023

The provisional fair value of net assets acquired, and cash consideration paid in respect of the acquisition of businesses for the year ended 30 June 2023 are as follows:

	Azets UK £'000	Azets Europe £'000	Republic of Ireland £'000	Total £'000
Identifiable assets and liabilities				
Intangible assets	14,740	9,609	5,840	30,189
Property, plant and equipment	125	88	195	408
Right of use assets	878	668	1,230	2,776
Other non-current assets	-	63	-	63
WIP	657	-	529	1,186
Trade receivables	1,225	1,098	2,816	5,139
Other debtors and prepayments	532	181	368	1,081
Cash and cash equivalents	1,983	952	289	3,224
Trade payables	(214)	(83)	(103)	(400)
Other payables	(955)	(564)	(1,330)	(2,849)
Borrowings	-	-	(1,130)	(1,130)
Lease liabilities	(878)	(668)	(1,230)	(2,776)
Provisions	(337)	-	-	(337)
Other non-current liabilities	-	(1,214)	-	(1,214)
Deferred tax liabilities	(3,708)	(677)	(730)	(5,115)
Current tax payable	(616)	(99)	-	(715)
Net identifiable assets and liabilities	13,432	9,354	6,744	29,530
Goodwill	19,338	17,711	8,960	46,009
Total consideration	32,770	27,065	15,704	75,539
Satisfied by				
Cash consideration	27,070	16,756	10,771	54,597
Deferred Consideration	1,400	1,492	-	2,892
Contingent consideration	4,300	8,817	4,933	18,050
	32,770	27,065	15,704	75,539
Net cash				
Cash consideration	27,070	16,756	10,771	54,597
Cash and cash equivalents acquired	(1,983)	(952)	(289)	(3,224)
Borrowings assumed	-	-	1,130	1,130
	25,087	15,804	11,612	52,503

Notes to the financial statements *(continued)*

Note 24. Acquisitions *(continued)*

Contingent consideration

Contingent consideration relates to additional payments that will be made if certain targets are met by the acquired businesses in the years immediately following the acquisition. The valuation of contingent consideration is based on management's best estimates of the future financial performance of the acquired business.

Both of the FY24 acquisitions included an element of contingent consideration. The range of possible liability payments on these acquisitions was nil and £6.7 million on acquisition and the carrying amount at 30 June 2024 was £9.2 million.

In FY23, eight of the acquisitions included an element of contingent consideration. five of the acquisitions have contingent consideration clauses that are capped at a fixed amount. The range of possible liability payments on these acquisitions was nil and £6.0 million on acquisition and the carrying amount at 30 June 2023 was £24.4 million. For the remaining three acquisitions, the level of contingent consideration is uncapped, the provision on acquisition and at 30 June 2023 was based on management's best expectation of what will be achieved but, if post-acquisition performance exceeds this expectation, then the contingent consideration ultimately paid will be higher. £2.5 million was provided at 30 June 2023 in respect of these acquisitions.

Deferred consideration

Of the deferred consideration on the balance sheet at 30 June 2024, £8.2 million is expected to be settled within the next financial year and £0.2 million within the following financial year.

£17.5 million (2023: £11.1 million) of deferred and contingent paid during the year related to acquisitions in prior years.

Goodwill

Goodwill arose in the acquisitions disclosed above because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of revenue growth, future market development and from the value of the assembled workforce of the target acquisitions. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Acquisition related costs

The total acquisition related costs for the year ended 30 June 2024 were £2.0 million (2023: £1.6 million) this relates to the legal and professional costs associated with acquisitions, along with costs of retaining the senior management team post-acquisition. These costs were recognised in profit and loss and were presented within exceptional items.

	2024 **£'000**	2023 £'000
Azets Europe	**729**	365
Azets UK	-	60
Head office	**1,284**	1,216
Total acquisition related costs	**2,013**	1,641

Notes to the financial statements *(continued)*

Note 25. Assets and liabilities classified as held for sale

Accounting policy

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to WIP, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

As at 30 June 2024, the following assets and liabilities were classified as held for sale.

	2024 £'000
Assets held for sale	
Intangibles	**7,169**
Trade and other receivables	**458**
Cash and cash equivalents	**1,966**
	9,593
Liabilities held for sale	
Trade and other payables	**(2,039)**
Accruals	**(595)**
	(2,634)
Net assets held for sale	**6,959**

Note 26. Post balance sheet events

On 30 August 2024, the sale of Isännöinti Luotsi Oy, the property management business based in Finland was completed, the sale of the other business classified as held for sale completed on 25 October 2024.

On 30 September the Group acquired 100% of the share capital of Milne Craig, an accountancy and wealth management firm based in Paisley, near Glasgow. The acquisition brings more than 90 talented new colleagues to strengthen Azets client offering across accounting, tax, audit, corporate finance, payroll, and wealth management. As part of the consideration for this transaction, the Company issued 21,649 Ordinary B shares and 259,788,000 preference shares, with a value of £0.1 million and £2.6 million respectively.

Due to the proximity of the acquisition to the finalisation of these financial statements, management has not completed its assessment of the fair values of the assets and liabilities acquired. However, neither the fair values of the assets and liabilities, including the associated goodwill, nor the forecast contribution to profit before tax are expected to be material relative to the Group's current financial position, results of operations or cash flows.

Unaudited information

Non-statutory measures - EBITDAE

Earnings before interest, taxation, depreciation, amortisation and impairment and exceptional items (commonly referred to as "EBITDAE") is the measure the Group uses to assess its operational performance. This measure is presented to the Chief Operating Decision maker, the Group Board, as part the regular board meetings. EBITDAE is also stated before the impact of IFRS 16.

A reconciliation of the Group's statutory loss to EBITDAE is as follows:

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Loss for the year	**(181,393)**	(91,335)
Add back:		
Finance income	**(2,170)**	(8,987)
Finance costs (including exceptional items)	**189,869**	130,053
Taxation	**(7,938)**	(2,354)
Depreciation of property, plant & equipment	**8,143**	6,640
Depreciation of right of use asset	**15,129**	14,374
Amortisation	**37,023**	36,138
Impairments	**8,170**	889
EBITDA	**66,833**	85,418
Exceptional items included within EBITDA	**61,468**	29,273
EBITDAE on IFRS 16 basis	**128,301**	114,691
Impact of IFRS 16	**(18,430)**	(15,809)
EBITDAE	**109,871**	98,882