Registered number: 11172367

SHL GLOBAL MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Andrew James Bradshaw Thomas Michael Lightowler John Gerard Moore Paul John Greensmith (resigned 31 January 2023) Kerry Jenkins (appointed 13 March 2023) Emmy Bodrogi Hackett (appointed 24 January 2023, resigned 13 March 2023)
Registered number	11172367
Registered office	The Pavilion 1 Atwell Place Thames Ditton Surrey KT7 0NE
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present the Strategic Report for the year ended 31 December 2022.

Review of the Group's Business

Founded in 1977 SHL is widely recognised as a leader in talent assessment solutions throughout the employee journey. SHL is truly global with 37 offices in 21 countries serving over 10,000 customers in 150+ countries.

Since its acquisition in April 2018 by Exponent, a UK based private equity firm, and a small number of other co investors, SHL's strategy, delivery and focus have been significantly refreshed in order to fully leverage SHL's best in class science and unrivalled data.

On 27 November 2019 SHL acquired Aspiring Minds. Aspiring Minds' ground breaking products, including coding, language and video interviewing powered by industry leading Artificial Intelligence (AI) have been integrated into SHL's global offering giving customers access to a unique product set.

2022 marked SHL fifth year as an independent organization. Over that period, SHL has transformed into an Human Capital Management (HCM) SaaS leader, evolving virtually every aspect of the business, from the solutions taken to market, how it sells, to how it deploys and prices the solutions.

2022 was a pivotal year with all the changes, fueled by the expertise and passion of people, coming together to deliver growth and achieve major milestones against SHL long-term strategy. Revenue increased year on year in all regions, the pipeline from Annual Recurring Revenue ('ARR') continued to grow (14%), and gross margin improved through continuation of the Transform strategy with focus on higher margin repeatable packaged solutions. SHL also agreed the sale of PDRI during the year.

It was also a year that SHL made significant investments in creating an environment for people to flourish and do their best work. SHL upgraded seven offices, introduced our new Ways of Working, and made deliberate decisions about inclusive talent practices.

SHL focus will be on accelerating growth and creating the best experience for its customers and people. SHL will do this by continuing to embed its Strategy and making use of the tools and processes that will help to evolve and work in more scalable, repeatable and profitable ways.

The Group achieved revenue of $182.3m and the net loss from operations was $28.4m (from continuing operations). Adjusting for one off restructuring and professional service costs associated with transformation initiatives, EBITDA was $27.4m (from continuing operations).

Cash at the end of the year was $34.7m (2021: $40.5m) with undrawn committed borrowing facilities of $0.1m (2021: $7.5m).

On 22 March 2023, the Group completed the disposal of Personnel Decisions Research Institutes, LLC (PDRI), to Pearson Plc, for total consideration of $186.6m. PDRI is a trusted provider of assessment services to the US federal government, and the sale advanced SHL's strategy of focusing on repeatable packaged solutions for global commercial customers.

Financial key performance indicators

The Board tracks the following KPIs (from continuing operations):

	2022 $m	*2021* *$m*
Revenue	**182**	*173*
Gross Margin	**113**	*98*
Gross Margin %	**62**	*57*
EBITDA before Exceptional items	**27**	*26*
Cash	**35**	*41*

In addition, to these financial KPIs the Board also tracks several non-financial KPIs including Employee Engagement, Energy Consumption, Customer Satisfaction and Information Security and Data protection compliance metrics.

Principal risks and uncertainties facing the SHL Group

The Board regularly reviews the principal risks and uncertainties that face the business. The principal risks are:

Economic and Market risk – adverse global economic and business conditions can affect SHL's performance and impact its customers' ability and willingness to invest in SHL's products and services. SHL is focused on putting the customer first. Investment in the new commercial strategy has further enhanced our customer proposition, and was supported with a number of new products, processes and internal systems.

Covid 19 – this pandemic has created lasting impacts on the financial and social fabric across the globe but especially in Asia in 2022. SHL's strong focus continues to be the safety of customers, candidates, employees, contractors and other stakeholders, particularly in Asia, including by reactivating remote working protocols where needed. SHL also continues to address customer needs from the global trend towards hybrid working through the development of its products.

Inflation - during 2022, inflation rates across the globe rose significantly, driven by global supply chain tightening, post-Covid consumer demand rebound, and the conflict in Ukraine. This led to a series of interest rate increases in major markets. SHL managed cost inflation through a mix of commercial inflationary price increases, continued movement from lower to higher margin sales, and cost management.

Exposure to interest rate increases was managed through existing interest rate hedging arrangements.

Data security – SHL holds sensitive data around the world, the management of which is subject to contractual and legislative oversight to varying degrees in the countries in which it operates. Data security is taken very seriously and SHL has robust processes and controls in place over the access, storage and movement of data, including third party verification and testing. The Directors are satisfied that the Group's data security is appropriately managed.

People – SHL is a people business and relies upon the quality of its team. Its people strategy centers around seeking out and engaging with a diverse range of individuals to create an inclusive culture that attracts and retains a talented and agile workforce through the provision of competitive compensation, flexible ways of working, training, and modern, adaptable, high quality workplace environments.

Financial risk – the Group carries third party debt. This has been structured on a basis that mitigates the risk of non-performance and facilities being withdrawn. For more information, see "Financial instruments, risk management objective and policies" in Note 29 to the consolidated financial statements.

Directors' statement of compliance with duty to promote the success of the Group

SHL is committed to creating long term sustainable success for all its stakeholders and the Directors have acted in a way that they considered, in good faith, to be most likely to promote this.

The Board has identified the following key stakeholders and undertook a variety of activities to engage with these stakeholders to bring their views into the Board's principal decisions.

Customers – are at the heart of SHL's business. The Board received regular updates throughout the year on key customer issues through periodic customer satisfaction surveys and feedback, and regular performance updates and business reviews. The directors and executive team also met with a range of customers during the year.

Colleagues – the Board recognises the importance of its colleagues and engages through multiple channels, including regular townhalls, quarterly surveys and employee representation on key projects. In 2022, SHL invested further in its diversity and inclusion (D&I), through the appointment of a D&I Director and rolling out initiatives to embed D&I in talent acquisition and internal development. It also invested further in workplace environments, opening a new state of the art hub in Gurgaon, India.

Investors – investors receive a monthly reporting pack with key management information. The Board also regularly engages with SHL's investors.

Suppliers – the Board recognises the key role its suppliers play in enabling SHL to deliver to its customers. Paying suppliers in accordance with agreed terms is a key focus. Members of the Board and key executives also meet regularly with key strategic suppliers.

Community and Environment – SHL is committed to the communities that it operates in as well as its wider economic impacts. SHL supports multiple local groups through its Community Impact Day and other community engagement projects. The Board regularly tracks SHL's impact on the environment.

The Board makes all of its decisions taking into account impacts on the key stakeholders in any decision. Two particular areas are key for the success of the Company, its products and solutions available to customers and the engagement of colleagues in delivering these.

In terms of engaging with Customers a large amount of different data and inputs are examined of both a qualitative and quantitative nature. From regular account planning sessions with the account manager, to understanding usage data, to candidate satisfaction scoring. All of these inputs help steer the solutions and product development plans so that the emerging requirements are well understood. These requirements then enable the Board to make informed investment decisions that ensure that the Company's customer offerings are relevant, timely and market leading.

During 2022 the Board finalised an agreement to divest of the PDRI business, helping continue SHL's focus on core offering of leading edge talent insight to commercial customers.

Monitoring the engagement of colleagues is also achieved through a variety of qualitative and quantitative inputs. The Company has run quarterly surveys for nearly five years, with consistent questions to enable a powerful time sequenced set of data, which are examined by team and country across the business. In addition, informal listening circles, and formal information cascades are used to gather the feedback from colleagues about specific programs and investments.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2022 saw eight months of research and analyses that resulted in identifying and defining our new ways of working. Overall engagement survey results continued to show strong results, and demonstrate the success of the actions taken in the year.

This report was approved by the Board on 13 April 2023 and signed on its behalf.

DocuSigned by:

Kerry Jenkins

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Kerry Jenkins
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, Directors' Report and the financial statements, in accordance with applicable law.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

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 Group and the Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Directors' responsibility statement (DTR 4.1)

The Directors confirm, to the best of their knowledge.

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors

The Directors who served during the year were:

Andrew James Bradshaw
Thomas Michael Lightowler
John Gerard Moore
Paul John Greensmith (resigned 31 January 2023)
Emmy Bodrogi Hackett (appointed 24 January 2023, resigned 13 March 2023)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in forecast at the date of this report.

Dividend

There were no interim dividends paid in the period. The Directors do not recommend the payment of a final dividend.

Going concern

The Directors have prepared cash flow forecasts for the Group for a period in excess of 12 months from the date of approval of the 2022 financial statements, to 31 December 2024. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future trading performance. The Directors have considered sensitivities to this forecast trading performance. While based in the UK the Company trades and operates using 25 subsidiaries selling into 150 countries around the world, which provides resilience to variations in economic conditions in any one territory and minimises cross border trading. The forecasts show that the Group will be able to operate within its current committed borrowing facilities and show continued compliance with the Group's financial covenants.

On the basis of the exercise described above and the Group's available committed borrowing facilities, the Directors consider that the Group and Company have adequate resources to continue in operational existence and support its growth and investment plans for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group and the Company.

Financial instruments

The financial risk management objectives and policies of the Group are detailed in Note 1 to the consolidated financial statements.

Research and development activities

The Group continually invests in research and development to ensure that its products and solutions remain at the forefront of the science in its industry. During the year ended 31 December 2022 the Group capitalised $12.2 m (2021 $10.4m) and expensed $2.4m (2021 $2.5m) of research and development.

Employees

The Group attaches importance to good communications and relations with employees. Employee involvement and consultation is managed in a variety of ways including via employee surveys, team updates, town halls, and online collaborative platforms.

The Group has a diverse workforce and an equal opportunity policy in place. The Group aims to employ people who reflect the diverse nature of society and values employees and their contributions irrespective of age, sex, disability, sexual orientation, race, colour, religion, marital status or ethnic origin.

The Group does not have any trade union representation and appropriate consultation processes are in place, as required under employment legislation, in the event of restructuring activities.

The Group aims to provide awareness of financial and economic factors affecting the performance of the business and further encourages the involvement of employees in the Group's performance through its bonus scheme arrangements.

The Group does not tolerate harassment or bullying. Procedures are in place to respond to accusations of workplace discrimination, harassment and victimization. An effective employee grievance procedure is in place and has been fully communicated to employees.

Disabled persons have equal opportunities when applying for vacancies and the Company has procedures to ensure that disabled colleagues are fairly treated in line with the Equality Act (2010). Where employees become disabled during their employment, the Group endeavours to ensure continuing of employment through the arrangement of appropriate Occupational Health, Training and Employee Assistance support.

Political and charitable contributions

No political or charitable contributions were made during the period.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the year for the UK are detailed in the below table.

The methodology used is based on the existing Energy Saving Opportunity Scheme (ESOS) regulatory scheme.

The carbon figures have been calculated using the UK Government Greenhouse Gas (GHG) conversion factors for company reporting – standard set.

The intensity ratio for SHL is the total carbon used, divided by the business metric. The business metric used is number of staff. This figure includes all UK staff working at the Thames Ditton offices.

	2022 kWh	%	2021 kWh	%	2022 kgCo2e	%	2021 kg Co2e	%
Electricity	574,741	54	639,511	45	111,143	55	135,787	48
Gas	450,307	43	765,583	54	82,199	41	140,224	50
Transport	29,932	3	17,023	1	8,221	4	4,279	2
Total	1,054,980		1,422,117		201,563		280,290	
Staff number	372		354		372		354	
Ratio	2,836		4,017		542		792	

Directors' statement as to disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post year end events

On 22 March 2023 SHL Group completed the sale of its wholly owned subsidiary, PDRI, for consideration of $186.6 m, with further 2023 estimated cost of sale of $1.5m.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 13 April 2023 and signed on its behalf.

DocuSigned by:
Kerry Jenkins
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Kerry Jenkins
Director

Opinion

We have audited the financial statements of SHL Global Management Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows, and the related notes 1 to 34, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 and parent company's ability to continue as a going concern for a period to 31 December 2024.
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 set out on pages 3 to 10, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the reporting framework (UK adopted international accounting standards, UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the group operates.
- We understood how SHL Global Management Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated our enquiries through our review of board minutes and papers provided to those charged with governance, as well as consideration of the results of our audit procedures over the Company's financial statements.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining an understanding through discussions with management of fraud risk areas. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual non-standard journals and journals indicating large or unusual transactions identified by specific risk criteria based on our understanding of the business; enquiries of those responsible for legal and compliance of the company and management; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

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

Ernst & Young LLP

Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $000	*2021** *$000*
Revenue	7	182,291	*173,490*
Cost of sales		(70,289)	*(75,361)*
Gross profit		112,002	*98,129*
Other operating income	9	1,565	*1,937*
Administrative expenses		(128,298)	*(111,076)*
Exceptional items	12	(13,736)	*(3,959)*
Loss from operations		(28,467)	*(14,969)*
Finance income	13	14	*220*
Finance expense	13	(57,926)	*(61,753)*
Other finance expenses	13	(3,527)	*(493)*
Loss before tax		(89,906)	*(76,995)*
Tax credit	14	6,418	*13,347*
Loss from continuing operations		(83,488)	*(63,648)*
Profit on discontinued operations, net of tax	15	7,467	*6,954*
Loss for the year		(76,021)	*(56,694)*
Loss for the year attributable to:			
Owners of the parent		(76,038)	*(56,696)*
Non-controlling interests		17	*2*
		(76,021)	*(56,694)*

The notes on pages 22 to 77 form part of these financial statements.

* 2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 $000	*2021* *$000*
Loss for the year	**(76,021)**	*(56,694)*
Exchange gains arising on translation on foreign operations	**39,147**	*13,720*
Other comprehensive income for the year, net of tax	**39,147**	*13,720*
Total comprehensive income	**(36,874)**	*(42,974)*
Total comprehensive income attributable to:		
Owners of the parent	**(36,881)**	*(42,975)*
Non-controlling interests	**7**	*1*
	(36,874)	*(42,974)*

The notes on pages 22 to 77 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 $000	*2021 $000*
Assets			
Non-current assets			
Property, plant and equipment	16	18,173	*17,071*
Intangible assets	17	399,622	*461,264*
Deferred tax assets	14	15,566	*9,988*
		433,361	*488,323*
Current assets			
Contract assets		10,060	*13,841*
Trade and other receivables	19	59,442	*60,114*
Tax recoverable	19	7,828	*8,285*
Derivative financial assets		7,302	*-*
Cash and cash equivalents	20	34,710	*40,487*
		119,342	*122,727*
Assets held for sale	25	41,666	*-*
Total assets		594,369	*611,050*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 $000	*2021 $000*
Liabilities			
Non-current liabilities			
Trade and other liabilities	21	2,167	*2,916*
Loans and borrowings	22	663,100	*665,384*
Provisions	23	1,595	*2,023*
Deferred tax liability	14	9,310	*18,681*
		676,172	*689,004*
Current liabilities			
Trade and other liabilities	21	51,464	*43,465*
Contract liabilities		59,351	*65,500*
Loans and borrowings	22	43,640	*23,914*
Derivative financial liabilities		-	*576*
Corporation tax payable		3,577	*5,003*
Provisions	23	294	*-*
		158,326	*138,458*
Liabilities directly associated with the assets held for sale	25	13,093	*-*
Total liabilities		847,591	*827,462*
Net liabilities		(253,222)	*(216,412)*
Issued capital and reserves attributable to owners of the parent	26		
Share capital		74	*64*
Share premium reserve		1,397	*1,343*
Foreign exchange reserve		51,208	*12,051*
Retained earnings	26	(306,021)	*(229,983)*
		(253,342)	*(216,525)*
Non-controlling interest		120	*113*
TOTAL EQUITY		(253,222)	*(216,412)*

The financial statements on 3 to 21 pages were approved and authorised for issue by the Board of Directors on 13 April 2023 and were signed on its behalf by:

DocuSigned by:
Kerry Jenkins
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Kerry Jenkins
Director

The notes on pages 22 to 77 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital $000	Share premium $000	Foreign exchange reserve $000	Retained earnings $000	Total attributable to equity holders of parent $000	Non-controlling interest $000	Total equity $000
At 1 January 2022	64	1,343	12,051	(229,983)	(216,525)	113	(216,412)
Comprehensive income for the year							
Loss for the year	-	-	-	(76,038)	(76,038)	17	(76,021)
Other comprehensive income	-	-	39,157	-	39,157	(10)	39,147
Total comprehensive income for the year	-	-	39,157	(76,038)	(36,881)	7	(36,874)
Contributions by and distributions to owners							
Issue of share capital	10	54	-	-	64	-	64
Total contributions by and distributions to owners	10	54	-	-	64	-	64
At 31 December 2022	**74**	**1,397**	**51,208**	**(306,021)**	**(253,342)**	**120**	**(253,222)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Foreign exchange reserve	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	$000	$000	$000	$000	$000	$000	$000
At 1 January 2021	64	1,336	(1,670)	(173,287)	(173,557)	112	(173,445)
Other comprehensive loss							
Total comprehensive loss for the year	-	-	-	(56,696)	(56,696)	2	(56,694)
Other comprehensive loss	-	-	13,721	-	13,721	(1)	13,720
Total comprehensive loss for the year	-	-	13,721	(56,696)	(42,975)	1	(42,974)
Contributions by and distributions to owners							
Issue of share capital	-	7	-	-	7	-	7
Total contributions by and distributions to owners	-	7	-	-	7	-	7
At 31 December 2021	**64**	**1,343**	**12,051**	**(229,983)**	**(216,525)**	**113**	**(216,412)**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $000	*2021 $000*
Cash flows from operating activities			
Loss for the year		(83,488)	*(63,648)*
Profit from discontinued operations		7,467	*6,954*
Adjustments for			
Depreciation of property, plant and equipment		5,975	*6,062*
Amortisation of intangible fixed assets		38,347	*34,830*
Exceptional items		14,011	*3,959*
Finance income		(14)	*(220)*
Finance expense		57,693	*62,019*
Movement in provision		1,435	*(4,241)*
Other non cash movement		3,527	*(834)*
Income tax credits	14	(6,384)	*(12,644)*
		38,569	*32,237*
Movements in working capital:			
Increase in trade and other receivables		(12,196)	*(15,069)*
Increase in trade and other payables		12,535	*22,076*
Outflows relating to exceptional and non-recurring items		(14,011)	*(3,959)*
Cash generated from operations		(24,897)	*35,285*
Income taxes paid		(2,358)	*(4,557)*
Lease interest paid		(1,097)	*(913)*
Finance costs paid		(19,635)	*(14,839)*
Net cash from operating activities		1,807	*14,976*
Cash flows from investing activities			
Purchases of property, plant and equipment		(4,527)	*(1,509)*
Development expenditure		(12,026)	*(10,405)*
Net cash used in investing activities		(16,553)	*(11,914)*
Cash flows from financing activities			
Issue of ordinary shares		64	*7*
Proceeds from bank borrowings		19,873	*6,320*
Payment of lease liabilities		(3,702)	*(4,067)*
Net cash from financing activities		16,235	*2,260*
Net cash increase in cash and cash equivalents		1,489	*5,322*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 **$000**	*2021* *$000*
Cash and cash equivalents at the beginning of year	**40,487**	*37,786*
Exchange loss on cash and cash equivalents	**(4,780)**	*(2,621)*
Cash attributed to discontinued operation	**(2,486)**	-
Cash and cash equivalents at the end of the year	**34,710**	*40,487*

The notes on pages 22 to 77 form part of these financial statements.

1. Summary of significant accounting policies

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1. Summary of significant accounting policies (continued)

1.1 Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and its calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent account under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1. Summary of significant accounting policies (continued)

1.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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 acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

1. Summary of significant accounting policies (continued)

1.2 Business combinations (continued)

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

1.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 1.2) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1. Summary of significant accounting policies (continued)

1.4 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The core principle of IFRS 15 is that revenue is recognised as the promised goods or services are transferred to customers, in an amount reflecting the consideration which is expect34ed to be received in exchange for those goods or services. IFRS 15 applies the following five-step model to achieve this principle:

- Identify all contracts with customers;
- Identify the performance obligations in those contracts;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when, or as, the performance obligations are satisfied.

The principles of IFRS 15 are applied to the Group's different revenue streams as follows:

Software as a service (Saas) revenue includes:

- Subscriptions and License fees: subscription and license contracts provide access to the Group's on-line offering, generally for a period of 12 months. Revenue from these contracts is recognised on a straight line basis over the life of the contract, which best reflects the usage pattern by the client and satisfaction of the performance obligations in the contract.

- Unit usage product revenue: revenue from web-based unit sales is recognised on usage of the purchased units.

Solution deployment revenue includes such professional services as consulting, advisory and training revenue. Consulting and advisory revenue are recognised over the life of the project according to the stage of completion. In some cases, clients receive access to a defined number of consulting days when they purchase units or a subscription contract. In this situation the consulting revenue is recognised when the consultant performs the work. Training revenue is recognised on delivery of the training to the client.

Outsourced assessment revenue is recognised over the life of the project according to the stage of completion.

Other revenue includes non-unit usage product revenue such as sales of paper and pencil and PC based products. Revenue from these sales is recognised on delivery to the customer base.

The revenue is measured at the transaction price agreed under the contract. Where a single contract involves the delivery of more than one revenue stream, the contract price is allocated over each stream based on pre-determined list prices. Most of the Group's contracts cover a period of a year or less, and so significantly all of any contract liability balance at the end of a period will be recognised as revenue in the following reporting period.

1. Summary of significant accounting policies (continued)

1.5 Leasing

Leases are accounted for in accordance with IFRS 16.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is included in the 'Loans and borrowings' line in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in

1. Summary of significant accounting policies (continued)

1.5 Leasing (continued)

The Group as a lessee (continued)

the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' line, as applicable, in the Consolidated Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 1.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

1.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.7 Employee benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1. Summary of significant accounting policies (continued)

1.8 Pension costs

The Group operates a number of defined contribution pension schemes. Obligations for contributions are recognised as an expense in the Consolidated Income Statement as incurred. The assets of the schemes are held separately from those of the Group in independently administered funds.

1.9 Research and development expenditure

Research: expenditure on research activities is recognised in the Consolidated Income Statement as an expense in the year in which it is incurred.

Development: development is the application of research findings for the production of new or substantially improved products, processes and services before the start of commercial production. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, development expenditure is recognised in the Consolidated Income Statement as an expense in the year in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses and is amortised on a straight-line basis over the estimated useful life of the development.

1.10 Taxation

Income tax expenses represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated Income Statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

1. Summary of significant accounting policies (continued)

1.10 Taxation (continued)

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

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

1. *Summary of significant accounting policies (continued)*

1.11 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the asset's purchase price and all costs directly attributable to bringing the asset to the location and condition necessary for it to be operated as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Right of Use Assets	**Over the remaining life of the lease**
Leasehold improvements	**Over the remaining life of the lease**
Equipment & fixtures	**3-5 years straight-line**

Equipment and fixtures include office equipment, furniture, fittings, computer equipment and computer software, which excludes internally developed software.

The depreciation method, residual values and estimated useful lives are reviewed, and changed if appropriate, at least at each financial year-end. An asset's carrying amount is immediately written down to its recoverable amount if it's carrying amount is greater than its estimated recoverable amount.

1. Summary of significant accounting policies (continued)

1.12 Foreign currencies

The individual financial statements of each Group entity are prepared in their functional currency, which is the currency of the primary economic environment in which that entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are translated into US dollars, which is the presentational currency of the Group.

Reporting foreign currency transactions in functional currency.

Transactions in currencies other than the entity's functional currency (foreign currencies) are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each subsequent balance sheet date:

Foreign currency monetary items are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlement or retranslation of monetary items are recognised in the Consolidated Income Statement; and

Non-monetary items measured at historical cost in a foreign currency are not retranslated.

Translation from functional currency to presentational currency.

When the functional currency of a Group entity is different from the Group's presentational currency (US dollars), its results and financial position are translated into the presentational currency as follows:

Assets and liabilities are translated using exchange rates prevailing at the balance sheet date;

Income and expense items are translated at average exchange rates for the period, except where the use of such average rates does not approximate the exchange rate at the date of a specific transaction, in which case the transaction rate is used; and

All resulting exchange differences are recognised in other comprehensive income and presented in the Foreign exchange reserve in equity and are reclassified to profit or loss in the period in which the foreign operation is disposed.

1. Summary of significant accounting policies (continued)

1.13 Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Development expenditure	**Over the estimated useful life of each project**
Trademarks	**12 years**
Licenses	**3 years**
Customer relationships	**15 years, order back log 1 year**

Customer and marketing related intangible assets are amortised over their estimated useful lives on a straight-line basis. Technology related intangible assets are amortised over their estimated useful lives in a manner that reflects the obsolescence profile of the underlying asset, with lower rates of obsolescence in both the first and last 4 years of the assets' lives.

(ii) Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1. ***Summary of significant accounting policies (continued)***

1.13 Intangible assets (continued)

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1.14 Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

1. Summary of significant accounting policies (continued)

1.15 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see note 1.11).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see note 1.11).

1.16 Cash and short-term deposits

Cash and short-term deposits in the Consolidated Balance sheet comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1. Summary of significant accounting policies (continued)

1.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18 Financial instruments

- Financial assets

At initial recognition, financial assets are measured at their fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Trade and other receivables: trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less impairment losses. The Group applies the simplified approach to recognising expected credit losses on its trade receivables, as per the scope exception in IFRS 9 in which all loss allowances for trade receivables are measured at initial recognition and throughout its life at an amount equal to lifetime expected credit losses. This is consistent with the nature of the Group's trade receivables, which do not include a significant financing component.

Cash and short-term deposits: cash and short-term deposits in the Consolidated Balance Sheet comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

- Financial liabilities

At initial recognition, financial liabilities are measured at their fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Interest-bearing loans and borrowings: Interest-bearing loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. After initial recognition they are measured at amortised cost, using the effective interest method.

1. Summary of significant accounting policies (continued)

1.18 Financial instruments (continued)

Lease liabilities: Lease liabilities are recognised in accordance with IFRS 16 (see note 1.5 above).

Trade and other payables: trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

2. Changes in accounting policies and disclosures

During the year the Group revised its reported revenue disaggregation, in order to continue to best reflect the manner in which revenue is reviewed by management for the purposes of evaluating financial performance. As a result the following types were disclosed as at 31 December 2022: Software as a service, Solution deployment, Outsourced assessment, and Other, see note 1.4 for description of each type.

The Group's previous revenue disaggregation would have been as shown in the table below:

	2022 $000	*2021** *$000*
Non-unit usage product revenue	**6,067**	*7,668*
Subscription and licence fees	**70,786**	*54,173*
Unit usage product revenue	**28,473**	*31,615*
Professional service revenue	**76,965**	*80,034*
	182,291	*173,490*

For current year disaggregation, see note 7.

*2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

3. Reporting entity

SHL Global Management Limited (the 'Company') is a limited company incorporated in UK. The Company's registered office is at The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in providing solutions for clients as they assess candidates when making hiring decisions (talent acquisitions) and current employees to make talent development, promotion and restructuring decisions (talent mobility).

Going concern

The Directors have prepared cash flow forecasts for the Group for a period through to 31 December 2024. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future trading performance. The Directors have considered sensitivities to this forecast trading performance.

While based in the UK the Company trades and operates using 25 subsidiaries selling into 150 countries around the world, which provides resilience to variations in economic conditions in any one territory and minimises cross border trading. The forecasts, including the stress case, show that the Group will be able to operate within its current committed borrowing facilities and show continued compliance with the Group's financial covenants.

On the basis of the exercise described above and the Group's available committed borrowing facilities, the Directors consider that the Group and Company have adequate resources to continue in operational existence and support its growth and investment plans for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group and the Company.

4. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's Board of Directors on 13 April 2023.

Details of the Group's accounting policies, including changes during the year, are included in note 1.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Profit and Loss Account or Statement of Comprehensive Income in these financial statements.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 6.

4. Basis of preparation (continued)

4.1 New standards

i) New standards, interpretations and amendments effective from 1 January 2022

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. No new contracts classified as onerous as a result of amendments.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

4. Basis of preparation (continued)

4.1 New standards (continued)

i) New standards, interpretations and amendments effective from 1 January 2022 (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).
These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.
In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.
The amendments are not expected to have a material impact on the Group.

4. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amended IAS 12)

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Group is currently assessing the impact of the amendments.

4. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

5 Functional and presentation currency

The Company's functional currency is pounds sterling. The Consolidated Financial Statements are presented in US dollars. All amounts have been rounded to the nearest thousand (000), unless otherwise indicated.

6. Accounting estimates and judgments

6.1 Judgment

In the process of applying the Group's accounting policies, management has made the following judgement, which has a significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options.

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 several 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.

6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounting Cash Flow (DCF) model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 18.

Capitalisation of development expenditure

Development expenditure is capitalised when the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. In determining that future economic benefits are probable, management use DCF models which use estimates of discount rate, expected future cash-inflows and growth rate. The Group's capitalised development expenditure is disclosed in Note 17 .

6. Accounting estimates and judgments (continued)

6.2 Estimates and assumptions (continued)

Deferred tax assets

Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In determining whether deferred tax assets should be recognised management make assumptions about future profitability and the tax rates at which deductible differences may be realised. The Group's deferred tax assets are disclosed in Note 14.2

Leases

The Group capitalises its leases based on the present value of the minimum lease payments. The calculation of the present value is particularly sensitive to the value of the discount rate and the duration of the lease term, which involves management's assumptions as to whether or not extension options will be exercised. The Group's right-of-use assets are disclosed in Note 16.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 19.

7. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2022 $000	*2021* $000*
Software as a service (Saas)	**136,048**	*122,292*
Solution deployment	**23,148**	*26,622*
Outsourced assessment	**19,957**	*21,108*
Other	**3,138**	*3,468*
	182,291	*173,490*

Timing of revenue recognition:

	2022 $000	*2021* $000*
Goods and services transferred at a point in time	**64,273**	*71,904*
Goods and services transferred over time	**118,018**	*101,586*
	182,291	*173,490*

The contract liability balance in the Consolidated Balance Sheet of $59,351k (2021: $65,500k) represents deferred revenue from contracts with customers. As described in note 1.4 above, the Group's subscription and licence contracts generally provide access to the Group's online offering for a period of 12 months and, consistent with this, significantly all of the $65,500k opening balance was recognised as revenue in the period to 31 December 2022.

The Group had revised its revenue disaggregate during the year. See note 2.

* 2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Operating loss

Operating loss is stated after charging

	2022 $000	*2021** *$000*
Depreciation of property, plant and equipment and loss on disposal	5,338	*5,378*
Amortisation of intangible assets	36,172	*31,588*
Total depreciation, loss on disposal and amortisation expense	41,510	*36,966*
Total employee benefits expenses	107,994	*108,229*
Total research and development expenditure	2,394	*2,453*
Fees payable to the Company's auditor for the audit of the Company and Consolidated Financial Statements	563	*387*
Audit of the Company's subsidiaries	104	*257*
Total auditor's remuneration	667	*644*

9. Other operating income

	2022 $000	*2021* *$000*
Other operating income	1,565	*1,937*
	1,565	*1,937*

The operating income consists of Research and Development tax credit.

* 2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

10. Employee benefit expenses

	2022 $000	*2021** *$000*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**96,926**	*96,179*
National insurance	**7,269**	*8,091*
Defined contribution pension cost	**3,799**	*3,959*
	107,994	*108,229*

Key management personnel compensation

The remuneration of the Group's key management personnel which includes the directors of the Company listed on page 1 and the Group's senior leadership team is set out below, including the discontinued operation.

	2022 $000	*2021* *$000*
Short term employee benefits	**4,095**	*4,572*
Social security	**378**	*398*
Defined contribution scheme costs	**144**	*155*
Compensation for loss of office	**-**	*208*
	4,617	*5,333*

* 2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

10. Employee benefit expenses (continued)

	2022 $000	*2021 $000*
Directors' remuneration		
Aggregate remuneration in respect of qualifying services	**1,717**	*1,560*
Aggregate value of contribution paid to defined contribution pension schemes	**46**	*52*
	1,763	*1,612*

Two directors had benefits accruing under a defined contribution pension scheme. The highest paid Director was paid $845,000 (2021: $939,000). Fees paid to a related party for the provision of Directors' services to the Company was $424,000 (2021: $595,000).
Fees paid to one Director for the provision of services to the Group was $308,000 (2021:$ Nil).

Average monthly number of employees, excluding the discontinued operation.

	2022	*2021*
Sales, professional services and operations	**566**	*551*
Global customer support	**344**	*238*
IT support	**133**	*173*
Finance, legal and administration	**182**	*150*
Product development	**436**	*246*
Marketing	**45**	*44*
Total employee numbers by function	**1,706**	*1,402*

11. Pensions

The Group operates a number of defined contribution pension schemes, the most significant of which are those in the United States and the United Kingdom. The cost of the schemes for the period ended 31 December 2022 was $ 3,798,940 (2021: $ 3,958,506).

12. Exceptional Items

	2022 $000	*2021* *$000*
Contingent consideration	8,679	-
Professional fees	2,525	*1,065*
Redundancy costs	2,308	*2,726*
Other	224	*168*
	13,736	*3,959*

Exceptional costs include contingent consideration arising on the acquisition of Aspiring Minds, fees associated with the planned disposal of the PDRI business ($ 2,437k), redundancy costs associated with the Group's transformation initiatives and other costs related to COVID 19 in India and Asia.

13. Finance income and expense

Recognised in profit or loss

	2022 $000	*2021** *$000*
Finance income		
Interest on:		
- Bank deposits	14	*220*
Total interest income	14	*220*
Total finance income	14	*220*
Finance expense		
Interest payable	48,405	*48,163*
Finance lease interest	958	*803*
Net change in fair value of cash flow hedges	(6,874)	*(2,687)*
Dividends on redeemable preference shares	15,232	*15,445*
Other interest payable	205	*29*
Total finance expense	57,926	*61,753*
Net finance expense recognised in profit or loss	(57,912)	*(61,533)*

13. Finance income and expense (continued)

	2022 $000	*2021* $000*
Finance expenses:		
Foreign exchange loss on financing activities	3,527	*493*
Other finance expenses	57,926	*61,753*
Total finance expenses	**61,453**	*62,246*

* 2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

14. Tax expense

14.1 Income tax recognised in profit or loss

	2022 $000	*2021** *$000*
Current tax		
Current tax on profits for the year	**1,956**	*2,240*
Adjustments in respect of prior years	**1,749**	*2,882*
Total current tax	**3,705**	*5,122*
Deferred tax expense		
Origination and reversal of timing differences	**(10,123)**	*(18,469)*
Total deferred tax	**(10,123)**	*(18,469)*
	(6,418)	*(13,347)*
Total tax credit		
Tax credit excluding tax on sale of discontinued operation	**(6,418)**	*(13,347)*
	(6,418)	*(13,347)*

*2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

14. Tax expense (continued)

14.1 Income tax recognised in profit or loss (continued)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2022 $000	*2021** *$000*
Loss for the year	(76,021)	*(56,694)*
Profit on discontinued operations	(7,501)	*(7,657)*
Income tax credit on continued expenses	(6,418)	*(13,347)*
Income tax expenses on discontinued operations	34	*703*
Loss before income taxes	(89,906)	*(76,995)*
Tax using the Company's domestic tax rate of 19% (2021:19%)	(17,082)	*(14,629)*
Effect of change in deferred tax rates	(762)	-
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	9,616	*11,411*
Higher rate taxes on overseas earnings	103	*644*
Other differences leading to an increase in the tax charge	-	*499*
Withholding taxes	1,135	*1,100*
Deferred tax prior year adjustment	(1,177)	-
Adjustments to tax charge in respect of prior periods	1,749	*105*
Recognition of previously unrecognised DTA	-	*(12,477)*
Total tax credit	(6,418)	*(13,347)*

14.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2022 $000	*2021* *$000*
Deferred tax assets	15,566	*9,988*
Deferred tax liabilities	(9,310)	*(18,681)*
	6,256	*(8,693)*

Deferred tax liability related to discontinued operations is $ 4,443k, see note 25.

*2021 figures have been restated to reflect the reclassification of the PDRI business as a discontinued operation.

14. Tax expense (continued)

14.2 Deferred tax balances (continued)

	Opening balance $000	Classified as held for sales $000	Recognised in profit or loss $000	Closing balance $000
2022				
Property, plant and equipment	3,785		(1,599)	2,186
Intangible assets	(26,779)	4,443	556	(21,780)
Deferred income	2,988		705	3,693
Other items	11,313		10,844	22,157
	(8,693)	4,443	10,506	6,256

	Opening balance $000	Recognised in profit or loss $000	Closing balance $000
2021			
Property, plant and equipment	1,687	2,098	3,785
Intangible assets	(36,175)	9,396	(26,779)
Deferred income	1,371	1,617	2,988
Other items	5,979	5,334	11,313
	(27,138)	18,445	(8,693)

The group has recognised deferred tax assets of $15,566k. Within deferred tax liability of $9,310k disclosed above, there is $20,230k of deferred tax asset which represent potential UK tax losses that are only recognised to the extent that they offset against the consolidated deferred tax liability arising on intangible assets recognised on consolidation.

15. Discontinued operations

On 8th December 2022 the Group entered into a Sale and Purchase Agreement with Pearson Plc to sell Personnel Decision Research Institutes LLC (PDRI).

On 9th December 2022, the Group publicly announced the decision to sell PDRI, a wholly owned subsidiary.

The sale of PDRI is expected to be completed within a year from the reporting date. At 31 December 2022, PDRI was classified as a disposal group held for sale and as a discontinued operation.

On 22 March 2023 SHL Group completed the sale with final consideration of $ 186.6m, see note 34.

The financial performance of discontinued operations was as follows:

	2022	*2021*
	$000	*$000*
Result of discontinued operations		
Revenue	**33,804**	*33,324*
Expenses other than finance costs	**(26,155)**	*(25,543)*
Finance costs	**(148)**	*(123)*
Tax	**(34)**	*(704)*
Profit for the year after tax	**7,467**	*6,954*

The major classes of assets and liabilities of PDRI classified as held for sale as at 31 December 2022 are shown in Note 25.

Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued operations:

	2022	*2021*
	$000	*$000*
Operating activities	**9,204**	*14,020*
Net cash from discontinued operations	**9,204**	*14,020*

16. Property, plant and equipment

	Right of Use Assets $000	Leasehold improvements $000	Equipment & fixtures $000	Total $000
Cost or valuation				
At 1 January 2021	24,703	4,929	7,464	37,096
Additions	1,658	-	1,509	3,167
Disposals	(2,870)	(247)	(207)	(3,324)
Foreign exchange movement	(534)	(255)	(219)	(1,008)
At 31 December 2021	22,957	4,427	8,547	35,931
Additions	9,140	1,269	3,024	13,433
Disposals	(7,064)	-	(454)	(7,518)
Reclassified to held for sale	(3,441)	(68)	(1,746)	(5,255)
Foreign exchange movement	(1,417)	(423)	(1,688)	(3,528)
At 31 December 2022	**20,175**	**5,205**	**7,683**	**33,063**

16. Property, plant and equipment (continued)

	Right of Use Assets $000	Leasehold improvements $000	Equipment & Fixtures $000	Total $000
Accumulated depreciation and impairment				
At 1 January 2021	9,964	1,548	4,187	15,699
Charge owned for the year	4,090	698	1,133	5,921
Disposals	(1,810)	(87)	(207)	(2,104)
Foreign exchange movement	(270)	(107)	(279)	(656)
At 31 December 2021	11,974	2,052	4,834	18,860
Charge owned for the year	5,386	290	1,231	6,907
Disposals	(6,212)	-	(452)	(6,664)
Reclassified to held for sale	(834)	(48)	(1,070)	(1,952)
Foreign exchange movement	(764)	(218)	(1,279)	(2,261)
At 31 December 2022	**9,550**	**2,076**	**3,264**	**14,890**
Net book value				
At 1 January 2021	14,739	3,381	3,277	21,397
At 31 December 2021	10,983	2,375	3,713	17,071
At 31 December 2022	10,625	3,129	4,419	18,173

The right-of-use assets in the table above relate to the Group's leasehold office properties and leased vehicles.

17. Intangible assets

Group

	Goodwill $000	Development expenditure $000	Acquired technology related $000	Acquired marketing related $000	Licences $000	Acquired Customer related $000	Total $000
Cost							
At 1 January 2021	242,988	30,789	183,850	25,087	3,624	51,583	537,921
Additions - external	-	10,405	-	-	-	-	10,405
Foreign exchange movement	(748)	(617)	(550)	(18)	(59)	(33)	(2,025)
At 31 December 2021	242,240	40,577	183,300	25,069	3,565	51,550	546,301
Additions - external	-	12,026	-	-	-	-	12,026
Reclassified to held for sale	(9,295)	-	(15,941)	(1,881)	-	(9,369)	(36,486)
Foreign exchange movement	(3,565)	(4,499)	(2,622)	(90)	(371)	(155)	(11,302)
At 31 December 2022	**229,380**	**48,104**	**164,737**	**23,098**	**3,194**	**42,026**	**510,539**

17. Intangible assets (continued)

	Goodwill $000	Development expenditure $000	Acquired technology related $000	Acquired marketing related $000	Licences $000	Acquired Customer relationships $000	Total $000
Accumulated amortisation and impairment							
At 1 January 2021	-	12,555	23,044	4,762	1,209	9,556	51,126
Charge for the year	-	6,383	21,352	1,913	1,213	3,415	34,276
Foreign exchange movement	-	(266)	(43)	(9)	(44)	(3)	(365)
At 31 December 2021	-	18,672	44,353	6,666	2,378	12,968	85,037
Charge for the year	-	8,054	24,005	1,853	1,087	3,212	38,211
Reclassified to held for sale	-	-	(6,177)	(554)	-	(2,770)	(9,501)
Foreign exchange movement	-	(2,117)	(339)	(78)	(271)	(25)	(2,830)
At 31 December 2022	**-**	**24,609**	**61,842**	**7,887**	**3,194**	**13,385**	**110,917**
Net book value							
At 1 January 2021	242,988	18,234	160,806	20,325	2,415	42,027	486,795
At 31 December 2021	242,240	21,905	138,947	18,403	1,187	38,582	461,264
At 31 December 2022	229,380	23,495	102,895	15,211	-	28,641	399,622

17. Intangible assets (continued)

	2022 $000	2021 $000
Goodwill has been allocated across the Group's CGUs as shown below:		
SHL	**229,380**	*232,946*
PDRI	**-**	*9,294*
	229,380	*242,240*

As at 31 December 2021, management had identified 2 CGUs – SHL and PDRI.

As at 31 December 2022 all PDRI assets, including Goodwill were classified as held for sale, see Note 25.

18. Tangible and intangible asset impairment testing

18.1. Methodology

The Directors regularly review the performance of the business and the external business environment to determine whether there is any indication that the Group's tangible and intangible assets have suffered an impairment loss. If such indication exists, the recoverable amount (the higher of the value in use and the fair value less costs to sell) of the asset is estimated and compared with the carrying value in order to determine the extent, if any, of the impairment loss. In addition, goodwill is tested for impairment on an annual basis.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) expected to benefit from the combination and the Directors carry out annual impairment testing of the carrying value of each CGU to assess the need for any impairment of the carrying value of the associated goodwill and other intangible and tangible assets.

If the recoverable amount of a CGU is less than its carrying amount, the resulting impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU.

18.2. Key assumptions

The recoverable amount of each of the CGUs has been determined based on a value in use calculation For the PDRI CGU as it is held for sale as at 31 December 2022 the CGU has been valued at the consideration that will be received in 2023 for the sale of the business less cost to sell. The calculation is based on the Share Purchase Agreement signed in December 2022 and cost forecasts. For SHL CGU cash flow projections from financial budgets approved by senior management covering a five year period have been used. The cashflows beyond the five year period for each CGU are extrapolated using the long term average growth rate for the industry.

No sensitivity has been performed for PDRI CGU as the value in use is based on reliable estimate.

The calculation of value in use for SHL CGU is sensitive to the following assumptions:
Sales growth
Discount rates

Sales growth – sales growth is based on management's expectations. Over the period of the cash flow projections the SHL CGU is expected to continue to benefit from the significant investment in its product and the growth in the human capital market generally. Sales growth rates used for SHL are between 8% and 16%. A 1% reduction in the average sales growth for the SHL CGU would reduce headroom from $384,961k to $337,891k.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rates calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account cost of equity, based on IAS 36 requirements. The cost of equity is derived from the expected return on investment by the Group's investors. Segment specific risk is incorporated by applying individual beta factors based on publicly available market data. The post tax WACC rate used for SHL is 12.75% (pre tax WACC rate is 14.25%). A 1% increase in the discount rate for the SHL CGU would reduce the headroom from $384,961k to $319,619k .

19. Trade and other receivables

	2022 $000	*2021 $000*
Current		
Trade receivables	41,148	*47,618*
Less: provision for impairment of trade receivables	(2,410)	*(1,014)*
Trade receivables - net	38,738	*46,604*
Prepayments	6,028	*5,816*
Tax recoverable	7,828	*8,285*
Other receivables	14,676	*7,694*
Total current trade and other receivables	67,270	*68,399*

All of the balances shown above are current and expected to be received within 12 months.

Movements in the impairment allowance for trade receivables are as follows:

	2022 $000	*2021 $000*
Current		
At 1 January	1,014	*1,689*
Movements in the year	1,396	*(675)*
	2,410	*1,014*

19. Trade and other receivables (continued)

Analysis of trade receivables

		Gross	Impairment	2022 Net	*Gross*	*Impairment*	*2021 Net*
		$000	$000	$000	*$000*	*$000*	*$000*
Trade Receivables	**-current**	**23,099**	**(340)**	**22,759**	*32,596*	*(113)*	*32,483*
	-1-30 days past due	**6,323**	**(156)**	**6,167**	*4,986*	*(46)*	*4,940*
	-31-60 days past due	**3,647**	**(209)**	**3,438**	*3,391*	*(121)*	*3,270*
	-61-90 days past due	**2,093**	**(510)**	**1,583**	*1,754*	*(82)*	*1,672*
	-over 90 days past due	**5,986**	**(1,195)**	**4,791**	*4,891*	*(652)*	*4,239*
		41,148	**(2,410)**	**38,738**	*47,618*	*(1,014)*	*46,604*

All the Group's operating companies have policies and procedures in place to assess the creditworthiness of the customers with whom they do business. Impairment provisions are based upon a provision matrix using historical default rates adjusted for management's view of future economic conditions. Given the nature of the Group's business model, historical default rates on the Group's trade receivables are low. Due to the large number of customers that the Group transacts its business with, none of which represents a significant proportion of the total outstanding trade receivables balance, the Group is not exposed to any significant concentration of credit risk.

There is no significant difference between the fair value of the Group's trade and other receivable balances and the amount at which they are reported in the Consolidated Balance Sheet.

20. Cash and short-term deposit

	2022 $000	*2021* *$000*
Cash at bank and on hand	**34,710**	*40,487*
	34,710	*40,487*

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2022 $000	*2021* *$000*
Cash at bank and on hand	**34,710**	*40,487*
Cash at bank attributable to discontinued operations	**2,486**	-
	37,196	*40,487*

21. Trade and other liabilities

	2022 $000	*2021* *$000*
Current		
Trade payables	**3,285**	*3,825*
Other payables	**23,803**	*13,881*
Accruals	**24,376**	*25,759*
	51,464	*43,465*

Non current other payables are related to long term employees benefits $2,017,015 (2021: $2,916,455) and other liabilities $150,166 (2021: $Nil).
Short term other payables mainly consists of indirect tax balances $14,884,953 (2021: $11,406,356), pension $ 301,652 (2021: $263,917) and deferred payroll tax $ 5,418,121 (2021: Nil).

22. Loans and borrowings

The book value and fair value of loans and borrowings are as follows:

	Book value 2022 $000	**Fair value 2022 $000**	*Book value 2021 $000*	*Fair value 2021 $000*
Non-current				
Bank loans - secured	**282,043**	**290,207**	*278,940*	*291,510*
Loan loans - unsecured	**209,063**	**209,122**	*210,705*	*199,412*
Redeemable preference shares	**163,935**	**164,016**	*166,414*	*155,187*
Lease liabilities	**8,059**	**8,059**	*9,325*	*9,325*
	663,100	**671,404**	*665,384*	*655,434*
Current				
Bank loans - secured	**39,619**	**39,619**	*20,925*	*20,925*
Lease liabilities	**4,021**	**4,021**	*2,989*	*2,989*
	43,640	**43,640**	*23,914*	*23,914*
Total loans and borrowings	**706,740**	**715,044**	*689,298*	*679,348*

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

The currency profile of the Group's loans and borrowings is as follows:

	2022 $000	*2021 $000*
US Dollars	**237,294**	*214,616*
Pounds sterling	**363,175**	*369,995*
Euros	**60,257**	*61,879*
Australian dollars	**40,185**	*40,945*
Other	**5,829**	*1,863*
	706,740	*689,298*

22. Loans and borrowings (continued)

Bank borrowings and liabilities

The Group has undrawn committed borrowing facilities at 31 December, for which all conditions have been met, as follows:

2022	Floating rate $000	Total $000
Loans and borrowings	1	1
	1	1

2021	Floating rate $000	Total $000
Loans and borrowings	7,463	7,463
	7,463	7,463

Bank loans - secured

The senior term loan facilities: interest on the senior term loan facilities is charged at a margin of 7.5% plus in relation to a loan in Euro, EURIBOR; a loan in Australian dollars, BBSY; and in relation to a loan not in Euro or Australian dollars, LIBOR. Accrued interest is payable quarterly in arrears, with the applicable EURIBOR, BBSY or LIBOR determined at the beginning of the relevant quarter. The maturity date is 3 March 2025.

Redeemable preference shares

The preference shares carry no voting rights and accrue a fixed cumulative preferential dividend at an annual rate of 10% on a sum equal to the entire nominal and premium amounts paid up on such preference shares. On a return of capital or a winding up, in priority to any payment to the holders of the ordinary shares, preference share holders are entitled to a sum equal to the entire nominal and premium amounts paid up on such preference shares together with the aggregate amount of all arrears and accruals (if any) of the preference dividend. The preference shares are redeemable on or before 31 December 2028.

Fixed rate unsecured loan notes

Interest on the fixed rate unsecured loan notes is compounded annually at an annual rate of 10% and is payable when the notes are repaid.

22. Loans and borrowings (continued)

Loans maturity analyses

	Interest rate %	Maturity	At 31 December 2022 $000	At 31 December 2021 $000
Fixed rate unsecured loan notes:				
Pounds sterling	10	31 December 2028	163,944	166,424
Pounds sterling	10	31 December 2029	31,313	31,788
US Dollars	10	27 November 2029	13,362	12,149
US Dollars	10	27 November 2039	-	345
Pounds sterling	10	27 November 2029	444	-
Senior term loan facilities:				
US Dollars	LIBOR+7.5	03 March 2025	184,982	177,442
Euros	EURIBOR+7.5	03 March 2025	58,228	61,195
Australian Dollars	BBSY+ 7.5	03 March 2025	38,833	40,302
Preference shares	10	31 December 2028	163,935	166,414
			655,041	656,059

23. Provisions

	Dilapidation $000
At 1 January 2022	2,023
Charged to profit and loss	(134)
At 31 December 2022	**1,889**
Due within one year or less	294
Due after more than one year	1,595
	1,889

24. Issued share capital and share premium

Full details relating to the Company's share capital and share premium are given in note 8 of the Company's financial statements.

25. Assets and liabilities classified as held for sale

The major classes of assets and liabilities of PDRI classified as held for sale as at 31 December 2022 are as follows:

25. **Assets and liabilities classified as held for sale (continued)**

(i) Assets and liabilities held for sale

	2022 $000
Fixtures and fittings	676
Right of use assets	2,607
Acquired technology related	9,764
Goodwill	9,295
Acquired Marketing related	1,327
Acquired Customer related	6,626
Leasehold improvement	20
Cash at bank and on hand	2,486
Trade receivables	3,397
Other receivables	5,468
Assets held for sale	41,666

	2022 $000
Trade payables	3,590
Current tax liabilities	2,194
Deferred tax liabilities	4,443
Lease liabilities	2,866
Liabilities held for sale	13,093

26. Reserves

Retained earnings

	Reserve for own shares	Retained earnings	Total retained earnings
	$000	$000	$000
As at 31 December 2020	*(2)*	*(173,285)*	*(173,287)*
Loss for the year	-	*(56,696)*	*(56,696)*
As at 31 December 2021	*(2)*	*(229,981)*	*(229,983)*
Loss for the year	-	*(76,038)*	*(76,038)*
As at 31 December 2022	**(2)**	**(306,019)**	**(306,021)**

Foreign exchange reserve

	Translation reserve
	$000
As at 31 December 2020	*(1,670)*
Foreign exchange difference on translation of foreign operations	*13,721*
As at 31 December 2021	*12,051*
Foreign exchange difference on translation of foreign operations	*39,157*
As at 31 December 2022	**51,208**

The foreign exchange reserve in the table above comprises all foreign exchange differences attributable to the equity owners of the parent. These exchange differences principally arise from the translation of the income statements of foreign operations from the average exchange rates for the period to closing rates and from the retranslation of the opening net assets of foreign operations from opening exchange rates to closing rates.

27. Leases

(i) Leases as a lessee

The Group operates around the world from leasehold offices. Net book values and deprecation charges in respect of these leased assets are disclosed in Note 16.

The total cash outflow in the period in respect of leases was $4,798,000 (2021: $4,981,000), disclosed within the following lines in the Consolidated Statement of Cash Flows:

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022 $000	*2021 $000*
As at 1 January	**12,315**	*17,105*
Accretion of interest	**1,097**	*913*
Payments	**(4,799)**	*(4,981)*
Additions	**9,140**	*1,268*
Disposals	**(2,045)**	*(1,613)*
Other adjustments and foreign exchange differences	**(762)**	*(377)*
Transfer to held for sale	**(2,866)**	-
As at 31 December	**12,080**	*12,315*
Current (Note 22)	**4,021**	*2,989*
Non-current (Note 22)	**8,059**	*9,325*

The maturity analysis of lease liabilities are disclosed in Note 29.

28. Financial instruments - fair values

Financial assets

	2022 $000	*2021* *$000*
Trade and other receivables	**59,442**	*60,114*
Cash and short-term deposits	**34,710**	*40,487*
Derivatives financial assets	**7,302**	-
	101,454	*100,601*

Financial instruments - fair values

Financial liabilities

	2022	2022	*2021*	*2021*
	$000	$000	*$000*	*$000*
Current:	Carrying value	Fair value	Carrying value	Fair value
Lease liabilities	**4,021**	**4,021**	*2,989*	*2,989*
Derivatives financial liabilities	-	-	*576*	*576*
Trade and other payables	**51,464**	**51,464**	*43,464*	*43,464*
Loan facilities	**39,619**	**39,619**	*20,925*	*20,925*
Total current financial liabilities	**95,104**	**95,104**	*67,954*	*67,954*
Non-current:				
Lease liabilities	**8,059**	**8,059**	*9,325*	*9,325*
Senior term loan facility - US dollars	**184,982**	**190,443**	*178,985*	*186,553*
Senior term loan facility - Euros	**58,228**	**59,765**	*60,017*	*62,948*
Senior term loan facility -Australian dollars	**38,833**	**39,999**	*39,938*	*42,010*
Pounds sterling fixed rate unsecured loan notes	**195,701**	**195,751**	*198,211*	*188,358*
US dollars fixed rate unsecured loan notes	**13,362**	**13,372**	*12,494*	*11,054*
Preference shares	**163,935**	**164,016**	*166,414*	*155,187*
	663,100	**671,405**	*665,384*	*655,435*
Trade and other payables	**2,167**	**2,167**	*2,916*	*2,916*
Total non-current financial liabilities	**665,267**	**673,572**	*668,300*	*658,351*
Total financial liabilities	**760,371**	**768,676**	*736,254*	*726,305*

28. Financial instruments - Fair values (continued)

Derivative financial liabilities in the table above are interest rate swaps with contractual maturities within one year of the balance sheet date.

Senior term loan facility
Interest on the senior term loan facilities is charged at a margin of 7.5% plus in relation to a loan in euro, EURIBOR; a loan in Australian dollars, BBSY; and in relation to a loan not in euro or Australian dollars, LIBOR. Accrued interest is payable quarterly in arrears, with the applicable EURIBOR, BBSY or LIBOR determined at the beginning of the relevant quarter.

Fixed rate unsecured loan notes
Interest on the fixed rate unsecured loan notes is compounded annually and is payable when the notes are repaid.

Fair values

The carrying values of the Group's financial assets and financial liabilities are disclosed in the table above. For those financial assets and liabilities that are classified in the Consolidated Balance Sheet as current, there is no significant difference between their fair value and the amount at which they are reported in the Consolidated Balance Sheet.

Non-current lease liabilities
The Group's lease liabilities are recognised in accordance with IFRS 16 and management believe there is no significant difference between their fair value and the amount at which they are reported in the Consolidated Balance Sheet.

Senior term loan and unsecured loan notes:
There are no quoted prices or other observable inputs from which the fair value of the Group's borrowings under its senior term loans, preference shares and fixed rate unsecured loan notes can be derived. The fair value of these instruments is calculated based upon the discounted cash flows over the remaining term of the loans and redeemable date and is dependent upon the discount rate used. The table below shows the change in fair value resulting from a 1% increase or 1% decrease in the discount rate.

	Change in fair value arising from 1% decrease in rate	**Change in fair value arising from 1% increase in rate**
Senior term loans	**-1.8% to -4.7%**	**1.9% to 4.9%**
Unsecured loan notes	**-14.20% to -5.3%**	**5.6% to 16.71%**
Preferences shares	**- 5.3%**	**5.6%**

29. Financial instruments -risk management

29.1 Hedging activities and derivatives

The Group is exposed to cash flow interest rate risk on the floating rate component of its borrowings under its senior term loan facility. This risk is managed by floating to fixed rate interest rate swaps denominated in US dollars, Euro and Australian dollars each of which have notional amounts equal to c.65% of the corresponding borrowing. The Group pays a fixed rate on these swaps and receives a floating rate equal to the applicable EURIBOR, BBSY or LIBOR determined at the beginning of each payment quarter. There is an economic relationship between the hedged item (the senior term loans) and the hedging instrument (the interest rate swaps) as the terms of the interest rate swap match the terms of the floating rate component of the senior term loans.

Although providing an economic hedge, the Group has not designated these interest rate swaps as hedging instruments and the change in their fair value is recognised in the Consolidated Income Statement within finance costs or finance income as appropriate. The fair value of the swaps was calculated using level 2 inputs under IFRS 13, Fair value measurement.

29.2 Financial risk management objectives

The Group's principal financial liabilities comprise interest-bearing loans and borrowings, and trade and other payables, which are used to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that are generated by its operations. The principal risks to which the Group is exposed are market risk and liquidity risk.

29.3 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by minimising the period between entering into and settling foreign currency transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2022	*2021*	**2022**	*2021*
	$000	*$000*	**$000**	*$000*
US dollars	**(237,294)**	*(214,649)*	**1,500**	*7,632*
Pounds sterling	**(363,175)**	*(369,995)*	**23,429**	*24,897*
Euros	**(60,257)**	*(61,959)*	**1,514**	*648*
Australian dollars	**(40,185)**	*(40,862)*	**195**	*(52)*
Other	**(5,829)**	*(1,833)*	**8,072**	*7,362*
	(706,740)	*(689,298)*	**34,710**	*40,487*

Based upon the currency profile shown in the table above, the change in net monetary liabilities arising from a 10% strengthening of the US dollar would reduce reported profit before tax by $28.5m (2021:$32.4m) and increase equity by $40.6m (2021: $46.2m) and a 10% weakening of the US dollar would increase reported profit before tax by $28.5m (2021: $23.8m) and reduce equity by $13.2m (2021: $19.5m).

29. Financial instruments -risk management (continued)

29.4 Interest rate risk management (continued)

The Group is exposed to interest rate risk because the entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Interest rate sensitivity analysis

The fixed rate liabilities shown in note 22 bear interest at 10%. The floating rate financial liabilities bear interest at the inter-bank offered rate of the appropriate currency, plus a margin. The financial assets attract interest at the notional rate of the appropriate currency, as determined by the financial institution.

Based upon the interest rate profile of the Group's net debt, and before the hedging impact from its interest rate swaps, a 1% increase in market interest rates would increase both the Group's net finance costs charged in the Consolidated Income Statement and the net interest paid in the Consolidated Statement of Cash Flows by $3.0m (2021: $2.1m) and a 1% reduction in market interest rates would decrease both the net finance costs charged in the Consolidated Income Statement and the net interest paid in the Consolidated Statement of Cash Flows by $3.0m (2021: $2.1m).

29.5 Capital management

The Company considers its capital to be equal to the sum of its total equity and net debt. It monitors its capital using a number of KPIs, including operating cash flow and net debt to EBITDA ratios. The Group's objectives when managing its capital are:

To ensure that the Group and all of its businesses are able to operate as going concerns and ensure that the Group operates within the financial covenants contained within its borrowing facilities;
To have available the necessary financial resources to allow the Group to invest in areas that may deliver acceptable future returns; and
To maintain sufficient financial resources to mitigate against risks and unforeseen events.

The Group operated within the requirements of its borrowing covenants throughout the year and has sufficient liquidity headroom within its committed borrowing facilities.

29. Financial instruments -risk management (continued)

29.6 Liquidity risk management

Liquidity risk is the risk that the Group might have difficulties in meeting its financial obligations. The Group manages this risk by ensuring that it maintains sufficient levels of committed borrowing facilities and cash and cash equivalents to ensure that it can meet its operational cash flow requirements and any maturing financial liabilities, whilst at all times operating within its financial covenants. The level of operational headroom provided by the Group's committed borrowing facilities and cash and cash equivalents is reviewed monthly as part of Group's management reporting process.

The tables below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Within 1 year	in 1 to 5 years	More than 5 years	Total
2022	**$000**	**$000**	**$000**	**$000**
Interest-bearing loans and borrowings (principal and interest)	30,508	333,901	418,982	783,391
Lease liabilities (principal and interest)	5,003	11,766	1,216	17,985
Preference shares	-	-	290,564	290,564
Trade and other payables	51,210	2,167	-	53,377
As at 31 December 2022	86,721	347,834	710,762	1,145,317

	Within 1 year	in 1 to 5 years	More than 5 years	Total
2021	**$000**	**$000**	**$000**	**$000**
Interest-bearing loans and borrowings (principal and interest)	34,238	370,258	459,850	864,346
Lease liabilities (principal and interest)	3,434	9,517	954	13,905
Derivative financial liabilities	576	-	-	576
Preference shares	-	-	324,455	324,455
Trade and other payables	44,613	2,915	-	47,528
As at 31 December 2021	82,861	382,690	785,259	1,250,810

30. Ultimate controlling party

The ultimate controlling party of the Group is Exponent Private Equity LLP, on behalf of the funds under its management. The immediate parent undertaking during the year was Exponent Private Equity Co-Investment GP LP.

31. Related parties

All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

The related parties are the key management personnel of the Group and Exponent Private Equity LLP, the ultimate controlling party of the Company. The related party transactions were the following:
- remuneration of key management personnel, which is disclosed in note 10;
- Aspiring Minds Inc. acquisition contingent consideration payment to previous owners, which is disclosed in note 12 ;
- Board of Director cost of $424k in 2022 ($595k in 2021), Exponent Private Equity LLP loan notes outstanding balance as at the end of 2022 was $95,468k (2021: $96,912k) with Interests accrued during the 2022 year $8,256k (2021: $8,993k).

32. Changes in liabilities arising from financial activities

	At 1 January 2022 $000	Foreign exchange movement $000	Non-cash movement $000	Cash flow $000	At 31 December 2022 $000
Cash and cash equivalents	**40,487**	**(4,780)**	**-**	**1,489**	**37,196**
Borrowing, excluding bank overdrafts					
Current - leases	**(2,989)**	**174**	**3,593**	**(4,799)**	**(4,021)**
Current - borrowings	**(20,925)**	**2,587**	**(7,269)**	**(14,012)**	**(39,619)**
Non current - borrowings	**(656,059)**	**44,511**	**(57,287)**	**13,775**	**(655,060)**
Non-current - leases	**(9,325)**	**534**	**(2,134)**	**-**	**(10,925)**
	(689,298)	**47,806**	**(63,097)**	**(5,036)**	**(709,625)**
Net liabilities from financing activities	**(648,811)**	**43,026**	**(63,097)**	**(3,547)**	**(672,429)**

33. Contingent liabilities

As at 31 December 2022 the Group had provided guarantees on behalf of its subsidiaries totalling $1,753,075 (2021: $1,370,486) of which $931,052 (2021: $1,017,269) related to leasehold rental agreements and $346,712 (2021: $295,147) related to performance bonds and $475,001 (2021:$ Nil) to Standby Letter of Credit.

The Group has international operations and is subject to various legal and regulatory regimes. Certain of the Group's subsidiaries are parties to legal proceedings, some of which are insured claims arising in the ordinary course of the operations of the company involved. Whilst the outcome of litigation and other disputes can never be predicted with certainty, having regard to legal advice received and the Group's insurance arrangements, the Directors believe that none of these matters will, either individually or in the aggregate, have a materially adverse effect on the Group's financial condition or results of operations.

34. Events after the reporting date

On 22 March 2023 SHL Group completed the sale of its wholly owned subsidiary, PDRI, for consideration of $ 186.6 m, with further 2023 estimated cost of sale of $1.5m.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 $000		2021 $000
Fixed assets					
Investments	4		**105,087**		*117,345*
			105,087		*117,345*
Current assets					
Debtors: amounts falling due after more than one year	5	**430**		*478*	
Debtors: amounts falling due within one year	5	**296**		*217*	
		726		*695*	
Creditors: amounts falling due within one year	6	**(2,802)**		*(2,827)*	
Net current liabilities			**(2,076)**		*(2,132)*
Total assets less current liabilities			**103,011**		*115,213*
Creditors: amounts falling due after more than one year	7		**(163,936)**		*(166,414)*
Net assets excluding pension asset			**(60,925)**		*(51,201)*
Net liabilities			**(60,925)**		*(51,201)*
Capital and reserves					
Called up share capital	8		**74**		*64*
Share premium account			**1,397**		*1,343*
Foreign exchange reserve			**4,002**		*(1,688)*
Profit and loss account			**(66,398)**		*(50,920)*
			(60,925)		*(51,201)*

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 April 2023.

DocuSigned by:
Kerry Jenkins
728AA8F431004A5...

Kerry Jenkins
Director

The notes on pages 81 to 90 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2022	64	1,343	(1,688)	(50,920)	(51,201)
Comprehensive income for the year					
Loss for the year	-	-	-	(15,478)	(15,478)
Other comprehensive income	-	-	5,690	-	5,690
Total comprehensive income for the year	-	-	5,690	(15,478)	(9,788)
Contributions by and distributions to owners					
Shares issued during the year	10	54	-	-	64
Total transactions with owners	10	54	-	-	64
At 31 December 2022	74	1,397	4,002	(66,398)	(60,925)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2021	64	1,336	(2,601)	(34,825)	(36,026)
Comprehensive income for the year					
Loss for the year	-	-	-	(16,095)	(16,095)
Other comprehensive income	-	-	913	-	913
Total comprehensive income for the year	-	-	913	(16,095)	(15,182)
Contributions by and distributions to owners					
Shares issued during the year	-	7	-	-	7
Total transactions with owners	-	7	-	-	7
At 31 December 2021	64	1,343	(1,688)	(50,920)	(51,201)

The notes on pages 81 to 90 form part of these financial statements.

1. General information

SHL Global Management Limited ("the Company") is a private limited company registered in England and Wales that was incorporated on 26 January 2018.

The Company is the ultimate parent undertaking of an international group trading under the name of SHL and providing psychometric and cognitive talent assessment solutions for global businesses.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from publishing its own profit and loss account. The loss generated in the period and included in the financial statements of the Company, amounted to $15,478,000 (2021: $16,095,000).

The following principal accounting policies have been applied:

2. Summary of significant accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
    - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
    - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of SHL Global Management Limited as at 31st December 2022 and these financial statements may be obtained from Companies House in the United Kingdom.

2. Summary of significant accounting policies (continued)

2.3 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company. Full details regarding going concern are disclosed in Note 3 of the Consolidated Financial Statements.

2.4 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Summary of significant accounting policies (continued)

2.6 Financial Instruments

Financial assets

At initial recognition, financial assets are measured at their fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Other receivables: other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less impairment losses. The Company applies the simplified approach to recognising expected credit losses on its receivables, as per the scope exception in IFRS 9 in which all loss allowances for receivables are measured at initial recognition and throughout their lives at an amount equal to lifetime expected credit losses. This is consistent with the nature of the Company's receivables, which do not include a significant financing component.

Financial Liabilities

At initial recognition, financial liabilities are measured at their fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Interest bearing loans and borrowings: Interest bearing loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. After initial recognition they are measured at amortised cost, using the effective interest method.

2.7 Issue share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.8 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Auditors' remuneration

Fees payable to the auditor are disclosed in note 8 to the Consolidated Financial Statements, which comply with regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.

4. Fixed asset investments

	Investments in subsidiary $000
Cost or valuation	
At 1 January 2022	**117,345**
Foreign exchange movement	**(12,258)**
At 31 December 2022	**105,087**

The subsidiaries of the Company are set out below. With the exception of SHL Global Holdings 1 Limited, which is directly owned by the Company, all the companies listed below are owned by a subsidiary of the Company and all are 100% owned by the Group unless indicated otherwise.

4. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Aspiring Minds FZ-LLC	Exclusive Desk No.32, Ground Floor, Building:16 Dubai, UAE	100%
Aspiring Minds Inc.	1811, Sliverside Road, Wilmington City, New Castle County, 19810-4345	100%
Beijing Aspiring Minds Information Consulting Co Limited	Room 606, 5th Floor, Building 1, Yard 93, Jianguo Road, Chaoyang District, Beijing	100%
Personnel Decisions Research Institutes LLC (PDRI)	111 Washington Avenue S, Suite 600 Minneapolis MN 55401 USA.	100%
Savhold BV	Office 905, 9th Floor, Central Park, Stadsplateau 29, Utrecht 3521	100%
Saville & Holdsworth International B.V.	Office 905, 9th Floor, Central Park, Stadsplateau 29, Utrecht 3521	100%
Saville & Holdsworth Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE.	100%
SHL (India) Private Limited	Seventh Floor, Godrej BKC, Bandra East, Mumbai City, Mumbai, Maharashtra 400051, India	100%
SHL AG	Schulhausstrasse 41, 8002 Zurich, Switzerland.	100%
SHL Australia Pty Limited	Level 2, 99 Elizabeth Street, Sydney, NSW 2000, Australia	100%
SHL Belgium SA	Airport Plaza Building C, Kyoto Leonardo da Vincilaan 19, 1831 Diegem (Machelen) Belgium.	100%
SHL Canada Inc.	Centre de Recherches et d'Analyses sur les Corporations 67 Yonge Street Suite 701, Toronto, Ontario, Canada M5E 1J8	100%
SHL China Ltd.	Unit 307-308, 3/F, 233 Taicang Rd., Huangpu District, Shanghai, Postal Code 200020, China.	100%
SHL DebtCo Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE.	100%
SHL France SAS	Office GR-107, C/O WeWork, 7 Rue De Madrid, Paris, Ile-de-France, 75008, France	100%
SHL Global Holdings 1 Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Global Holdings 2 Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Global Holdings Midco Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Global Holdings Proprietary Limited	Ground Floor, Block D Southdowns Office Park, Cnr of John Vorster Road and Karee Road, Iren Ext 54, Centurion 0157	49%
SHL Group Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Hong Kong Limited	16th Floor, 111 Leighton Road, Causeway Bay, Hong Kong.	100%
SHL India Finance Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL International Finance 1 Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%

4. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Holding
SHL International Finance 2 Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL International Management Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Italy Srl Unipersonale	Via Boezio No.6 – 001932 Rome	100%
SHL Middle East and Africa FZ-LLC	Dubai Knowledge Village, Block 2A Suite G46, P.O. Box 500715, Dubai, UAE.	100%
SHL Nederland BV	Office 905, 9th Floor, Signature Central Park, Stadsplateau 29, Utrecht 3521	100%
SHL New Zealand Limited	C/O Generator, 12 Madden Street, Wynyard Quarter, 1010 Auckland, New Zealand	100%
SHL Norge A/S	C/O Scandinavian Trust, Fridtjof Nansens Plass 4, 0160 Oslo	100%
SHL Singapore Pte Limited	Level 5, Marina One East Tower, 7 Straits View, Singapore 018936	100%
SHL Group Sverige, filial till SHL Product Ltd UK	C/O Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden	100%
SHL Product Ltd *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL US LLC.	111 Washington Avenue S, Suite 500, Minneapolis MN 55401, USA.	100%
SHL US Management LLC	1209 Orange Street, Wilmington, New Castle, Delaware 19801,USA.	100%
SHL Sverige AB	C/O Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden	100%
SHL Product Limited Abu Dhabi Branch	Office 185 Al Hashem Marble Building, Musaffah, M39, Abu Dhabi	100%
SHL People Solutions Group Holdings Ltd *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL US Finance Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%
SHL Group Denmark, filial af SHL Product Ltd, UK	C/O Scandinavian Trust ApS, Hammerensgade 1, 2. 1267 København K, Danmark	100%
SHL Finland, SHL Product Ltd:n Suomen sivuliike	c/o Scandinavian Trust OY, Frederikinkatu 61 A, 00100 Helsinki, Finland	100%
SHL Saville & Holdsworth (Deutschland) GmbH	Speicherstraße 59, 60327 Frankfurt am Main, Deutschland	100%
SHL Philippines Inc.	Unit #12, 24th Floor,BGC Corporate Center,30th Street Corner, 11th Avenue.BONIFACIO GLOBAL CITYTaguig. Metro Manila – 1634.Philippines	100%
SHL Saudi Arabia Limited	Suite 1405, 28th Floor, Kingdom Center, PO Box 230888, Riyadh, 11321, Saudi Arabia	100%
SHL Saville and Holdsworth PTY Limited	Ground Floor, Block D Southdowns Office Park, Cnr of John Vorster Road and Karee Road, Iren Ext 54, Centurion 0157	100%
SHL APAC Finance Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, United Kingdom, KT7 0NE.	100%

4. Fixed asset investments (continued)

Subsidiary undertakings (continued)

* These companies are exempt from the requirements of the Companies Act 2006 ("the Act") relating to the audit of the individual accounts by virtue of s479A of the Act.

5. Debtors

	2022 $000	2021 $000
Due after more than one year		
Deferred tax asset	**430**	*478*
	430	*478*

	2022 $000	2021 $000
Due within one year		
Amounts owed by group undertakings	**296**	*217*
	296	*217*

Amounts due from subsidiary undertakings are repayable on demand and interest is charged between 0% and 10%.

6. Creditors: Amounts falling due within one year

	2022 $000	2021 $000
Amounts owed to group undertakings	**1,476**	*1,377*
Other creditors	**28**	*16*
Accruals and deferred income	**1,298**	*1,434*
	2,802	*2,827*

Disclosure of the terms and conditions attached to the non-equity shares is made in note 8.

Amounts owed to subsidiary undertakings are repayable on demand and interest is charged at 10%.

7. Creditors: Amounts falling due after more than one year

	2022 $000	*2021* *$000*
Accrued Dividend on Preference shares payable	59,917	*50,262*
Share capital treated as debt	104,019	*116,152*
	163,936	*166,414*

Preference shares – the preference shares carry no voting rights and accrue a fixed cumulative preferential dividend at an annual rate of 10% on a sum equal to the entire nominal and premium amounts paid up on such preference shares. On a return of capital or a winding up, in priority to any payment to the holders of the ordinary shares, entitled to a sum equal to the entire nominal and premium amounts paid up on such preference shares together with the aggregate amount of all arrears and accruals (if any) of the preference dividend and are redeemable on or before 31 December 2028.

8. Share capital

	2022 $000	*2021* *$000*
Shares classified as equity		
Allotted, called up and fully paid		
383,553 *(2021 - 383,553)* Ordinary shares A1 shares of £0.0100 each	5	*5*
415,434 *(2021 - 415,434)* Ordinary shares A2 shares of £0.0100 each	6	*6*
40,475 *(2021 - 40,475)* Ordinary shares B shares of £0.0100 each	-	*-*
72,500 *(2021 - 72,500)* Ordinary shares C1 shares of £0.5000 each	51	*51*
116,588 *(2021 - 84,500)* Ordinary shares C2 shares of £0.0100 each	2	*2*
704,336 *(2021 - nil)* Ordinary shares D shares of £0.0100 each	8	*-*
190,222 *(2021 - nil)* Ordinary shares E shares of £0.0100 each	2	*-*
	74	*64*

	2022 $000	*2021* *$000*
Shares classified as debt		
Allotted, called up and fully paid		
86,229,724 *(2021 - 86,229,724)* Preferences shares shares of £0.0001 each	12	*12*
86,229,724 *(2021 - 86,229,724)* Share premium on preference shares shares of £0.9999 each	104,007	*116,140*
	104,019	*116,152*

Share premium amounts to $1,398K in 2022 ($1,343K in 2021).

Rights attaching to each class of share

A1 ordinary shares ("A1 shares") – subject to the rights of C1 shares (see below), the A1 shares: carry all the voting rights exercisable at a general meeting of the Company; are entitled to payment of dividends ranking equally with the A2 shares, the B shares, the C1 shares and the C2 shares; after satisfying any amounts due to the preference shares (see below), rank equally with the A2 shares, the B shares, the C1 shares and the C2 shares on a return of capital or winding up; the D and E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up; are not redeemable.

A2 ordinary shares ("A2 shares") – the A2 shares: carry no voting rights; are entitled to payment of dividends ranking equally with the A1 shares, the B shares, the C1 shares and the C2 shares; after satisfying any amounts due to the preference shares (see below), rank equally with the A1 shares, the B shares, the C1 shares and the C2 shares on a return of capital or winding up; the D and E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up; are not redeemable.

B ordinary shares ("B shares") – the B shares: carry no voting rights; are entitled to payment of dividends ranking equally with the A1 shares, the A2 shares, the C1 shares and the C2 shares; after satisfying any amounts due to the preference shares (see below), rank equally with the A1 shares, the A2 shares, the C1 shares and the C2 shares on a return of capital or winding up; the D and E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up; are not redeemable.

C1 ordinary shares ("C1 shares") – each holder of C1 shares is: entitled to exercise 5% of the total votes at a general meeting of the Company, provided that the total voting rights held by C1 shares shall never exceed 25%; entitled to payment of dividends ranking equally with the A1 shares, the A2 shares, the B shares and the C2 shares; after satisfying any amounts due to the preference shares (see below), rank equally with the A1 shares, the A2 shares, the B shares and the C2 shares on a return of capital or winding up. The D and E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up. The shares are not redeemable.

C2 ordinary shares ("C2 shares") – the C2 shares: carry no voting rights; are entitled to payment of dividends ranking equally with the A1 shares, the A2 shares, the B shares and the C1 shares; after satisfying any amounts due to the preference shares (see below), rank equally with the A1 shares, the A2 shares, the B shares and the C1 shares on a return of capital or winding up; the D and E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up; are not redeemable.

D ordinary shares ("D shares") – the D shares: carry no voting rights; are entitled to payment of the fixed share return; after satisfying any amounts due to the preference shares, the shareholders are entitled to the fixed share capital return. The D shares along with the E shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up. The shares are not redeemable.

E ordinary shares ("E shares") – the E shares: carry no voting rights; are entitled to payment of the fixed share return; after satisfying any amounts due to the preference shares, the shareholders are entitled to the fixed share capital return. The E shares along with the D shares are paid in priority to the A1, A2, B, C1 and C2 shares on a return of capital or winding up.

9. Ultimate controlling party

The ultimate controlling party of the Company is Exponent Private Equity LLP, on behalf of the funds under its management. The immediate parent undertaking during the year is Exponent Private Equity Co-Investment GP LP.