

THE MISSION GROUP plc
("MISSION", "the Group")

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Successful completion of Value Restoration Plan drives profitable earnings and margin recovery
Strong platform for growth in 2025

25 March 2025

The **MISSION** Group plc (AIM:TMG), the Brand Performance Group, comprising of digital marketing and specialist communications Agencies, announces its final results for the year ended 31 December 2024 ("FY2024" or "the year").

FINANCIAL HIGHLIGHTS

Year ended 31 December,	2024 £m	2023 £m	change
Total operations			
• REVENUE (OPERATING INCOME)*	87.7	86.6	1.3%
• HEADLINE OPERATING PROFIT*	9.1	5.0	80%
• REPORTED PROFIT BEFORE TAX*	2.9	(12.0)	+14.9
Continuing operations**			
• REVENUE (OPERATING INCOME)*	75.9	74.3	2.1%
• HEADLINE OPERATING PROFIT*	7.9	6.5	20%
• HEADLINE PROFIT MARGINS	10.4%	8.8%	1.6pts
• HEADLINE PROFIT BEFORE TAX*	5.1	4.2	19%
• REPORTED PROFIT/(LOSS) BEFORE TAX	1.9	(10.7)	+12.7
• HEADLINE EARNINGS PER SHARE*	3.8p	3.3p	+0.5p
• HEADLINE DILUTED EARNINGS PER SHARE*	3.8p	3.3p	+0.5p
• NET BANK DEBT	9.5	15.4	+5.9

*Headline results are calculated before acquisition and disposal adjustments, start-up costs, goodwill and business impairment, bank refinancing, equity placing and restructuring costs (as set out in Note 3).

** Continuing operations excludes the disposal of April Six on 31 December 2024.

STRATEGIC AND OPERATIONAL HIGHLIGHTS

Successful completion of Group's Value Restoration Plan ("VRP") provides strong platform for profitable growth in 2025.

The successful execution of the Group's VRP, as originally announced in December 2023 and including the disposal of April Six and Pathfindr, has strengthened the business for the future, ensuring **MISSION** moves forward as a leaner and less complex business with a significantly stronger balance sheet.

Key areas of progress include:

- Delivered total Headline Operating Profit of £9.1m (2023: £5.0m), in line with expectations.
- Improved profitability with Headline Operating Profit from continuing operations up 20% to £7.9m (2023: £6.5m).
 - A significant improvement in Headline operating margin from 8.8% in 2023 to 10.4% in 2024.
- Simplified business structure with the disposal of non-core Agencies April Six for a total gross consideration of up to £17.4m with proceeds used to reduce debt.
- Significantly strengthened balance sheet at 31 December 2024 following April Six disposal with improvement in covenant package.
 - Net bank debt of £9.5m (2023: £15.4m)

- Net total debt*** of £14.2m (2023: £25.2m)
- Post period end agreed a new, three year revolving credit facility with long-term lender NatWest providing increased flexibility.
- Publication of Capital Allocation Policy
 - Commitment to returning up to £1.5m through an on-market Share Buyback.
 - Share Buyback programme began on 2 January 2025 and £0.36m has been returned to date.

*** Net total debt includes deferred acquisition consideration and for 2023 HMRC time to pay obligations

Resilient trading performance across all segments, despite challenging and uncertain market conditions, resulted in FY2024 Headline revenue (operating income) on continuing operations up 2.1% to £75.9m (FY2023: £74.3m)

- Strong and enduring Client retention across Agencies with strong focus on Client service supported by the Group's Agency-driven culture - 56% revenue currently comes from Clients who have been with the Group for over 5 years
- Strategic new Client wins over the year included Mastercard, BNP Paribas, FatFace, GoHenry, Okta, Popeyes, England Cricket Board, Southampton FC, Guinness Homes, Fonterra, Neuro UK and McCarthy Stone.

Current trading and outlook remain in line with expectations

- Trading in the new financial year has started well and is in line with expectations.

Mark Lund, Interim Chief Executive of MISSION, commented: "2024 represented solid progress and there is a lot for our teams to feel proud about. Crucially we have driven a necessary and ambitious Value Restoration Plan which has seen us review all areas of the business with a commitment to restoring value to shareholders. In addition, we have continued to deliver excellent work for our Clients, underpinning a significant improvement in earnings and margin growth on the prior year, despite a challenging and often uncertain trading environment.

"Trading in 2025 has started in line with our expectations. We remain cautious given the wider macro-economic uncertainty but I'm excited to see further progress against a number of initiatives already underway in 2025. I firmly believe these actions will further enhance the quality of the work we do and the value we can bring to our Clients and look forward to seeing their impact as the year develops."

Investor Presentation via Investor Meet Company

Interim Chief Executive Office, Mark Lund and Chief Financial Officer, Giles Lee will provide a live presentation relating to the Group's Final Results for the year ended 31 December 2024, via the Investor Meet Company platform on 25th March 2025 at 16:00 GMT.

Investors can sign up to Investor Meet Company for free and add to meet **THE MISSION GROUP PLC** via:

<https://www.investormeetcompany.com/the-mission-group-plc/register-investor>

ENQUIRIES

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NOTES TO EDITORS

The **MISSION** Group Plc is The Shared Performance Group

The **MISSION** Group Plc. is The Brand Performance Group.

Delivering measurable, results-driven campaigns as the preferred creative partner for real business growth. We offer top-tier agencies, strategic specialisms and global reach delivering outstanding performance for brands. We call it Work That Counts™ www.themission.co.uk

NON-EXECUTIVE CHAIR'S STATEMENT

I am delighted to report that not only have we delivered a resilient trading performance in 2024 but **MISSION** has taken great strides to strengthen the business for the future. I have been impressed by the management team who have diligently and relentlessly reshaped the business throughout 2024 and in so doing have maintained revenue growth, improved total headline operating profits by 80%, increased total reported operating profits by £15m and significantly reduced our debt. Furthermore, we have created a platform from which our Agencies will continue to grow.

Revenue and Profit Growth

Once again Client retention and strategic new business wins have underpinned performance and all credit must go to our Agencies who continue to punch above their weight by being leaner, more nimble and creatively and commercially astute to achieve outstanding results for our Clients. Ultimately, our Clients pay us to help them be more successful and this is at the core of our thinking.

Debt Reduction

Business growth and Agency realignments have played their part in our strive to reduce debt. But so too have two strategic divestments of April Six and Pathfindr, both of which have significantly improved the strength of our balance sheet.

Our Platform For Growth

Under the stewardship of our interim CEO, Mark Lund, we have successfully streamlined operations under four key business pillars headed by our lead Agencies which has been warmly received within the Group. Mark's commitment to performance and growth is helping those leaders develop at pace and his input and guidance has been welcomed by all. Having had a successful career in advertising and marketing, during which he co-founded leading independent Agency DLKW (now Mullen Lowe) and most recently was President of McCann Worldgroup UK & Europe, Mark stepped into the role following James Clifton's decision to pursue a new opportunity. The Board would like to thank James for his valuable contribution to the development of **MISSION** during his tenure. We all wish him every success in his new venture.

Capital Allocation Policy and Dividend

Having delivered annualised cost savings and profit improvements alongside a material reduction in the Group's debt burden through business disposals, on the 2 January 2025 the Board outlined the Group's Capital Allocation policy in order to provide shareholders with an update on the Board's intentions for future uses of cash generated from operations.

As part of this policy the Board has made a commitment that surplus free cashflow should be returned to shareholders either by share buybacks and/or dividends (ordinary and/or special).

Share buybacks will be undertaken when they are at or below the Board's view of the intrinsic value of the Company. Shares acquired through the share buyback will be held in treasury and their use reviewed periodically, including to offset the dilution effect from employee share option exercises and share based deferred acquisition consideration payments.

On 2 January 2025 the Board confirmed that it intended to return up to £1.5m to Shareholders via an on-market share buyback which will be undertaken when the share price is at or below the Board's view of the intrinsic value of the Company. To date £364,000 has been returned to shareholders, reducing the Company's shares in issue by 1.3%.

As previously announced as part of our Capital Allocation policy, the Board expects to return to paying ordinary dividends in 2026 and will maintain dividend cover between 3x to 4x headline earnings per share.

Outlook

We are mindful of the overall macro environment and uncertainties that this can bring to our markets but it is worth reminding ourselves that **MISSION** has shown revenue growth year on year and now with our streamlined operations and profit focused mindset we see a very bright future for the business.

Our people make us what we are and all around the Group I see dedicated, fulgurant colleagues all working to be their best and deliver outstanding results for our Clients, shareholders and community. I am proud to Chair the **MISSION** Group.

David Morgan

Non-Executive Chair

INTERIM CHIEF EXECUTIVE'S REVIEW

2024 represented solid progress and there is a lot for our teams to feel proud about. Crucially we have driven a necessary and ambitious Value Restoration Plan which has seen us review all areas of the business with a commitment to restoring value to shareholders. In addition, we have continued to deliver excellent work for our Clients, underpinning a significant improvement in earnings and margin growth on the prior year, despite a challenging trading environment.

The ongoing macro-economic and political uncertainty throughout 2024 led to Client caution and the significant drop in business confidence following the Chancellor's statement in November compounded this uncertainty further. Against this backdrop the entrepreneurial and creative culture of our Agencies and the breadth of capabilities they can draw on across the Group has been critical in our ability to grow existing relationships and compete in tough markets to secure new Client wins.

Whilst the successful divestments of April Six and Pathfindr have ensured we have a much stronger balance sheet; it has also provided us with an opportunity to reassess the Group's business model as we focus on creating a simpler and more accountable **MISSION**.

We enter 2025 with a simpler, stronger and more focussed Group. Our business model will see us focus on four key Agency families, centred around each of our largest Agencies Bray Leino (Business & Corporate), krow (Consumer), Mongoose (Sports & Entertainment) and ThinkBDW (Property). Through the work done as part of the Value Restoration Plan to reduce our cost base, we move forward with a leaner and lighter commercial centre with our full focus on supporting sustainable, profitable growth.

I am also very excited by our continuing investment in **MISSION**'s shared AI systems that will bring real benefits to all our Agencies in 2025 both operationally and creatively.

Performance Review

MISSION has reported revenue growth from continuing operations of 2.1% to £75.9m (2023: £74.3m) and total revenue growth of 1.3%. All growth was organic and underpinned by strong performances across the Group's continuing business segments, particularly in our Property and Business & Corporate segments.

Additional Client wins secured across the business throughout the period include Okta, Popeyes, FatFace, GoHenry, Mastercard, BNP Paribas, England Cricket Board, Guinness Homes, Fonterra and McCarthy Stone. The second half of the financial year also saw the Group awarded a prestigious and significant Events assignment for the UK Pavilion at Expo 2025 in Osaka, Japan. This full operational services contract comprises over 130 individual events, retail and hospitality and is being led by Bray Leino Events.

MISSION's global sports Agency, Influence Sports & Media, part of Mongoose, also won a significant new Client in Saudi Arabia in the second half of the year and opened a small office in Riyadh to support the Client and will also leverage its expertise to capitalise on opportunities across the region. Mongoose has also been appointed as global sponsorship sales Agency for Formula E and brokered Southampton F.C.'s shirt sponsorship with P&O Cruises.

The second half of the year also saw the creation of the Group's AI steering panel, chaired by me. We continue to see multiple examples of AI infused work being created in our Agencies and as part of our plans to define and hone our Group AI strategy we have prioritised three key pillars of focus; ensuring AI literacy in every role to empower and enable everyone with AI learning; provide specialist centralised AI support and resources to work alongside our Agencies; and define guidelines to inform AI usage across the Group and ensure compliance and best practice.

In the new financial year I'm pleased to announce that we have appointed a Chief Transformation Director to lead this project across the Group. Good progress has already been achieved in deploying AI tools on the areas which can make the biggest difference to enhance operational excellence and creative processes.

Making Positive Change

Following the launch of our Environmental, Social and Governance (ESG) manifesto 'Making Positive Change' in 2020, we have continued to make progress against our key commitments throughout 2024. While improved carbon reporting and increased business activity led to a rise in overall emissions compared to last year, our total emissions remain significantly lower (29% decrease) than pre-pandemic levels.

A key focus has been refining our data collection to ensure a more accurate understanding of our impact. This has highlighted areas for action, such as energy use and commuting, while also revealing positive trends, including reductions in waste-related emissions and business road travel. By enhancing our sustainability initiatives and improving efficiency across operations, we are committed to driving further progress in the years ahead.

Current Trading and Outlook

Trading in 2025 has started in line with our expectations. We remain cautious given the wider macro-economic uncertainty and its continued impact on Client budgets and confidence.

I'm excited to see further progress against a number of initiatives already underway in 2025 including our investments in AI. I firmly believe these actions will further enhance the quality of the work we do and the value we can bring to our Clients and look forward to seeing their impact as the year develops.

Mark Lund

Interim Group Chief Executive

CHIEF FINANCIAL OFFICER'S REVIEW

In 2024 we were able to complete the turnaround of the business through the successful delivery of the Value Restoration Plan. The fundamental concentration on transforming operating margins and reducing debt leverage is evident in the financial statements as is the underlying resilience of our core agency portfolio. We start 2025 with a simpler, stronger and more focused Group.

Total headline operating profits of £9.1m increased by 80% when compared to the 2023 equivalent. With operating income growing by 1.3% to £87.7m (2023 £86.6m), operating margins also increased significantly from 5.8% in 2023 to 10.3% in 2024.

On a continuing operations basis the financial recovery continues to shine through, with headline operating profits of £7.9m increasing by 20% on 2023 (£6.5m), operating income growing 2.1% to £75.9m (2023 £74.3m) and operating margins increasing from 8.8% to 10.4%.

Furthermore, net bank debt leverage at 31 December 2024 improved significantly to 1.1x (31 December

2023, 2.0x) following a year of tight focus on capital expenditure and the disposal of April Six Ltd at the end of 2024.

The Value Restoration Plan

In December 2023 the Board announced its Value Restoration Plan ("VRP"): a plan designed to restore profitability and bank debt leverage to sustainable, competitive levels in 2024. The plan consisted of two key elements:

1: reducing operating expenditure by £5.0m through annualised cost savings and efficiency gains.

2: reducing 2023 run-rate net debt leverage through the disposal of non-core assets.

The VRP has been successfully delivered, evidenced by the much-improved margins and reduced leverage ratios reported in 2024 compared to 2023.

Following the sale of April Six and the reduction in bank debt, the Group entered into discussions with Natwest to refinance the existing debt facility. The Group has now successfully refinanced its debt facility, securing a new three-year facility including a £15m revolving credit facility, a £5m accordion option to increase this and a £3m overdraft. Further details of the new debt facility are set out in Note 15 to the financial statements.

Billings and revenue

Turnover (billings) was 3% lower than the previous year, at £190.3m (2023: £195.9m), but since billings include pass-through costs (e.g. TV companies' charges for buying airtime), the Board does not consider turnover to be a key performance measure for its Agencies. Instead, the Board views operating income (turnover less third-party costs) as a more meaningful measure of activity levels. Taken as a whole, the Group's operating income (referred to as "revenue") from continuing operations for the year increased by 2.1% to £75.9m (2023: £74.3m).

All revenue growth was organic and reflects a mixed performance across the continuing business segments. Revenue growth was strong in Business & Corporate (£0.9m increase in revenue) and also Property (£0.5m increase in revenue) and in so doing mitigated reduced revenues in Health & Wellness (£0.4m reduction in revenue).

The Group has reviewed and restructured its operations as part of the Value Restoration Plan and as a result the Board made the decision to divest of its Technology agency, April Six Ltd along with the US based subsidiary, a transaction that completed at the end of 2024. It is these divested revenues that constitute the 'discontinued operations' of 2024 whilst 2023 also comprises the disposal of Pathfindr Ltd.

One of the differentiating features of **MISSION** is the longevity and loyalty of its Client base exemplified by over 56% of 2024 total operating income coming from Clients with whom **MISSION** has worked for more than five years. We believe this is due to the dynamic and Agency-driven culture which ensures Clients receive a tailored level of Client service but supported by the resources of a multi-national Group.

Profit and margins

The Directors measure and report the Group's performance primarily by reference to headline results in order to avoid the distortions created by the one-off events and non-cash accounting adjustments relating to acquisitions that are detailed below. Headline results are therefore calculated before acquisition adjustments, exceptional items and losses from new ventures (as set out in Note 3).

The Group reported an operating profit across all operations this year of £5.8m compared to a £9.7m loss in 2023.

Reported profit before tax increased by £14.9m, from a £12.0m loss in 2023 to a £2.9m profit in 2024.

Adjustments to reported profits, detailed further in Note 3, totalled £2.0m (2023: £14.9m), a significant

Adjustments to reported profits, detailed further in note 5, totalled £3.2m (2023: £14.0m) a significant decrease on a previous year that had included a £10.3m impairment of the Story (£5.2m) and Krow (£5.1m) intangible assets. There were no intangible impairments in 2024.

In addition to this the Group invested £0.5m in new ventures (2023: £1.8m) most notably Influence US and Saudi Arabia operations as well as performance marketing joint venture Turbine and investment in the **MISSION** Hubs venture.

Acquisition and disposal related costs of £2.1m compared to £1.7m in 2023. The 2024 charge consists primarily of the amortisation of intangibles recognised on acquisitions of £0.7m (2023: £0.9m) as well as professional fees incurred in order to defend an unsolicited bid for the Group (£0.3m). There was an increase in fair value of contingent consideration of £0.8m in 2024 (2023 £0.4m) following the strong performance of recently acquired agencies.

Finally, the Group recorded a profit on the disposal of the April Six operation of £1.2m, countered by realisation of non-cash, historical foreign currency translation reserves of £1.4m. (2023: £0.3m profit on sale of Pathfindr Ltd).

Adjusting for these items delivers a headline operating profit from all operations of £9.1m (2023 £5.0m). Headline operating profit from continuing operations was £7.9m (2023: £6.5m).

A key focus of the VRP has been improving operational effectiveness and therefore margin. As a result the headline operating expenditure base from all operations decreased in the year by 4% (from £81.5m in 2023 to £78.6m in 2024). Expenditure within continuing operations held flat at £68.0m.

Whilst operating expenditure grew in the Business & Corporate segment to support revenue growth (£0.9m increase), the actions of the VRP are evident in reductions of spend in Consumer & Lifestyle (£0.3m) and Property (£0.7m). Expenditure in Sports & Entertainment increased by £0.5m in the year.

The result of this is strong year on year headline operating profit improvements in the Property (+£1.2m), Consumer & Lifestyle (£+0.4m) and Central (+£0.6m) business segments, all of which outweighed smaller headline operating profit reductions in Sports & Entertainment (£0.4m reduction) and Health & Wellness (£0.3m reduction).

As a consequence, headline operating margins from all activities increased from 5.8% to 10.3% and margins from continuing activities increased from 8.8% to 10.4%.

Interest charges of £3.0m were £0.5m higher than 2023 (£2.5m) reflecting the increased net debt levels the Group faced during this restructuring period.

The resultant reported profit before tax from continuing operations for 2024 was £1.9m, an increase of £12.7m on 2023 (£10.7m loss).

Taxation

The headline tax rate increased marginally to 28% (2023: 27%).

On a reported basis in 2024 the impact of foreign tax payments in the year in relation to April Six resulted in a total tax charge of £1.7m on a reported profit before tax of £2.9m, an effective rate of 58.8%. This compares to the 1.3% rate in 2023 resulting from the impact of the large one-off non-deductible expenditure primarily in relation to impairment of goodwill which resulted in a tax credit of £0.2m on a reported loss before tax of £12.0m.

The tax rate is generally expected to be consistently higher than the statutory rate (25.0% in 2024, an increase from the 23.5% in 2023) when the Group is profit making, since the amortisation of acquisition-related intangibles is not deductible for tax purposes and tax rates on our US operations are substantially higher than the UK corporation tax rate.

Earnings Per Share

After tax, the reported profit for the year was £1.2m (2023: £11.9m loss) and undiluted and diluted EPS was 1.2 pence (2023: -13.4 pence).

However, after adjustments, Headline EPS from continuing operations on both an undiluted and diluted basis was 3.8 pence (2023: 3.3 pence).

Dividend

The Board has historically adopted a progressive dividend policy, aiming to grow dividends each year in line with earnings but always balancing the desire to reward shareholders via dividends with the need to fund the Group's growth ambitions and maintain a strong balance sheet and healthy distributable reserves (2024: £30.5m, 2023: £33.7m).

The Board has made the decision to continue to pause dividend payments and expects to return to paying ordinary dividends in 2026. In so doing it plans to maintain dividend cover between 3x to 4x headline earnings per share.

Balance sheet

In common with other marketing communications groups the main features of our balance sheet are the goodwill and other intangible assets resulting from acquisitions made over the years and the debt taken on in connection with those acquisitions.

The Board undertakes an annual assessment of the value of all goodwill, explained further in Note 10. At 31 December 2024 the Board concluded that no impairment adjustments would be required and that the position would continue to be reviewed on a regular basis.

The level of intangible assets relating to acquisitions and internal investments decreased by £11.0m in the year. This movement being primarily a function of the divestment of April Six.

The Group's acquisition obligations at the end of 2024 were £4.7m (2023: £5.5m), to be satisfied by a mix of shares and cash in some instances at the Group's discretion. All of this is dependent on post-acquisition earn-out profits. £3.4m is expected to fall due for payment in cash within 12 months and a further £1.2m which can be satisfied by a mix of shares and cash in the subsequent 12 months.

The Board continue to closely monitor all capital spends and have paused dividend payments for the short term.

The Directors therefore believe that the Group's current balance sheet can comfortably accommodate these acquisition obligations alongside the Group's commitments to routine capital expenditure.

Consolidated Net Current Assets closed at £17.0m, an increase of £11.4m on 2023 (£5.6m). This was in part the result of the increase in cash of £5.8m and a reduction in trade creditors of £9.4m, netted off against a £1.7m increase in current acquisition obligations. Acquisition obligations are dependent on performance and the Company has the option to settle a proportion of the total in shares.

At the end of the year the Group's net bank debt stood at £9.5m (2023: £15.4m). On an adjusted basis (pre IFRS16) the leverage ratio of net bank debt to headline EBITDA was 1.1x at 31 December 2024 (2023: 2.0x). The Group's adjusted ratio of total debt, including remaining acquisition obligations, to EBITDA at 31 December 2024 was 1.7x (2023: 2.7x). A pre-IFRS16 basis is used as this in the definition of the Group's bank covenants.

Cash flow

Cash and cash equivalents improved by £5.8m over the course of 2024.

The primary reason for the improvement came from the divestment of April Six and the resulting net increase in cash and cash equivalents from discontinued operations of £7.3m.

In addition to this, capital allocations in 2024 were very closely controlled. This resulted in significant year on year reductions to both capital expenditure (£0.7m, 2023 £2.5m) and dividends payable (£0.1m, 2023 £1.7m). Similarly, expenditure on new acquisitions was £Nil (2023, £0.4m) and the settlement of contingent obligations relating to the profits generated by previous acquisitions totalled £0.7m (2023: £0.4m). Bank loans were in line with 2023 at £20.0m.

In 2023 total working capital movements were somewhat distorted as a result of £4.3m of delayed VAT and PAYE payments, a payment plan having been agreed with HMRC whereby all delayed payments would be repaid by the end of May 2024. Therefore, the working capital movements in 2024 are impacted in an equal and opposite way as these repayments were completed.

The working capital movement is defined as the aggregate movement in receivables, stock and payables and was at an overall level reported as an outflow of £4.1m (2023: £0.3m inflow). However, adjusting for the HMRC repayments noted above reveals an underlying working capital inflow of £0.2m.

The closing net bank debt position for 2024 was £9.5m. This represents a decrease in net debt of £5.9m on the 2023 year-end net bank debt of £15.4m.

Headline operating profit from continuing operations of £7.9m (2023: £6.5m) converted into £1.4m (2023: £4.2m) of 'free cash flow' (defined as net cash inflow from operating activities less tangible and intangible capital expenditure) and dividends of £0.1m (2023: £1.7m).

Working capital days

Trade creditor days and work in progress days both increased and trade debtors days decreased when compared to last year. Overall, the Group's total working capital days of 23.8 represents an increase from the 2023 equivalent (16.8 days).

Going concern

The Board believe that, through the actions taken during 2024 and described above, the Group is well placed to deliver profitable growth, cash generation and facility headroom. However, further scenario modelling has been undertaken of the Group's net debt position into the reasonably foreseeable future. This modelling included cautious assumptions about trading performance, investment plans and acquisition consideration obligations. The principal uncertainty in the projections is the continued growth of the trading agencies in an unpredictable macro-economic environment and potential increases in cost base that are not proportionate to revenue growth.

The Directors have considered the resulting financial and cash flow projections for the Group alongside the availability of renewed committed bank facilities of £15m (expiring 21 March 2028), an overdraft facility of £3m and the headroom afforded against Total Debt Leverage and Bank Debt Leverage covenant tests for the coming 12 months.

The Directors have also considered and understood the mitigating actions that would be required in the event of reduced revenue profiles and any further consequential difficulties with covenant compliance. Such potential mitigating actions would include a review of headcount, particularly in the areas impacted by any downturn.

Furthermore the Group have considered actions that can be taken should increased headroom be required. This would most likely be the disposal of non-core or high value agency assets.

Against these scenarios, the Group was demonstrated to have adequate headroom against the facilities described above. This leads the Directors to become satisfied that, taking account of reasonably possible changes in trading performance, it is appropriate to adopt the going concern basis in preparing the financial statements.

Key Performance Indicators

KPIs are designed to monitor the Group's revenue and profit growth, within a safe capital structure. The targets, along with the outcome for 2024 are as follows:

- Achieve organic revenue growth of at least 2% per year (delivered +2%);
- Increase headline operating profit margins to 14% (delivered 10%);
- Grow headline profit before tax by 10% year-on-year; and (delivered +19%)
- Maintain the ratio of net bank debt to EBITDA* at or below 1.5x (delivered 1.1x) and the ratio of total debt (including both bank debt and deferred acquisition consideration) to EBITDA at or below 2.0x (delivered 1.7x).

*EBITDA is headline operating profit before depreciation and amortisation charges.

At the individual Agency level, the Group's financial KPIs comprise revenue and controllable profitability measures, predominantly based on the achievement of the annual budget. More detailed KPIs are applied within individual Agencies. In addition to financial KPIs, the Board periodically monitors the length of Client relationships, the forward visibility of revenue and the retention of key staff.

Outlook

We enter 2025 with a plan for continued, profitable growth across our business segments.

The year has started well and prospects for organic progress are good. We also expect to drive additional margin improvements in spite of the cost pressures impacting our sector as we focus on our core operations, offerings and capabilities. Additionally, and as a result of the actions taken in 2024 this growth is well set to be highly cash generative.

Giles Lee

Group Chief Financial Officer

Consolidated Income Statement

For the year ended 31 December 2024

		Continuing operations 2024	Discontinued operations* 2024	Total 2024	Continuing operations 2023	Discontinued operations** 2023	Tot
	Note	£'000	£'000	£'000	£'000	£'000	
TURNOVER	2	158,662	31,650	190,312	161,388	34,500	1
Cost of sales		(82,746)	(19,882)	(102,628)	(87,052)	(22,286)	(1)
OPERATING INCOME	2	75,916	11,768	87,684	74,336	12,214	
Headline operating expenses		(68,059)	(10,555)	(78,614)	(67,813)	(13,695)	(£)
HEADLINE OPERATING PROFIT / (LOSS)		7,857	1,213	9,070	6,523	(1,481)	
Goodwill, business and intangible impairment	3	-	-	-	(10,409)	-	(1)
(Loss) / profit on sale of subsidiaries (Note 17.2)		-	(209)	(209)	-	308	
Start-up costs	3	(458)	-	(458)	(1,818)	-	
Acquisition and disposal adjustments	3	(2,090)	-	(2,090)	(1,652)	-	
Restructuring costs	3	(243)	-	(243)	(620)	(95)	

Bank refinancing and equity raise costs	3	(242)	-	(242)	(475)	-
OPERATING PROFIT / (LOSS)		4,824	1,004	5,828	(8,451)	(1,268)
Share of results of associates and joint ventures		80	-	80	150	-
PROFIT / (LOSS) BEFORE INTEREST AND TAXATION		4,904	1,004	5,908	(8,301)	(1,268)
Net finance costs	5	(2,962)	(35)	(2,997)	(2,424)	(48)
PROFIT / (LOSS) BEFORE TAXATION	6	1,942	969	2,911	(10,725)	(1,316)
Taxation	7	(1,008)	(703)	(1,711)	(171)	333
PROFIT / (LOSS) FOR THE YEAR		934	266	1,200	(10,896)	(983)
Attributable to:						
Equity holders of the parent		787	266	1,053	(11,043)	(983)
Non-controlling interests		147	-	147	147	-
		934	266	1,200	(10,896)	(983)
Basic earnings per share (pence)	9	0.9	0.3	1.2	(12.3)	(1.1)
Diluted earnings per share (pence)	9	0.9	0.3	1.2	(12.3)	(1.1)
Headline basic earnings per share (pence)	9	3.8	(0.1)	3.8	3.3	(1.4)
Headline diluted earnings per share (pence)	9	3.8	(0.1)	3.7	3.3	(1.4)

* Discontinued operations in 2024 consist of the results of April Six, sold on 31 December 2024 (see note 17.2)

** Discontinued operations in 2023 include the results of Pathfindr, sold in 2023, and the results of April Six.

Consolidated Statement of Comprehensive Income For the year ended 31 December 2024

	Continuing operations 2024	Discontinuing operations 2024	Total Year to 31 December 2024	Continuing operations 2023	Discontinuing operations 2023	Total Year to 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
PROFIT / (LOSS) FOR THE YEAR	934	266	1,200	(10,896)	(983)	(11,879)
Other comprehensive income - items that may be reclassified separately to profit or loss:						
Exchange differences on translation of foreign operations	(85)	(413)	(498)	(8)	(263)	(271)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	849	(147)	702	(10,904)	(1,246)	(12,150)
Attributable to:						
Equity holders of the parent	725	(147)	578	(11,058)	(1,246)	(12,304)

parent						
Non-controlling interests	124	-	124	154	-	154
	849	(147)	702	(10,904)	(1,246)	(12,150)

Consolidated Balance Sheet

As at 31 December 2024

		As at 31 December 2024	As at 31 December 2023
	Note	£'000	£'000
FIXED ASSETS			
Intangible assets	10	79,622	90,628
Property, plant and equipment		2,702	3,209
Right of use assets	11	14,494	16,432
Investments, associates and joint ventures	12	667	587
		97,485	110,856
CURRENT ASSETS			
Stock		2,394	2,981
Trade and other receivables	13	44,378	44,676
Corporation tax receivable		-	447
Cash and short term deposits		10,385	4,632
		57,157	52,736
CURRENT LIABILITIES			
Trade and other payables	14	(35,964)	(45,388)
Corporation tax payable		(745)	-
Bank loans	15	(11)	(21)
Acquisition obligations	17.1	(3,420)	(1,745)
		(40,140)	(47,154)
NET CURRENT ASSETS		17,017	5,582
TOTAL ASSETS LESS CURRENT LIABILITIES		114,502	116,438
NON CURRENT LIABILITIES			
Bank loans	15	(19,872)	(19,973)
Lease liabilities	16	(14,041)	(15,768)
Acquisition obligations	17.1	(1,239)	(3,720)
Deferred tax liabilities		(397)	(524)
		(35,549)	(39,985)
NET ASSETS		78,953	76,453
CAPITAL AND RESERVES			
Called up share capital	18	9,224	9,102
Share premium account		46,081	45,928
Own shares	19	(191)	(942)
Share-based incentive reserve		1,107	1,107
Foreign currency translation reserve		64	(888)
Retained earnings		22,507	21,967
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		78,792	76,274
Non-controlling interests		161	179
TOTAL EQUITY		78,953	76,453

Consolidated Cash Flow Statement

For the year ended 31 December 2024

	Continuing operations 2024	Discontinued operations 2024	Total 2024	Continuing operations 2023	Discontinued operations 2023	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Operating profit / (loss)	4,824	1,004	5,828	(8,451)	(1,268)	(9,719)
Depreciation, amortisation and impairment charges	4,244	307	4,551	15,008	366	15,374
Increase in the fair value of contingent consideration on acquisitions	751	-	751	434	-	434

acquisitions						
Decrease in in the fair value of contingent consideration on disposals of subsidiaries	213	-	213	-	-	-
Loss / (profit) on sale of subsidiaries	-	209	209	-	(308)	(308)
(Profit) / loss on disposal of property, plant and equipment and software and intellectual property	(3)	-	(3)	94	-	94
Non-cash charge for share options, growth shares and shares awarded, net of awards settled in cash	-	-	-	79	-	79
(Increase) / decrease in receivables	(2,263)	1,479	(784)	(1,529)	(1,483)	(3,012)
Decrease / (increase) in stock	587	-	587	(1,125)	(43)	(1,168)
(Decrease) / increase in payables	(2,944)	(981)	(3,925)	5,707	(1,181)	4,526
OPERATING CASH FLOWS	5,409	2,018	7,427	10,217	(3,917)	6,300
Net finance costs paid	(3,051)	(35)	(3,086)	(2,423)	(48)	(2,471)
Tax paid	(279)	(544)	(823)	(1,105)	(669)	(1,774)
Net cash inflow / (outflow) from operating activities	2,079	1,439	3,518	6,689	(4,634)	2,055
INVESTING ACTIVITIES						
Proceeds on disposal of property, plant and equipment	24	-	24	2	-	2
Purchase of property, plant and equipment	(582)	-	(582)	(2,340)	(3)	(2,343)
Investment in software and product development	(87)	-	(87)	(111)	-	(111)
Acquisitions of, or investments in, businesses	-	-	-	(397)	-	(397)
Payment relating to acquisitions made in prior years	(740)	-	(740)	(393)	-	(393)
Cash acquired with subsidiaries	-	-	-	71	-	71
Proceeds on disposal of subsidiaries	-	10,813	10,813	-	1,050	1,050
Cash of subsidiaries disposed of	-	(2,379)	(2,379)	-	-	-
Costs of disposal of subsidiaries	-	(2,207)	(2,207)	-	(187)	(187)
Net cash (outflow) / inflow from investing activities	(1,385)	6,227	4,842	(3,168)	860	(2,308)
FINANCING ACTIVITIES						
Dividends paid	-	-	-	(1,495)	-	(1,495)
Dividends paid to non-controlling interests	(142)	-	(142)	(156)	-	(156)
Payment of lease liabilities	(1,584)	(349)	(1,933)	(1,295)	(525)	(1,820)
(Repayment of) / increase in bank loans	(34)	-	(34)	2,474	-	2,474
Net cash outflow from financing activities	(1,760)	(349)	(2,109)	(472)	(525)	(997)
(Decrease) / increase in cash and cash equivalents	(1,066)	7,317	6,251	3,049	(4,299)	(1,250)
Exchange differences on translation of foreign subsidiaries	(85)	(413)	(498)	(8)	(263)	(271)
Cash and cash equivalents at beginning of year			4,632			6,153
Cash and cash equivalents at end of year			10,385			4,632

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Share-	Foreign	Total
			attributable

	Share capital	Share premium	Own shares	based incentive reserve	currency translation reserve	Retained earnings	to equity holders of parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	9,102	45,928	(994)	1,010	(610)	35,558	89,994	181	90,175
(Loss) / profit for the year	-	-	-	-	-	(12,026)	(12,026)	147	(11,879)
Exchange differences on translation of foreign operations	-	-	-	-	(278)	-	(278)	7	(271)
Total comprehensive (loss) / income for the year	-	-	-	-	(278)	(12,026)	(12,304)	154	(12,150)
Share option charge	-	-	-	17	-	-	17	-	17
Growth share charge	-	-	-	80	-	-	80	-	80
Shares awarded and sold from own shares	-	-	52	-	-	(70)	(18)	-	(18)
Dividend paid	-	-	-	-	-	(1,495)	(1,495)	(156)	(1,651)
At 31 December 2023	9,102	45,928	(942)	1,107	(888)	21,967	76,274	179	76,453
Profit for the year	-	-	-	-	-	1,053	1,053	147	1,200
Exchange differences on translation of foreign operations	-	-	-	-	(475)	-	(475)	(23)	(498)
Total comprehensive (loss) / income for the year	-	-	-	-	(475)	1,053	578	124	702
Realisation on disposal of subsidiary	-	-	-	-	1,427	-	1,427	-	1,427
New shares issued	122	153	-	-	-	-	275	-	275
Shares awarded and sold from own shares	-	-	751	-	-	(513)	238	-	238
Dividend paid	-	-	-	-	-	-	-	(142)	(142)
At 31 December 2024	9,224	46,081	(191)	1,107	64	22,507	78,792	161	78,953

Notes to the Consolidated Financial Statements

1. Principal Accounting Policies

Basis of preparation

The results for the year to 31 December 2024 have been extracted from the audited consolidated financial statements, which are expected to be published by 25 March 2025.

The financial information set out above does not constitute the Company's statutory accounts for the years to 31 December 2024 or 2023 but is derived from those accounts. Statutory accounts for the year ended 31 December 2023 were delivered to the Registrar of Companies following the Annual General Meeting on 17 June 2024 and the statutory accounts for 2024 are expected to be published on the Group's website (www.themission.co.uk) shortly, posted to shareholders at least 21 days ahead of the Annual General Meeting ("AGM") on 16 June 2025 and, after approval at the AGM, delivered to the Registrar of Companies.

The auditors, PwC Francis Clark, have reported on the accounts for the years ended 31 December 2024

2. Segmental Information

For management purposes the Board monitors the performance of its individual agencies and groups them into service segments based on the sectors in which they operate. Each reportable segment therefore includes a number of agencies with similar characteristics.

The Board does not review the assets and liabilities of the Group on a segmental basis. A segmental breakdown of assets and liabilities is therefore not disclosed.

Timeline

turnover

Continuing operations	67,215	26,128	4,438	30,983	10,373	6,814	15,437	-	161,388
Discontinued operations	-	-	-	-	-	34,062	-	438	34,500
Total Group	67,215	26,128	4,438	30,983	10,373	40,876	15,437	438	195,888
Operating income									
Continuing operations	20,785	18,195	3,949	15,038	6,675	3,100	6,594	-	74,336
Discontinued operations	-	-	-	-	-	11,984	-	230	12,214
Total Group	20,785	18,195	3,949	15,038	6,675	15,084	6,594	230	86,550
Headline operating profit / (loss)									
Continuing operations	2,831	1,322	712	2,303	1,368	326	(2,339)	-	6,523
Discontinued operations	-	-	-	-	-	(43)	-	(1,438)	(1,481)
Total Group	2,831	1,322	712	2,303	1,368	283	(2,339)	(1,438)	5,042

As contracts typically have an original expected duration of less than one year, the full amount of the accrued income balance at the beginning of the year is recognised in revenue during the year. The vast majority of turnover is recognised over time.

Geographical segmentation

The following table provides an analysis of the Group's operating income by region of activity:

	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
UK	77,345	75,278
USA	7,551	7,688
Asia	2,609	3,340
Rest of Europe	179	244
	87,684	86,550

3. Reconciliation of Headline Profit to Reported Profit

The Board believes that headline profits, which eliminate certain amounts from the reported figures, provide a better understanding of the underlying trading of the Group.

	Year ended 31 December 2024	Year ended 31 December 2023		
	PBT £'000	PAT £'000	PBT £'000	PAT £'000
From continuing and discontinued operations				
Headline profit	6,243	3,570	2,720	1,855
Goodwill, business and intangible impairment	-	-	(10,409)	(10,381)
(Loss) / profit on sale of subsidiary (Note 17.2)	(209)	343	308	355
Start-up costs	(458)	(390)	(1,818)	(1,363)
Acquisition and disposal related items (Note 4)	(2,090)	(1,831)	(1,652)	(1,453)
Restructuring costs	(243)	(243)	(715)	(536)
Bank refinancing and equity raise costs	(332)	(249)	(475)	(356)
Reported profit / (loss)	2,911	1,200	(12,041)	(11,879)

From continuing operations

from continuing operations				
Headline profit	5,065	3,647	4,249	3,122
Goodwill, business and intangible impairment	-	-	(10,409)	(10,381)
Start-up costs	(458)	(390)	(1,818)	(1,363)
Acquisition and disposal related items (Note 4)	(2,090)	(1,831)	(1,652)	(1,453)
Restructuring costs	(243)	(243)	(620)	(465)
Bank refinancing and equity raise costs	(332)	(249)	(475)	(356)
Reported profit / (loss)	1,942	934	(10,725)	(10,896)
From discontinued operations				
Headline profit / (loss)	1,178	(77)	(1,529)	(1,267)
Restructuring costs	-	-	(95)	(71)
(Loss) / profit on sale of subsidiary (Note 17.2)	(209)	343	308	355
Reported profit / (loss)	969	266	(1,316)	(983)

In 2023, goodwill, business and intangible impairment costs related to the impairment of Story UK Ltd, Story Agency Ltd, Krow Agency Ltd and Krow Communications Ltd goodwill and the write off of the **MISSION** Brand Bonding Index intangible asset.

Start-up costs derive from organically started businesses or loss-making businesses acquired and comprise the trading losses of such entities until the earlier of two years from commencement or when they show evidence of becoming sustainably profitable. Start-up costs in 2023 related the trading losses of the Livity youth-marketing offer acquired in 2022, the launch of Turbine, an integrated Growth Media agency, specialising in owned, earned and paid media for consumer facing brands, the trading losses of BLS China launched in 2023, as well as costs associated with the early-stage foundation of performance marketing and data science capabilities. Start-up costs in 2024 consist of further costs relating to the launch of Turbine and the launch of the US and Saudi offices of the Influence business.

Restructuring costs in 2023 comprised costs of closing down the April Six Singapore office, and redundancy, PILON and TUPE related costs associated with restructuring and right sizing of various business units in the last quarter of the year following the downgraded full year profit expectation announced to the market. In 2024, restructuring costs consist of the costs of shutting down the BLS China office.

Bank refinancing and equity raise costs in 2023 consisted of fees from various consulting and legal firms used to assist and advise the bank in the refinancing process, and other related costs associated with this process. Costs in 2024 consist of further such expenses, accelerated bank debt arrangement fees (see note 5) and fees from various consulting and legal firms advising and assisting in the Board's consideration of an equity issue.

4. Acquisition and Disposal Adjustments

	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Movement in fair value of contingent consideration on acquisitions	(751)	(434)
Movement in fair value of consideration on disposals	(213)	-
Amortisation of other intangibles recognised on acquisitions	(685)	(942)
Acquisition transaction costs expensed	(441)	(276)
	(2,090)	(1,652)

The movement in fair value of contingent consideration on acquisitions relates to a net upward (2023: upward) revision in the estimate payable to vendors of businesses acquired. This upward revision is driven by improved performance by the recent acquisitions. The movement in fair value of consideration on disposals relates to a net downward revision in the estimate receivable from the sale of Pathfindr. Acquisition transaction costs relate to professional fees in connection with acquisitions made or contemplated, including reverse acquisitions.

5. Net Finance Costs

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Net interest on bank, overdrafts, and deposits	(2,020)	(1,795)
Amortisation of bank debt arrangement fees	(44)	(45)
Interest expense on lease liabilities	(843)	(632)
Headline net finance costs	(2,907)	(2,472)
Accelerated amortisation of debt arrangement fees (Note 3)	(90)	-
Net Finance Costs	(2,997)	(2,472)

The increase in net interest on bank loans, overdrafts and deposits in the period is driven primarily by an increase in the interest rate payable on the bank debt following general increases in interest rates by the BOE and higher margins payable on the new revolving credit facility entered into on 27 March 2024.

The increase in interest expense on lease liabilities in the period is the result of the general increase in interest rates and increase in Right of Use Assets and Lease Liabilities following the entering into of new leases, most notably the new London office.

Following the reduction in full year profit expectations announced to the market last year, the Group agreed a new revolving credit facility on 27 March 2024 and incurred additional bank debt arrangement fees that are being amortised over the period of the new facility. In addition, the remaining unamortised bank debt arrangement fees relating to the replaced facility were fully written off during the period. These additional bank debt arrangement fees, over and above what would have been amortised had the Group not refinanced, amounting to £90,000, have been classified as a headline adjustment.

6. Profit Before Taxation

Profit or loss on ordinary activities before taxation is stated after charging / (crediting):

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Depreciation of owned tangible fixed assets	1,067	1,171
Depreciation expense on right of use assets	2,513	2,612
Amortisation of intangible assets recognised on acquisitions	685	942
Amortisation of other intangible assets	286	353
Expense relating to short term leases	86	388
Expense relating to low value leases	27	29
Income from subleasing right of use assets	(95)	(153)
Staff costs	61,485	63,095
Bad debts and net movement in provision for bad debts	187	(5)
Auditors' remuneration	420	267
(Profit) / loss on foreign exchange	(208)	589

Auditors' remuneration may be analysed by:

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Audit of Group's annual report and financial statements	71	62
Audit of subsidiaries	168	138
Audit related assurance services	7	6
Corporate finance	174	61
	420	267

7. Taxation

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Current tax:		
UK corporation tax at 25.00% (2023: 23.52%)	522	(123)
Adjustment for prior periods	--	--

Adjustment for prior periods	91	45
Foreign tax on profits of the period	1,225	135
	1,838	57
Deferred tax:		
Current year originating temporary differences	(127)	(219)
Tax charge / (credit) for the year	1,711	(162)

Factors Affecting the Tax Charge for the Current Year:

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK.

The differences are:

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Profit / (loss) before taxation	2,911	(12,041)
Profit on ordinary activities before tax at the standard rate of corporation tax of 25.00% (2023: 23.52%)	728	(2,832)
Effect of:		
Rate changes	-	(11)
Non-deductible expenses / income not taxable	331	2,696
Depreciation (lower than) / in excess of capital allowances	-	(5)
Differences in overseas tax rates	682	(23)
Adjustments in respect of prior periods	91	45
Other differences	(121)	(32)
Actual tax charge / (credit) for the year	1,711	(162)

8. Dividends

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend of nil (2023: nil) per share	-	-
Final dividend of nil (2023: 1.67 pence) per share	-	1,495
	-	1,495

The Board has made the decision to pause further dividend payments until balance sheet strength is restored.

9. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data, determined in accordance with the provisions of IAS 33: Earnings Per Share.

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Earnings		
Reported profit / (loss) for the year		
From continuing and discontinued operations	1,200	(11,879)
Attributable to:		
Equity holders of the parent	1,053	(12,026)
Non-controlling interests	147	147
	1,200	(11,879)
From continuing operations	934	(10,896)
Attributable to:		
Equity holders of the parent	787	(11,041)

Equity holders of the parent	187	(11,045)
Non-controlling interests	147	147
	934	(10,896)
From discontinued operations	266	(983)
Attributable to:		
Equity holders of the parent	266	(983)
Non-controlling interests	-	-
	266	(983)
Headline earnings (Note 3)		
From continuing and discontinued operations	3,570	1,855
Attributable to:		
Equity holders of the parent	3,423	1,708
Non-controlling interests	147	147
	3,570	1,855
From continuing operations	3,647	3,122
Attributable to:		
Equity holders of the parent	3,500	2,975
Non-controlling interests	147	147
	3,647	3,122
From discontinued operations	(77)	(1,267)
Attributable to:		
Equity holders of the parent	(77)	(1,267)
Non-controlling interests	-	-
	(77)	(1,267)
Number of shares		
Weighted average number of Ordinary shares for the purpose of basic earnings per share	91,140,375	89,549,143
Dilutive effect of securities:		
Employee share options	242,121	341,144
Weighted average number of Ordinary shares for the purpose of diluted earnings per share	91,382,496	89,890,287
Reported basis		
From continuing and discontinued operations		
Basic earnings per share (pence)	1.2	(13.4)
Diluted earnings per share (pence)	1.2	(13.4)
From continuing operations		
Basic earnings per share (pence)	0.9	(12.3)
Diluted earnings per share (pence)	0.9	(12.3)
From discontinued operations		
Basic earnings per share (pence)	0.3	(1.1)
Diluted earnings per share (pence)	0.3	(1.1)
Headline basis:		
From continuing and discontinued operations		
Basic earnings per share (pence)	3.8	1.9
Diluted earnings per share (pence)	3.7	1.9
From continuing operations		
Basic earnings per share (pence)	3.8	3.3
Diluted earnings per share (pence)	3.8	3.3
From discontinued operations		
Basic earnings per share (pence)	(0.1)	(1.4)
Diluted earnings per share (pence)	(0.1)	(1.4)

A reconciliation of the profit after tax on a reported basis and the headline basis is given in Note 3.

10. Intangible Assets

	31 December 2024	31 December 2023
	£'000	£'000
Goodwill	77,752	87,857
Other intangible assets	1,870	2,771
	79,622	90,628

In accordance with the Group's accounting policies, an annual impairment test is applied to the carrying value of goodwill. The review performed assesses whether the carrying value of goodwill is supported by the net present value of projected cash flows derived from the underlying assets for each cash-generating unit ("CGU"), discounted using an appropriate discount rate. It is the Directors' judgement that each distinct Agency represents a CGU. The initial projection period of three years includes the annual budget for each CGU, based on insight into Clients' planned marketing expenditure and targets for net new business growth derived from historical experience, and extrapolations of the budget in subsequent years based on known factors and estimated trends. The key assumptions used by each CGU concern revenue growth and staffing levels and different assumptions are made by different CGUs based on their individual circumstances. These assumptions are arrived at after considering factors such as historical client spend and levels of client retention, client wins secured and historical ratios of staff costs to revenue. Beyond this initial projection period, a generic long term growth rate of 2.0% is assumed for all units based on information published by market analysts. The resulting pre-tax cash flow forecasts were discounted using the Group's estimated pre-tax Weighted Average Cost of Capital ("WACC"), which is 8.3% (2023: 9.9%).

The conclusion from using the above methodology was that no impairment in goodwill was required. No change to this conclusion is reached as a result of the following independent changes in assumptions: nil growth in 2025 and a one year delay in the achievement of 2025 budgets; any reduction in short term growth rates beyond 2025; nil long term growth rates; a 1% increase in discount rate; a 5% reduction in 2025 profits with standard growth rates applied to these lower 2025 profits to arrive at later years' forecasts. The only change in assumptions that would result in a material impairment in the carrying value of the Group's goodwill is an increase in discount rate of 3%, which management do not believe is a reasonably possible change in key assumption. This would result in an impairment in goodwill of £0.9m.

11. Right of Use Assets

The Group leases several assets including property, office equipment, computer equipment and motor vehicles.

	Property	Office equipment, computer equipment and motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2023	15,168	2,399	17,567
Additions	9,256	252	9,508
Disposals	(1,540)	(243)	(1,783)
At 31 December 2023	22,884	2,408	25,292
Additions	181	417	598
Disposals	(1,430)	(769)	(2,199)
At 31 December 2024	21,635	2,056	23,691
Depreciation			
At 1 January 2023	6,164	1,867	8,031
Charge for the year	2,259	353	2,612
Disposals	(1,540)	(243)	(1,783)
At 31 December 2023	6,883	1,977	8,860
Charge for the year	2,200	313	2,513
Disposals	(1,407)	(769)	(2,176)
At 31 December 2024	7,676	1,521	9,197
Net book value at 31 December 2024	13,959	535	14,494
Net book value at 31 December 2023	16,001	431	16,432

12. Investments, Associates and Joint Ventures

	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
At 1 January	587	437
Profit during the year	80	150
At 31 December	667	587

13. Trade and Other Receivables

	31 December 2024 £'000	31 December 2023 £'000
Trade receivables	21,119	26,858
Accrued income	16,050	13,476
Prepayments	4,208	3,005
Other receivables	3,001	1,337
	44,378	44,676

An allowance has been made for estimated irrecoverable amounts from the provision of services of £137,000 (2023: £25,000).

The estimated irrecoverable amount is arrived at by considering the historical loss rate and adjusting for current expectations, Client base and economic conditions. Both historical losses and expected future losses being very low, the Directors consider it appropriate to apply a single average rate for expected credit losses to the overall population of trade receivables and accrued income. Accrued income relates to unbilled work in progress and has substantially the same risk characteristics as the trade receivables for the same types of contracts. In 2024, the provision for doubtful debts has increased as a result of a number of specific debtors going into liquidation.

	31 December 2024 £'000	31 December 2023 £'000
Gross trade receivables	21,256	26,883
Gross accrued income	16,050	13,476
Total trade receivables and accrued income	37,306	40,359
Expected loss rate	0.4%	0.1%
Provision for doubtful debts	137	25

Trade receivables include £5.0m (2023: £8.8m) that is past due but not impaired, of which £0.5m (2023: £1.0m) is greater than 3 months past due.

14. Trade and Other Payables

	31 December 2024 £'000	31 December 2023 £'000
Trade creditors	11,861	14,026
Deferred income	4,937	8,533
Other creditors and accruals	12,779	11,163
Other tax and social security payable	4,035	9,683
Lease liabilities (Note 16)	2,352	1,983
	35,964	45,388

Other tax and social security decreased as a result of the delayed VAT and PAYE payments in 2023, with a payment plan having been agreed with HMRC whereby all delayed payments were repaid by the end of May 2024.

15. Bank Overdrafts, Loans and Net Bank Debt

15. Bank Overdrafts, Loans and Net Bank Debt

	31 December 2024 £'000	31 December 2023 £'000
Bank loan outstanding	20,015	20,049
Unamortised bank debt arrangement fees	(132)	(55)
Carrying value of loan outstanding	19,883	19,994
Less: Cash and short term deposits	(10,385)	(4,632)
Net bank debt	9,498	15,362
The borrowings are repayable as follows:		
Less than one year	11	21
In one to two years	20,004	20,023
In two to three years	-	5
	20,015	20,049
Unamortised bank debt arrangement fees	(132)	(55)
	19,883	19,994
Less: Amount due for settlement within 12 months (shown under current liabilities)	(11)	(21)
Amount due for settlement after 12 months	19,872	19,973

Bank debt arrangement fees, where they can be amortised over the life of the loan facility, are included in finance costs. The unamortised portion is reported as a reduction in bank loans outstanding.

Included in the above is £15,000 of bank loans owing by Populate Social Ltd, one of the companies acquired during 2022. These borrowings are repayable over a two year period.

At 31 December 2024, the Group's committed bank facilities comprised a revolving credit facility of £20.0m, with an option to increase the facility by £5.0m, expiring on 5 April 2026. The sale of April Six on 31 December 2024 resulted in an agreement with Natwest to decrease the revolving credit facility by £6.0m to £14.0m in early January 2025. Interest on the facility is based on SONIA (sterling overnight index average) plus a margin of between 2.25% and 4.90% depending on the Group's debt leverage ratio, payable in cash on loan rollover dates.

On 21 March 2025, the Group agreed a new revolving credit facility of £15m, expiring on 21 March 2028, with an option to increase the facility by £5m. In addition, there is an option to extend the facility by 1 year, and a further option to extend it by another year. Interest on the new facility is based on SONIA (sterling overnight index average) plus a margin of between 1.75% and 2.25% depending on the Group's debt leverage ratio, payable in cash on loan rollover dates.

In addition to its committed facilities, the Group had available an overdraft facility of up to £7.0m at 31 December 2024 with interest payable by reference to National Westminster Bank plc Base Rate plus 2.25%. This facility was reduced to £3.0m in early January following the sale of April Six.

At 31 December 2024, there was a cross guarantee structure in place with the Group's bankers by means of a fixed and floating charge over all of the assets of the Group companies in favour of National Westminster Bank plc.

All borrowings are in sterling.

16. Lease Liabilities

Obligations under leases are due as follows:

	31 December 2024 £'000	31 December 2023 £'000
In one year or less (shown in trade and other payables)	2,352	1,983
In more than one year	14,041	15,768
	16,393	17,751

17. Acquisitions and Disposals

17.1 Acquisition Obligations

The terms of an acquisition provide that the value of the purchase consideration, which may be payable in cash or shares at a future date, depends on uncertain future events such as the future performance of the acquired company. The Directors estimate that the liability for contingent consideration payments is as follows:

	31 December 2024			31 December 2023		
	Cash £'000	Shares £'000	Total £'000	Cash £'000	Shares £'000	Total £'000
Less than one year	3,396	24	3,420	1,745	-	1,745
Between one and two years	1,239	-	1,239	2,830	-	2,830
In more than two years but less than three years	-	-	-	890	-	890
	4,635	24	4,659	5,465	-	5,465

A reconciliation of acquisition obligations during the period is as follows:

	Cash £'000	Shares £'000	Total £'000
At 31 December 2023	5,465	-	5,465
Obligations settled in the period	(740)	(513)	(1,253)
Adjustments to estimates of obligations	(90)	537	447
At 31 December 2024	4,635	24	4,659

17.2 Sale of April Six Ltd and April Six Inc

On 31 December 2024, as part of the Group's value restoration plan to deleverage and restore strength to the balance sheet, the Group disposed of the entire issued share capital of April Six Ltd and its subsidiary April Six Inc (together referred to as "April Six"). The fair value of the consideration for the disposal was £12,813,000 comprising initial cash consideration and deferred contingent consideration. Maximum contingent consideration of £4,200,000 is dependent on April Six's profit over the period 1 December 2024 to 28 February 2025. The Group has recognised contingent consideration of £2,000,000 to date. This estimate is based on the Directors' judgement of April Six's likely profit over the earnout period, using the latest financial projections from detailed budgeting and reforecasting processes. Should the actual profit of April Six vary from the Directors' estimate, the impact to the contingent consideration will be 7x the change in earnings. For example, should the profit be £100,000 higher than the forecasted amount, the consideration will be £700,000 higher, and should the actual profit of April Six be £100,000 lower than the forecasted amount, the consideration will be £700,000 lower.

The consideration, assets disposed of and costs of disposal were as follows:

	£'000
Upfront cash consideration received	10,813
Estimated earnout consideration	2,000
Total consideration	12,813
Net assets disposed of:	
Fixed assets	18
Trade and other receivables	2,869
Corporation tax asset	177
Cash	2,379
Trade and other payables	(6,042)
	(599)
Goodwill of April Six	9,987
Total net assets disposed of	9,388
Disposal and related costs	2,207
Total cost of disposal	11,595
Profit on sale of April Six prior to realisation of foreign currency translation reserve	1,218

foreign currency translation reserve	
Realisation of foreign currency translation reserve*	(1,427)
Total loss on sale of April Six	(209)

* Cumulative translation differences previously held in equity and recycled to the income statement on disposal of foreign operations.

17.3 Pro-forma results including acquisitions

No businesses were acquired during the year. Therefore, no proforma results, which include the results of acquisitions made during the year as if they were owned from the beginning of the year, are presented.

18. Share Capital

	31 December 2024 £'000	31 December 2023 £'000
Allotted and called up:		
92,238,119 Ordinary shares of 10p each (2023: 91,015,897 Ordinary shares of 10p each)	9,224	9,102

Share-based incentives

The Group has the following share-based incentives in issue:

	At start of year	Granted/ acquired	Waived/ lapsed	Exercised	At end of year
TMMG Long Term Incentive Plan	260,192	-	-	(26,000)	234,192
Growth Share Scheme	2,621,234	-	-	-	2,621,234

The TMMG Long Term Incentive Plan ("LTIP") was created to incentivise senior employees across the Group. Nil-cost options are awarded at the discretion of, and vest based on criteria established by, the Remuneration Committee. During the year, 26,000 options were exercised at an average share price of 21.2p and at the end of the year 234,192 of the outstanding options are exercisable.

Shares held in an Employee Benefit Trust (see Note 19) will be used to satisfy share options exercised under the Long Term Incentive Plan.

A Growth Share Scheme was implemented in June 2021. Participants in the scheme subscribed for Ordinary B shares in The Mission Marketing Holdings Limited (the "growth shares") at a nominal value. If the share price of The **MISSION** Group plc equalled or exceeded 150p for at least 15 consecutive days during the period ending on the date the Group's financial results for the year ended 31st December 2023 were announced, these growth shares could be exchanged for an equivalent number of Ordinary Shares in The **MISSION** Group plc. If not, they have no value. The share price did not equal or exceed 150p for the required period and therefore these growth shares cannot be exchanged for an equivalent number of Ordinary Shares in The **MISSION** Group plc and therefore have no value.

19. Own Shares

	No. of shares	£'000
At 1 January 2023	1,495,538	994
Awarded or sold during the year	(98,317)	(52)
At 31 December 2023	1,397,221	942
Awarded or sold during the year	(1,074,217)	(751)
At 31 December 2024	323,004	191

Shares are held in an Employee Benefit Trust to meet certain requirements of the Long Term Incentive Plan. Shares can also be used to settle outstanding acquisition consideration.

20. Post Balance Sheet Events

On 2 January 2025 the Board confirmed that it intended to return up to £1.5m to Shareholders via an on-

On 2 January, 2020 the Board confirmed that it intended to return up to 1% of the Company's share capital to shareholders via an on-market share buyback. To date £364,000 has been returned to shareholders, reducing the Company's shares in issue by 1.3%.



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