

## **HH Global Finance Limited**

Annual Report and Financial Statements

For the year ended

31 March 2023

Company Number 12411377



**HH Global Finance Limited  
Annual Report and Financial Statements  
for the year ended 31 March 2023**

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**Directors**

R J F MacMillan  
K Elgey  
M Perez

**Registered office**

Grove House, Guildford Road, Fetcham, Leatherhead, KT22 9DF, United Kingdom

**Company number**

12411377 (Registered in England and Wales)

**Auditor**

Deloitte LLP, Statutory Auditor, London, EC4A 3HQ, United Kingdom

**Banker**

HSBC, 9 The Boulevard, Crawley, West Sussex, RH10 1UT, United Kingdom

**Legal adviser**

Osborne Clarke, Halo, Counterslip, Bristol BS1 6AJ, United Kingdom

**HH Global Finance Limited**  
**Strategic report**  
**for the year ended 31 March 2023**

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The directors present their Strategic report for the year ended 31 March 2023 ("the year") for HH Global Finance Limited ("the Company").

## **I. Principal activity**

HH Global Finance Limited acts as both a parent undertaking and a provider of finance, via third parties, to the HH Group (as defined in note 13, collectively "the Group"). The Group is a global leader in tech-enabled creative production and procurement and amplifies clients' marketing campaigns through unrivalled production, procurement leadership and the most advanced sustainability capabilities available. It provides clients with four Solutions (Procurement, Logistics, Technology and Creative + Digital) and operates in over 60 countries across four primary operating regions; North America (NAM), Latin America (LATAM), Europe, Middle East and Africa (EMEA) and Asia Pacific (APAC).

## **II. Review of the business and key performance indicators**

The Group has continued to grow strongly during the year with revenue increasing by 26% and Adjusted EBITDA (defined below) increasing by 18%. Further details are set out below:

### **Financial results**

The primary financial indicators monitored by the directors are Total Revenue, Net Revenue Percentage, Adjusted EBITDA and Adjusted EBITDA margin. Collectively, these indicators allow management to assess the overall strength of the business and take decisive action as needed.

*Total Revenue is a key driver for the growth of the Group and Net Revenue Percentage reflects the gross profitability of the Group's operations.*

- Total Revenue for The Group increased by 26% to £1,955m (2022: £1,555m). This reflects a combination of new business wins and increased activity at existing clients across all operating regions, along with the full year effect of the Adare International Holdings Limited ("Adare") acquisition in August 2021 which has contributed to the growth in EMEA and LATAM. Of the combined turnover, 47% (2022: 50%) related to activity from NAM, 36% (2022: 34%) from EMEA, 10% (2022: 9%) from LATAM and 7% (2022: 7%) from APAC.
- The Net Revenue percentage for the Group (calculated as gross profit, being turnover less cost of sales, as a percentage of total turnover) was 25% for the year (2022: 26%).

Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') and Adjusted EBITDA margin, both alternative performance measures and non-GAAP measures, are considered the most appropriate reflection of the profitability of the Group's trading activity. The Group's borrowing covenants are calculated with reference to Adjusted EBITDA and the metric is widely used by investors and other interested parties to evaluate the profitability of companies within the industry.

The calculation of Adjusted EBITDA adjusts Operating profit for the following:

- Depreciation and amortisation, in line with the definition of EBITDA.
- Adjusting items, these being material non-recurring or irregular charges which are not reflective of the Group's ongoing business performance. They include acquisition related fees which do not qualify for capitalisation and the cost of integrating acquisitions (note 7).
- Share based payment charges which are volatile year on year and the liability for which will only crystallise upon the occurrence of a future exit event (note 25).
- Foreign exchange movements on the basis that they are driven primarily by retranslation of borrowings and are again not reflective of the Group's ongoing business performance.

**HH Global Finance Limited**  
**Strategic report (continued)**  
**for the year ended 31 March 2023**

A reconciliation of Operating profit to Adjusted EBITDA, is set out below:

<b>£000</b>	<b>Year to 31 March 2023</b>	<b>Period to 31 March 2022</b>
Operating profit	80,295	59,041
Depreciation and amortisation (note 4)	68,851	56,146
Adjusting items (note 7)	10,132	9,105
Share-based payment expenses (note 25)	3,571	12,824
Foreign exchange loss (note 4)	3,645	3,901
Adjusted EBITDA	166,494	141,017

Adjusted EBITDA for the Group increased in the year by 18% to £166m (2022: £141m). This increase, as above, is a reflection of business growth and the full year impact of the Adare acquisition. Of the total adjusted EBITDA, 78% (2022: 85%) related to activity from NAM, 29% (2022: 25%) from EMEA, 9% (2022: 6%) from LATAM and 5% (2022: 4%) from APAC, before adjusting for the minus 21% (2022: minus 20%) impact of central corporate costs.

Adjusted EBITDA margin (calculated as Adjusted EBITDA as a percentage of Net Revenue) was 34% (2022: 35%) for the year.

The primary non-financial indicator is number of employees, and this is monitored to facilitate cost management. The total number of employees within the Group as at 31 March 2023 was 4,183 (31 March 2022: 4,011), the increase over the year reflecting increased investment to drive business growth.

#### **Capital reduction and dividends received and paid**

On 21 November 2022, the Company reduced its share premium account to nil pursuant to a reduction in capital.

On 22 November 2022, a dividend of £226m was received by the Company from its subsidiary, HH Global Group Ltd. The dividend was satisfied, in specie, by way of assignment of the rights under and interest in a promissory note issued by HH Global Enterprise Network Limited, the Company's ultimate parent, on 18 October 2021, originally in favour of its indirect subsidiary, HH Global Ltd (the "Promissory Note"). On 22 November 2022, upon receipt of the Promissory Note by the Company, the Company paid a dividend of £226m, satisfied in specie by way of assignment of the rights under and interest in the Promissory Note, to its parent, HH Global Finance Holdings Ltd.

#### **Impact of conflict in Ukraine**

The Group has a small presence in Russia which generated £2m (2022: £14m) of revenue and an Adjusted EBITDA loss of £1m (2022: £nil) during the year. The Group's Russian operations were managed locally to meet the demands of clients, these being almost exclusively local companies of multinational groups which continued to operate. At the beginning of the year, shortly after the conflict commenced, the decision was taken to wind down the Group's trading operations in Russia and to advise our clients of this decision. £0.5m of exit costs were incurred and are reported within adjusting items.

In addition to the above the Group generated £1m of revenue and £nil adjusted EBITDA during the year from its Ukrainian business.

#### **Legal entity rationalisation**

During the year, the Group continued to rationalise its entity structure, harmonise operating technology and operational processes as part of the integration of InnerWorkings Inc. and Adare following their acquisition in previous years. Costs incurred in respect of this integration are included within adjusting items (note 7). Due to the number of individual entities acquired, the integration of business activities, employees, processes and systems is phased over a number of years and is expected to be largely complete in the year ending 31 March 2025.

**HH Global Finance Limited**  
**Strategic report (continued)**  
**for the year ended 31 March 2023**

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**III. Statement by the directors in performance of their statutory duties under Section 172(1) Companies Act 2006**

The directors are well aware of their duty under s.172 of The Companies Act 2006 to act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so to have regard, amongst other matters to:

- The likely consequences of any decision in the long term;
- The interest of the company's employees;
- The need to foster the Company's business relationships with its suppliers, clients and others;
- The impact of the Company's operations on the environment;
- The desirability of the Company maintaining a reputation for high ethical standards;
- The need to act fairly between stakeholders of the Company, balancing the respective interests of each.

The directors fulfil this duty partly by delegating responsibility for the day-to-day decision-making to senior management, and consider, both individually and together, that they have acted in accordance with their duties under s.172 in the decisions taken during the year ended 31 March 2023.

**IV. Key stakeholders**

The directors consider that the following key stakeholder groups were of strategic importance to the Group's operations during the year.

***Our clients***

*The Group is a global provider of creative production and procurement services across a wide range of industry sectors including Technology, Financial Services, Beverages, Retail, Life Sciences and Fast Moving Consumer Goods (FMCG) and has achieved profitable and sustainable growth with its existing clients across multiple geographies. The Group is deeply embedded with its clients and drives high retention rates through:*

- Strong and intelligent partnerships with clients through dedicated account leadership and, largely, on-site teams;
- Delivery of high client satisfaction levels through use of operational metrics, people and technology;
- Long term contracts;
- Our supply chain capability.

Operating independently, with more than 8,600 strategic supplier partners across our global network, the Group offers access to significant and unrivalled production capacity. The business relies on the careful selection and monitoring of its supply chain and is built on developing mutually beneficial partnerships, allowing it to secure leading market rates while providing suppliers with high-volume, profitable work from world-class clients. Our supply chain is proactively managed to ensure that we provide leadership in ethical standards, sustainability and innovation and that we can meet new demands from our clients.

***The environment***

The world is changing. Financial savings are important to both the Group and its clients, but we also need to take care of our planet and people. The Group's Environmental, Social and Governance (ESG) Program, Innovation with Purpose, helps balance economic and environmental impacts, in line with the United Nations Sustainable Development Goals. The Group uses the following methodology to deliver on this:

- The Group's unique environmental calculator technology uses advanced data techniques aligned with global standards to provide data and insights into the environmental impact of client's marketing execution campaigns; this provides a sustainability baseline for clients.
- The Group then provides expert advice to clients to reduce the impact of future campaigns by introducing innovation, reengineering product specifications and optimising manufacturing and logistics processes.
- A strategic sustainability roadmap is then created with medium to long-term targets in alignment with our client's corporate ESG stated ambitions.

**HH Global Finance Limited**  
**Strategic report (continued)**  
**for the year ended 31 March 2023**

During the year the Group received Assurance from Bureau Veritas on both its environmental calculator methodology and its UK Scope 1 and 2 emissions reporting. In addition, its Net Zero Standard targets received formal approval from the Science Based Targets initiative (SBTi), becoming one of the first companies in the world to achieve this. Good progress is being made against published targets and further details can be found in the Group's "FY22 Annual Sustainability Report" at <https://ebooks.hhgglobal.com/view/465383337/>

In the forthcoming year the Group is also considering adding a fifth UN Sustainable Development Goal (Goal 15), and associated commitments relating to Nature Positive pathways such as a deforestation free supply chain and water related targets.

**Our people and their local communities**

Our people make up some of the top talent across our industry. They are passionate, experts in innovation and sustainability and are what makes the Group a highly trusted partner. The Group is committed to excellence in its people and throughout the year has recognised this excellence, the level at which our corporate values are lived and demonstrated, and engaged across the workforce through several mechanisms, examples of which are summarised below:

- On a quarterly basis, all employees within each region attend a virtual 'Town Hall' where they receive an informative presentation briefing from senior leadership in region that includes quarterly results, hot topics, business successes. Employees are also invited to submit questions that are answered as part of the online broadcast.
- We have two major employee awards, both of which are global in outlook.
  - "Big impact award"; individuals are nominated by colleagues across the business for exceptional demonstration of our company's values.
  - The "Gordon Robert MacMillan award" is an annual global awards programme for individuals nominated by regional CEOs for exceptional performance and who have gone the extra mile, to become an 'unsung hero'. The successful candidate wins the recognition, receives a cash sum and can nominate a charity of choice that also receives a donation from the business.
- Employee Equity Plan; the Group has an employee equity plan under which nominated employees are awarded 'HH equity units'.

**Our shareholders**

Blackstone Tactical Opportunities ("Blackstone") is the only outside third party with a material shareholding in the Group. With two directors on the Board of the Company, Blackstone brings its extensive commercial experience to bear, helping the Group to accelerate growth in its core business, broaden its service offering and pursue expansion opportunities globally.

**V. Key strategic decisions and impact on stakeholders**

The Board of directors (the "Board") and the Group's executive management team consider that the following were representative of the key strategic decisions taken by the Group during the year.

Strategic Decision	Stakeholder Impact
i. Closure of Russian operations	Employees, Clients
ii. Rationalisation of legal entities	Employees, Clients

**i. Closure of Russian operations**

At the outset of the Ukraine conflict the Board convened a cross-functional Incident Management Team to monitor and manage the impact of the crisis. This team met frequently, often daily, and worked with clients, suppliers and employees to respond to developments as they unfolded. The Board's primary concern throughout was for the safety and security of impacted employees and regional management held regular conversations to monitor their wellbeing and provide appropriate support. Russian trading operations were wound down early in the year and the Board focused on exiting the market professionally, fulfilling all our employer, client, legal, and financial obligations.

**HH Global Finance Limited**  
**Strategic report (continued)**  
**for the year ended 31 March 2023**

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**ii. Rationalisation of legal entities**

Following the major acquisitions of InnerWorkings Inc. in October 2020 and Adare International Holdings Ltd in August 2021, the Board implemented a legal entity rationalisation program to integrate the acquired entities into the existing Group.

This program involves employees across many functions. Additional project management resource has been hired on a temporary basis to help alleviate the impact on existing staff and professional advisors have been employed to ensure all legal and financial aspects of the rationalisation are considered appropriately. Training of staff new to the Group is made available to ensure that relevant policies, processes and systems are all understood. Careful consideration is also given to those employees made redundant as a result of integration to ensure that they are treated fairly.

Transition of acquired clients to the Group's systems and processes is another key element of the program and communications are made to clients on an ongoing basis to ensure a smooth migration.

**VI. Principal risks and uncertainties and financial risk management**

**i. Principal risks and uncertainties**

The directors consider the principal risks and uncertainties facing the Group are set out below. There are no changes from the assessment in the previous year.

***Loss of a key client***

The Group's core client base is spread across different countries and industry sectors. Despite this geographical and industry sector split, the loss of a major client is an operating risk. The Group seeks to mitigate this risk through maintaining close day-to-day client relationships and its ability to deliver ongoing creative procurement solutions. The expansion of the Group's client base as a result of various acquisitions has also further de-risked the Group in this area.

***Data loss and risk of cyber attack***

The Group is susceptible to the risks associated with data loss or cyber-attack. The Group sets out to mitigate these risks through regular employee training and updates, data policy compliance review, threat analysis, internal and external data audits and vulnerability scanning.

***Macroeconomic risks***

In common with most businesses, the Group is susceptible to any downturn in economic conditions given the global nature of the business and the diverse economies in which it operates. The directors are constantly assessing and taking action as appropriate in relation to key operating risks such as the conflict in Ukraine, changes to local and global economic conditions, changes to regulatory frameworks, the impact of inflation on prices and earnings (see below) and the impact of foreign exchange movements on profits.

***Inflationary risks***

The Group's primary exposure to inflation is on staff costs and the costs of goods and services sourced on behalf of our clients. The Group deploys a range of mechanisms to achieve competitive pricing from its supply chain and all spend is tightly managed via a formal approval process. The directors also believe that the effect of inflation can be managed, as in many cases increased costs can be recovered from clients through various contract mechanisms.

The Group operates in three countries which are considered to be hyperinflationary (Argentina, Venezuela and Turkey) but with combined revenues of less than 2% of the Group total, the impact of hyperinflation does not have a material impact on the Group's financial position.

***Climate change risk***

Climate change is a potential threat to the Group's physical operations, supply chain and client base and could manifest itself in business interruption, lack of supply, increased costs and or reduced revenue. These risks are included within the Group's overall risk framework and are monitored by the Risk Committee which is chaired by the Group's Chief Sustainability Officer and which reports directly into the Audit Committee. In the last year all strategic risks have been migrated towards a Task Force on Climate Related Disclosures ("TCFD") compliant framework as we work towards full TCFD disclosure for the forthcoming year. An annual sustainability report is also published on the HH Global website.

**HH Global Finance Limited**  
**Strategic report (continued)**  
**for the year ended 31 March 2023**

**ii. Financial risk management**

The Group's activities expose it to a number of financial risks; the key items and the Group's related management objectives and policies are as follows:

***Liquidity and cash flow risk***

Liquidity risk arises from the Group's management of working capital and is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group largely finances its operations through working capital inflows and also has access to Revolving Credit Facilities (note 19). The directors monitor forecast cash flows on a weekly basis and take appropriate action when additional funds are required.

***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. The Group's policy in respect of credit risk requires appropriate credit checks on potential clients before contracts are signed and, thereafter, close management of outstanding debt and debtor ageing.

***Foreign exchange risk***

Foreign exchange risk arises when individual group companies enter into transactions denominated in a currency other than their functional currency. Additionally, the Group's performance can be affected by exchange rate movements in the functional currency in any overseas subsidiary undertakings. The Group mitigates against such risks by having bank accounts in multiple currencies such as Sterling, US Dollars and Euros as well as invoicing in local currency where possible.

***Interest rate risk***

Interest rate risk arises from the Group's exposure to the floating rate interest rate component of its short and medium-term loan portfolio. Interest rates are increasing significantly but, to mitigate this risk, the Group entered into an interest rate cap arrangement during the year to hedge 67% of its US Dollar and Euro interest exposure (note 20).

**VII. Future developments**

The Group is committed to investing in its technology infrastructure, staff, and innovation and sustainability programmes across the full scope of our activities, to enable it to add ever-greater value to our clients' marketing activities. In particular, the Group continues to grow its Creative + Digital solutions, investing globally in a balanced build and buy strategy, as required.

The directors consider that these investments and initiatives will help enable the Group to achieve its medium-term growth targets.

**Approval**

The Strategic report was approved on behalf of the board on 23 August 2023.

DocuSigned by:  
  
46A437D032394B1  
K Elgey  
Director



**HH Global Finance Limited**  
**Report of the Directors**  
**for the year ended 31 March 2023**

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The directors present their report together with the audited financial statements for the year ended 31 March 2023. The requirements to disclose financial risk management objectives and policies and future developments in the directors' report have been covered in the Strategic report as per s414C(11) of the Companies Act on pages 2 to 7.

**Results and dividends**

The Consolidated Statement of Comprehensive Income is set out on page 16 and shows the result for the year.

An interim dividend of £226m was paid during the year (2022: nil). The directors do not recommend a final ordinary dividend.

**Events after the balance sheet date**

There are no reportable events after the balance sheet date.

**Existence of branches outside the UK**

The Company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

**Going concern**

A business overview and a review of future developments is provided in the Strategic report along with the Group's policies and processes for managing its financial risks. The directors have considered the use of the going concern basis in the preparation of the financial statements and conclude that it is appropriate. See the accounting policies in note 1 for further details on going concern.

**Employee engagement**

The Group maintains a close relationship with its employees by a conscious policy of informing them of relevant events and the state of the business through discussions, meetings, notices and by consulting employees. Employee engagement is discussed further in the Strategic report.

**Employment of disabled persons**

The Group is committed to a policy of recruitment and promotion based on aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it. The Group's people policies and procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Group, the people policies and procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Group. Retraining of employees who become disabled whilst employed by the Group is offered where appropriate, along with all other reasonable adjustments for their disability.

**Diversity and equal pay**

Within the Group we foster a culture where all individual differences and diversity are encouraged. We champion equity, diversity and inclusion rights and opportunities for everyone and take a clear stance on all forms of discrimination.

Our commitment to employees is the assurance of fair treatment and reward, irrespective of gender. We do not discriminate and are free from bias, ensuring equal pay for equal value. We continue to apply best practice as part of our hiring processes and continue to build on our existing family friendly policies and flexible working requests in order to encourage a diverse set of candidates and employees for all our roles.

**Engagement with key stakeholders**

Engagement with key stakeholders is discussed further in the Strategic report.

**HH Global Finance Limited**  
**Report of the Directors**  
**for the year ended 31 March 2023**

**Political and charitable donations**

The Group did not make any political donations during the year (2022: nil). Charitable donations made during the year totalled £0.1m (2022: £0.2m).

**Energy and carbon reporting**

The Group has calculated, in respect of its UK based operations, emissions from energy and travel in line with UK Government Streamlined Energy and Carbon Reporting ("SECR") guidelines and in line with the Greenhouse Gas (GHG) Protocol. TBL Services Ltd assisted the Group in calculating these figures in collaboration with Emitwise, a carbon accounting platform that enables companies to measure and report their carbon emissions.

The results of this reporting are summarised below.

	Year ended 31 March 2023	Year ended 31 March 2022
Energy consumption - [MWh]	879	602
Emissions from combustion of gas (Scope 1) - [t CO <sub>2</sub> e]	36	36
Emissions from combustion of fuel for transport purposes (Scope1) - [t CO <sub>2</sub> e]	7	8
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) - [tCO <sub>2</sub> e]	520	134
Emissions from purchased electricity (Scope 2, location-based) - [tCO <sub>2</sub> e]	126	75
Total gross CO <sub>2</sub> e based on above - [tCO <sub>2</sub> e]	689	253
Intensity ratio: Total gross CO <sub>2</sub> e per GBP million revenue - [kgCO <sub>2</sub> e/GBP million]	2,694	1,607

In line with the reporting requirements for SECR, only emissions data for the Group's controlled UK offices and facilities are included. Emission factors are taken from the Greenhouse gas reporting: conversion factors 2022 - published by the UK Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Environment Food & Rural Affairs (Defra; BEIS, 2022). This includes GHG emission factors for a wide range of activities in the United Kingdom and abroad. Scope 2 emissions were calculated using the location-based method. Emission factors were selected based on their overall data quality and their representativeness and appropriateness in the specific geographic context. For the UK facilities, emission factors were taken from the UK BEIS conversion factors (BEIS, 2021), representing the average emissions of electricity supply from the UK national grid.

The emissions results for the year are higher than the previous year as they now incorporate figures for UK subsidiaries acquired as part of the Adare acquisition which were not previously included. In addition, emissions and energy consumption have increased following rebound of activity such as travel post Covid-19 restrictions. Data quality also continues to improve each year.

The Group continues to take action to reduce emissions as illustrated by the following examples:

- We have rolled out the "Sustainable Procurement Framework" to 300 supply chain partners to help reduce the environmental impact of purchased goods and services, with a further 600 suppliers scheduled for the forthcoming year.
- Our UK-based offices are in energy efficient buildings and use renewable energy and smart lighting wherever possible.

**HH Global Finance Limited**  
**Report of the Directors**  
**for the year ended 31 March 2023**

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- We are working towards switching to 100% renewable energy to power our offices and have purchased Renewable Energy Certificates (RECS) during the year to cover our full global energy footprint.
- Lowering upstream and downstream transportation emissions by optimising delivery mechanisms.
- Reduced business travel using video-conferencing technology where practical.
- We designed a digital footprint calculator to monitor the energy efficiency of our IT equipment.
- Employee training on the importance of energy and carbon efficiency.
- Flexible working policies to reduce employee commuting and energy consumption.
- Launched the Conscious Creative program aimed at the 500 Designers and Creatives in the business educating on circular and sustainable design principles. This program will also be offered as a commercial service to clients and their design studios.

**Research and development**

The Group did not incur any research and development costs during the year.

**Directors**

The directors of the Company during the year and at the date of this report were as follows:

R J F MacMillan  
K Elgey  
M E Perez

**Directors' insurance and indemnities**

The Group maintains directors' and officers' liability insurance which gives cover for legal actions brought against its directors and officers. In accordance with section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year and through to the date of this report.

**Auditor**

Deloitte LLP have expressed their willingness to continue. Under the Companies Act 2006 section 487(2) and appropriate arrangements have been put in place for them to be deemed to be re-appointed as auditor in the absence of an Annual General Meeting.


Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The directors have taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Approval**

This directors' report was approved on behalf of the board on 23 August 2023.

DocuSigned by:  
  
46A437D032394E1

K Elgey  
Director

**HH Global Finance Limited**  
**Statement of Directors' responsibilities**  
**for the year ended 31 March 2023**

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**Directors' responsibilities**

The directors are responsible for preparing the Strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HH Global Finance Limited**  
**Independent auditor's report to the members of HH Global Finance Limited (*continued*)**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of HH Global Finance Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**HH Global Finance Limited**  
**Independent auditor's report to the members of HH Global Finance Limited (continued)**

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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 material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. This included compliance with tax regulations in the jurisdictions in which the group operates.

We discussed among the audit engagement team, including significant component audit teams, and relevant internal specialists, such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

**HH Global Finance Limited**  
**Independent auditor's report to the members of HH Global Finance Limited (continued)**

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***Revenue recognition in respect of cut-off***

The procedures performed to address the risk included the following:

- obtaining an understanding of the relevant controls over revenue recognition, specifically cut-off; and
- performing detailed testing of a sample of revenue recognised before and after year end, tracing invoices through to proof of delivery to challenge whether revenue was properly recognised in the correct period in line with the Group's accounting policy.

***Revenue recognition – Unbilled revenue***

The procedures performed to address the risk included the following:

- obtaining an understanding of the relevant controls over revenue recognition, including appropriate cut off of revenue at year end, which included discussion with the control owners and review of evidence supporting the control activity;
- testing the shipping probability by inquiring with project managers for selected jobs, obtaining evidence of transactional activity to assess the shipping probability assumption for the selected jobs, and evaluating the impact and rationale for adjusting the shipping probability assumptions; and
- obtaining supporting documentation, including job specific customer contracts, vendor invoices and shipping support in assessing management's assumptions.

***Revenue recognition – Work-in-progress***

The procedures performed to address the risk included the following:

- obtaining an understanding of the relevant controls over the recognition of work-in-progress assets held on the balance sheet and the subsequent realisation in the income statement; and
- performing detailed testing of a sample of work-in-progress balances and obtaining evidence of shipment, purchase orders, supplier invoices and customers invoices to assess the appropriate timing of revenue and cost of sales in respect of the selected transactions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, in-house legal counsel and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

***Report on other legal and regulatory requirements***

***Opinions on other matters prescribed by the Companies Act 2006***

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

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

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

**HH Global Finance Limited**  
**Independent auditor's report to the members of HH Global Finance Limited (continued)**

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**Matters on which we are required to report by exception**

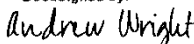
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**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.

DocuSigned by:  
  
7012580DDC6F4DD

Andrew Wright (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
23 August 2023



**HH Global Finance Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 March 2023**

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
<b>Turnover</b>	3	<b>1,955,304</b>	<b>1,554,983</b>
Cost of sales		(1,462,258)	(1,152,105)
<b>Gross profit</b>		<b>493,046</b>	<b>402,878</b>
Administrative expenses*		(412,751)	(343,837)
<b>Operating profit</b>	4	<b>80,295</b>	<b>59,041</b>
Interest receivable and similar income		9,407	6,423
Interest payable and similar charges	8	(58,864)	(31,348)
<b>Profit before taxation</b>		<b>30,838</b>	<b>34,116</b>
Tax on profit	9	(17,344)	(21,148)
<b>Profit for the year</b>		<b>13,494</b>	<b>12,968</b>
<b>Other comprehensive income for the year:</b>			
Exchange differences on translation of overseas subsidiaries		3,024	6,258
<b>Total comprehensive income for the year</b>		<b>16,518</b>	<b>19,226</b>

The total comprehensive income for the year was derived from continuing operations.

The notes on pages 22 to 52 form an integral part of these financial statements.


*\*As a result of the latest thematic reviews performed by the Financial Reporting Council around the presentation of alternative performance measures as a separate line item on the face of the Consolidated Income Statement, the directors reassessed the accounting treatment adopted for exceptional items during the year. The amount of £10.1m (2022: £9.1m) is now shown within administrative expenses and no longer a separate line item, with no impact on profit. See also note 7 on adjusting items.*

**HH Global Finance Limited**  
**Consolidated Balance Sheet**  
**at 31 March 2023**

	Note	31 March 2023 £'000	31 March 2022 £'000
<b>Fixed assets</b>			
Intangible assets	11	390,248	421,690
Tangible assets	12	9,729	8,724
Deferred taxation	16	2,314	2,954
		<b>402,291</b>	<b>433,368</b>
<b>Current assets</b>			
Stocks	14	36,558	34,886
Debtors	15	508,234	649,913
Cash at bank and in hand		96,264	93,953
		<b>641,056</b>	<b>778,752</b>
<b>Creditors:</b> amounts falling due within one year	17	(408,297)	(401,606)
<b>Net current assets</b>		<b>232,759</b>	<b>377,146</b>
<b>Total assets less current liabilities</b>		<b>635,050</b>	<b>810,514</b>
<b>Creditors:</b> amounts falling due after more than one year	18	(568,798)	(538,666)
<b>Net assets</b>		<b>66,252</b>	<b>271,848</b>
<b>Capital and reserves</b>			
Called up share capital	24	-	-
Share premium account	24	-	260,568
Capital contribution reserve	25	16,959	13,388
Foreign exchange reserve		(521)	(3,545)
Profit and loss account		49,814	1,437
<b>Total Shareholders' funds</b>		<b>66,252</b>	<b>271,848</b>

The notes on pages 22 to 52 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2023.

DocuSigned by:  
  
46A437D032394B1  
**K Elgey**  
**Director**

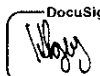
**HH Global Finance Limited**  
**Company Balance Sheet**  
**at 31 March 2023**

<b>Company number: 12411377</b>	<b>Note</b>	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
<b>Fixed assets</b>			
Investments	13	291,720	291,720
		<b>291,720</b>	<b>291,720</b>
<b>Current assets</b>			
Debtors	15	115,809	101,511
Cash at bank and in hand		5,236	4,496
		<b>121,045</b>	<b>106,007</b>
<b>Creditors: amounts falling due within one year</b>	17	(71,924)	(52,768)
<b>Net current assets</b>		<b>49,121</b>	<b>53,239</b>
<b>Total assets less current liabilities</b>		<b>340,841</b>	<b>344,959</b>
<b>Creditors: amounts falling due after more than one year</b>	18	(97,897)	(95,367)
<b>Net assets</b>		<b>242,944</b>	<b>249,592</b>
<b>Capital and reserves</b>			
Called up share capital	24	-	-
Share premium account	24	-	260,568
Profit and loss account		242,944	(10,976)
<b>Total Shareholders' funds</b>		<b>242,944</b>	<b>249,592</b>

The notes on pages 22 to 52 form an integral part of these financial statements.

As permitted by section 408 of the Companies Act 2006, the Company's statement of comprehensive income has not been included in these financial statements. The Company result for the year was a profit, after tax, of £219,037,000 (year to 31 March 2022: a loss after tax of £7,547,000).

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2023.

DocuSigned by:  
  
46A437D032394B1  
**K Elgey**  
**Director**

**HH Global Finance Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 March 2023**

	Called up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Foreign exchange reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
<b>31 March 2021</b>						
<b>Comprehensive income for the year:</b>						
Profit for the year	-	260,568	-	(9,803)	(11,531)	239,234
Currency translation difference on foreign currency net investments	-	-	-	-	12,968	12,968
	-	-	-	6,258	-	6,258
<b>Total comprehensive income for the year</b>	-	-	-	6,258	12,968	19,226
<b>Other reserves movement:</b>						
Capital contributions from ultimate parent (note 25)	-	-	13,388	-	-	13,388
<b>31 March 2022</b>						
	-	260,568	13,388	(3,545)	1,437	271,848
<b>Comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	13,494	13,494
Currency translation difference on foreign currency net investments	-	-	-	3,024	-	3,024
<b>Total comprehensive income for the year</b>	-	-	-	3,024	13,494	16,518
<b>Other reserves movement:</b>						
Capital reduction	-	(260,568)	-	-	260,568	-
Dividend paid (note 10)	-	-	-	-	(225,685)	(225,685)
Capital contributions from ultimate parent (note 25)	-	-	3,571	-	-	3,571
<b>31 March 2023</b>						
	-	-	16,959	(521)	49,814	66,252

The notes on pages 22 to 52 form an integral part of these financial statements.

**HH Global Finance Limited**  
**Company Statement of Changes in Equity**  
**for the year ended to 31 March 2023**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
<b>31 March 2021</b>				
<b>Comprehensive loss for the year:</b>				
Loss for the year	-	260,568	(3,429)	257,139
<b>Total comprehensive loss for the year</b>	-	-	(7,547)	(7,547)
<b>31 March 2022</b>				
	-	260,568	(10,976)	249,592
<b>Comprehensive income for the year:</b>				
Profit for the year	-	-	219,037	219,037
<b>Total comprehensive income for the year</b>	-	-	219,037	219,037
<b>Other reserve movement:</b>				
Capital reduction	-	(260,568)	260,568	-
Dividend paid (note 10)	-	-	(225,685)	(225,685)
<b>31 March 2023</b>	-	-	<b>242,944</b>	<b>242,944</b>

The notes on pages 22 to 52 form an integral part of these financial statements.

**HH Global Finance Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 March 2023**

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
<b>Net cash generated from operating activities</b>	<b>22</b>	<b>62,231</b>	<b>24,041</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,810)	(2,207)
Purchase of intangible fixed assets		(6,862)	(5,716)
Proceeds from disposal of fixed assets		403	158
Acquisition of subsidiaries, net of cash acquired		-	(16,476)
Payment of deferred consideration		(3,713)	(1,072)
<b>Net cash outflows from investing activities</b>		<b>(12,982)</b>	<b>(25,313)</b>
<b>Cash flows from financing activities</b>			
Advance of borrowings		-	238,624
Repayment of borrowings		-	(20,976)
Advance of loan financing to parent		-	(210,399)
Net movement in overdrafts		183	(144)
Net movement in receivables financing facilities		1,459	(2,482)
Net movement in revolving credit facilities		2,450	(26,231)
Loan issue costs		-	(7,055)
Interest paid		(43,485)	(23,314)
Repayment of finance lease		(217)	(430)
Payment of interest rate cap		(6,880)	-
<b>Net cash outflows from financing activities</b>		<b>(46,490)</b>	<b>(52,407)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,759</b>	<b>(53,679)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>93,953</b>	<b>142,567</b>
Effect of foreign exchange rate changes		(448)	5,065
<b>Cash and cash equivalents at end of year</b>		<b>96,264</b>	<b>93,953</b>

The notes on pages 22 to 52 form an integral part of these financial statements.

**HH Global Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023**

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**1 Accounting policies**

*Basis of preparation*

These financial statements relate to HH Global Finance Limited ("the Company"), a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office Grove House, Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF.

The principal activities of the Company and its subsidiaries ("the Group") and the nature of the Group's operations are set out in the Strategic report on pages 2 to 7.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

These financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 as applicable to the companies using FRS 102.

These financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented and parent company disclosure exemptions below.

*Basis of consolidation*

The consolidated financial statements incorporate the results of HH Global Finance Limited and its subsidiary undertakings as at 31 March 2023, using the acquisition method of accounting, with the results of the subsidiary undertakings being included from the date of acquisition.

Where subsidiaries are not wholly owned but the acquisition method of accounting applies, any non-controlling interest is only recognised to the extent it is deemed material.

*Parent company disclosure exemptions*

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

*Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report and the directors' report.

The Group meets its day-to-day working capital requirements through cash generated by operations of its subsidiaries, and through group-wide financing arrangements which include loan and working capital facilities with external providers.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**1 Accounting policies (continued)**

As part of the process for determining that it is appropriate to prepare the financial statements under the going concern convention the directors considered the following factors:

- The ability of the Company to continue to receive financial support, as required, from group undertakings as part of financing arrangements with external lenders;
- Forecast cash flows for the period from April 2023 to September 2024 (taking into account working capital movements and hence impact on net assets / liabilities), being the time period that the directors considered the most appropriate to forecast ahead with reasonable certainty at this time. The directors then considered the impact of this forecast on the Group's ability to meet its lender covenant requirements;
- High level stress tests of these forecast numbers to take account of unforeseen impacts to trading activities and extent of mitigating factors available.

Having reviewed the Group's forecasts and projections and after taking account of possible changes in trading performance, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months and to meet its liabilities as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

*Turnover*

Turnover primarily represents the value of creative production and procurement services provided to external clients. Turnover is recognised net of value added tax and any discounts allowed, in the period in which goods are delivered or the service is provided.

*Adjusting items*

Items that, in the opinion of the directors, are material, either by their size or their nature, and which distort the comparability of financial performance between years and which are not reflective of the Group's ongoing business performance. Some adjusting items may span more than one accounting period depending on their nature. They principally include acquisition related fees which do not qualify for capitalisation and the cost of integrating acquisitions which can span a number of years given the volume of integration activity required (note 7).

*Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. It is capitalised and amortised through the income statement over the directors' estimate of its useful economic life of 10 years.

*Intangible fixed assets – acquired via business combination*

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The rates of amortisation based on the useful economic lives of intangible assets are as follows:

Acquired customer relationships	-	9 – 17% per annum on cost
Acquired software	-	16 - 25% per annum on cost



**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**1 Accounting policies (continued)**

*Intangible fixed assets – internally developed*

Internally developed software is stated at historical cost for development activities less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is provided to write off the cost, less estimated residual values over the expected useful life of the software on a straight-line basis. It is calculated from the date it is first placed into service, at the following rate:

Internally developed software	-	20% - 33% per annum on cost
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Amortisation is included in 'administrative expenses' in the income statement.

*Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Financial assets**

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**1 Accounting policies (continued)**

*Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives on a straight-line basis. It is calculated, from the date of acquisition, at the following rates:

Motor vehicles	-	25% per annum on cost
Computer equipment	-	20% - 33% per annum on cost
Office equipment	-	20% - 33% per annum on cost
Fixtures and fittings	-	14% - 33% per annum on cost

The need for any tangible fixed asset impairment is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

*Cash at bank and in hand*

Cash at bank and in hand is stated net of bank overdrafts, where the Company has a legal right of set off and includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

*Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and payables and borrowings. The main financial risks faced by the Group relate to the risk of default by counterparties following financial transactions, to the availability of funds for the Group to meet its obligations as they fall due, and to fluctuations in interest and foreign exchange rates.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (*continued*)**  
**for the year ended 31 March 2023**

**1 Accounting policies (*continued*)**

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares, this element of the consideration is recognised at the fair value.

Investments denominated in foreign currency are translated at historical rates of exchange.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

*Stocks*

Work in progress relates to the cost of print media jobs, which have yet to be delivered to clients at the balance sheet date. These are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to complete.

Finished goods largely consist of purchased goods and are stated at the lower of cost and net realisable value being the estimated selling price less the costs of disposal.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Any impairment loss is recognised immediately in the income statement.

*Business combinations*

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is the total fair value of the consideration given, including any directly incremental costs incurred in connection with the acquisition.

*Current and deferred taxation*

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or 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 by the reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**1 Accounting policies (continued)**

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 and liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

*Foreign currency*

*(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is the Company's functional and the Group's presentational currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and shown within reserves within the foreign currency reserve.

*(b) Transactions and balances*

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within 'Administrative expenses'.

*Share-based payments*

The Group operates a share-based payment scheme. The directors have determined that this scheme is an equity-settled share-based payment scheme and it is measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the expected vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. HH Global Enterprise Network Ltd, the Company's ultimate parent undertaking, has the obligation to settle the scheme and the amount expensed is therefore treated as a capital contribution.

Fair value is measured by use of a Monte Carlo simulation model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

*Pension costs*

Contributions were made by the Group to the individual money purchase pension plans of certain employees during the year. Contributions by the relevant company to these plans were charged to the income statement. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (*continued*)**  
**for the year ended 31 March 2023**

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**1 Accounting policies (*continued*)**

*Holiday pay*

A liability is recognised in respect of any unused holiday pay entitlement which has accrued at the balance sheet date and is available to be carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

*Leased assets: Lessee*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income statement over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income statement over the term of the lease. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

*Interest*

Interest receivable and payable are recognised in the income statement in the period in which they arise.

*Dilapidations*

Where required, a provision is made for the total expected cost of restoring occupied properties to a specified condition at the end of the lease period. A provision is made at the commencement of the lease and the related cost is shown as a tangible fixed asset which is depreciated over the life of the lease.

*Reserves*

*Share capital*

Called up share capital represents the nominal value of the shares issued.

*Share premium*

Share premium represents the excess consideration paid for shares over their nominal value.

*Foreign exchange reserve*

The foreign exchange reserve represents the cumulative impact of exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate during the period.

*Profit and loss account*

The profit and loss account represents cumulative profits and losses net of distributions to owners.

*Capital contribution*

The capital contribution reserve relates to amounts charged to the profit and loss account in respect of equity-settled share-based payment schemes.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Group's accounting policies**

The directors do not believe that there are any critical judgements made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

The directors do not believe there are any key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3 Turnover**

Analysis of turnover by business activity:

	<b>Year ended 31 March 2023 £'000</b>	<b>Year ended 31 March 2022 £'000</b>
Creative production and procurement	1,955,304	1,554,983
	<u>1,955,304</u>	<u>1,554,983</u>

Turnover by geographical market is shown below:

	<b>Year ended 31 March 2023 £'000</b>	<b>Year ended 31 March 2022 £'000</b>
NAM	925,950	769,249
EMEA	680,101	529,760
LATAM	203,516	145,043
APAC	145,737	110,931
	<u>1,955,304</u>	<u>1,554,983</u>

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**4 Operating profit**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets (note 12):	7,559	3,192
Amortisation of goodwill (note 11)	25,842	21,798
Amortisation of other intangible fixed assets (note 11)	35,450	31,156
Rentals payable under operating leases:		
- land and buildings	19,982	17,690
- other operating leases	421	795
Share-based payment expense (note 25)	3,571	12,824
Foreign exchange loss	3,645	3,901
	<u>          </u>	<u>          </u>

The analysis of the auditor's remuneration is as follows:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fees payable to the parent company's auditor and its associates:		
For the audit of the parent company's annual accounts	25	20
For other services to the parent company's subsidiaries	1,928	1,790
	<u>          </u>	<u>          </u>
<b>Total audit fees</b>	<b>1,953</b>	<b>1,810</b>
	<u>          </u>	<u>          </u>
Taxation compliance services	525	475
Other taxation advisory services	93	763
One-time corporate finance services	984	390
	<u>          </u>	<u>          </u>
<b>Total non-audit fees</b>	<b>1,602</b>	<b>1,628</b>
	<u>          </u>	<u>          </u>

Fees payable to Deloitte LLP and its associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**5 Employees**

The average monthly number of employees during the period, including executive directors, was:

	Year ended 31 March 2023 Number	Year ended 31 March 2022 Number
Directors	3	3
Production	2,659	2,251
Sales and administration	1,439	1,302
	<u>4,101</u>	<u>3,556</u>

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Staff costs for all employees, including executive directors, consist of:		
Wages and salaries	204,887	166,024
Social security costs	24,140	19,162
Other pension costs	6,213	3,864
Share-based payment expense (note 25)	3,571	12,823
<b>Total (included within administrative expenses)</b>	<u><b>238,811</b></u>	<u><b>201,873</b></u>

The Company had no staff costs in the current year or previous period. Directors' remuneration has been borne by another group company.

**6 Directors' remuneration**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Directors' remuneration consists of:		
Emoluments	2,219	1,355
Payments to defined contribution pension scheme	40	25
	<u>2,259</u>	<u>1,380</u>

There were three (2022: three) directors for whom the Group made contributions to money purchase pension plans during the year. The emoluments of the highest paid director were £1,077,000 (2022: £477,000) and contributions paid to a pension scheme on their behalf were £3,000 (2022: £2,000).

Total compensation paid to key management personnel, which includes the remuneration of directors as shown above, was £7,257,000 (2022: £5,509,000).



**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**7 Adjusting items**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Acquisition costs	2,389	1,678
Integration costs	7,743	7,427
	<hr/>	<hr/>
	10,132	9,105
	<hr/>	<hr/>

In determining whether costs should be presented as adjusting, the Group considers items that are material, either by their size or their nature, and which distort the comparability of financial performance between periods and which are not reflective of the Group's ongoing business performance. Some adjusting items may span more than one accounting period depending on their nature.

They can be categorised as follows:

*Acquisition costs*

These costs are legal and professional fees incurred on acquisitions (both completed and aborted) which do not qualify for capitalisation.

*Integration costs*

These costs are post-acquisition charges incurred upon the integration of acquisitions and include redundancy payments, costs associated with integration of systems and processes, post-acquisition re-branding and legal entity rationalisation related professional fees, all of which are directly linked to the integration of the recently acquired entities. They also include costs associated with the closure of the Group's Russian operations (£0.5m).

Due to the number of individual entities acquired, the integration of business activities, employees, processes and systems is phased over a number of years and is expected to be complete in the year ending 31 March 2025.

**8 Interest payable and similar charges**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Loan interest	56,087	30,613
Fair value adjustment to interest rate cap premium (note 21)	2,327	-
Bank interest	328	647
Other interest	122	88
	<hr/>	<hr/>
	58,864	31,348
	<hr/>	<hr/>

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**9 Tax on profit**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
<i>Current tax</i>		
UK corporation tax at 19%	1,783	4,090
Tax relating to subsidiaries' pre-acquisition periods	(466)	94
	<hr/> 1,317	<hr/> 4,184
<i>Overseas corporation tax</i>		
Current tax on profit for the period	23,204	18,170
Tax relating to subsidiaries' pre-acquisition periods	1,558	(2,238)
	<hr/> 24,762	<hr/> 15,932
Total current tax	<hr/> 26,079	<hr/> 20,116
<i>Deferred tax</i>		
Origination and reversal of timing differences – relating to current period	(6,953)	(1,821)
Origination and reversal of timing difference – relating to subsidiaries pre-acquisition periods	(1,685)	3,022
Effect of change in tax rate	(97)	(169)
	<hr/> (8,735)	<hr/> 1,032
Total deferred tax (see note 16)	<hr/> (8,735)	<hr/> 1,032
<b>Total tax charge for the year</b>	<hr/> <b>17,344</b>	<hr/> <b>21,148</b>

In May 2021 the previously announced increase in the UK corporate tax rate from 19% to 25% was substantively enacted and became effective on 1 April 2023. Accordingly the UK timing differences have been recognised at the updated rate of 25%, with the effect on the Group's future tax charge reported in the prior year.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**9 Tax on profit (continued)**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Profit before tax	30,838	34,116
Tax on profit at the standard rate of corporation tax in the UK of 19% (2022: 19%)	5,859	6,482
Effects of:		
Expenses not deductible for tax purposes	1,935	1,469
Non-deductible interest and preference shares	1,409	692
Acquisition and restructuring transactions	368	-
Share-based payments	-	2,228
Impact of foreign exchange	5	(384)
Amortisation of goodwill	5,153	4,102
Tax relating to subsidiaries' pre acquisition periods	(593)	878
Differences between UK and overseas tax rates	2,589	3,440
Change in tax rates	(96)	(169)
Deferred tax not recognised	(1,237)	(482)
Other taxes	1,952	2,892
<b>Total tax charge for the year</b>	<b>17,344</b>	<b>21,148</b>

**10 Dividends**

On 22 November 2022, a dividend of £226m was received by the Company from its subsidiary, HH Global Group Ltd. The dividend was satisfied, in specie, by way of assignment of the rights under and interest in a promissory note issued by HH Global Enterprise Network Limited, the Company's ultimate parent, on 18 October 2021, originally in favour of its indirect subsidiary, HH Global Ltd (the "Promissory Note").

On 22 November 2022, upon receipt of the Promissory Note by the Company, the Company paid a dividend of £226m, satisfied in specie by way of assignment of the rights under and interest in the Promissory Note, to its parent, HH Global Finance Holdings Ltd.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**11 Intangible fixed assets**

	Goodwill £'000	Customer relationships £'000	Software £'000	Total £'000
<i>Costs</i>				
At 1 April 2022	245,927	246,225	27,074	519,226
Adjustment to deferred consideration payable (note 18)	4,518	-	-	4,518
Additions	-	-	6,862	6,862
Disposals	-	-	(46)	(46)
Foreign exchange	9,414	11,667	929	22,010
<b>At 31 March 2023</b>	<b>259,859</b>	<b>257,892</b>	<b>34,819</b>	<b>552,570</b>
<i>Amortisation</i>				
At 1 April 2022	(38,747)	(48,276)	(10,513)	(97,536)
Charge for the period	(25,842)	(29,402)	(6,048)	(61,292)
Disposals	-	-	46	46
Foreign exchange	(1,110)	(1,809)	(621)	(3,540)
<b>At 31 March 2023</b>	<b>(65,699)</b>	<b>(79,487)</b>	<b>(17,136)</b>	<b>(162,322)</b>
<i>Net book value</i>				
At 31 March 2022	207,180	197,949	16,561	421,690
<b>At 31 March 2023</b>	<b>194,160</b>	<b>178,405</b>	<b>17,683</b>	<b>390,248</b>

Software primarily relates to amounts capitalised in relation the development of the Group's core systems and technology. Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

As at the balance sheet date, the directors have performed a review of any impairment indicators and consider none to exist.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**12 Tangible fixed assets**

	Fixtures and fittings £'000	Plant & machinery £'000	Computer equipment £'000	Total £'000
<i>Cost</i>				
At 1 April 2022	16,707	522	14,975	32,204
Additions	5,538	34	2,804	8,376
Disposals	(1,491)	(160)	(579)	(2,230)
Foreign exchange	974	32	913	1,919
	<u>16,728</u>	<u>428</u>	<u>18,113</u>	<u>40,269</u>
<b>At 31 March 2023</b>	<b>21,728</b>	<b>428</b>	<b>18,113</b>	<b>40,269</b>
<i>Depreciation</i>				
At 1 April 2022	(9,526)	(345)	(13,609)	(23,480)
Charge in the period	(6,084)	(53)	(1,422)	(7,559)
Disposals	1,248	64	560	1,872
Foreign exchange	(557)	(20)	(796)	(1,373)
	<u>(14,919)</u>	<u>(354)</u>	<u>(15,267)</u>	<u>(30,540)</u>
<b>At 31 March 2023</b>	<b>(14,919)</b>	<b>(354)</b>	<b>(15,267)</b>	<b>(30,540)</b>
<i>Net book value</i>				
At 31 March 2022	7,181	177	1,366	8,724
	<u>7,181</u>	<u>177</u>	<u>1,366</u>	<u>8,724</u>
<i>Net book value</i>				
<b>At 31 March 2023</b>	<b>6,809</b>	<b>74</b>	<b>2,846</b>	<b>9,729</b>

The net book value of tangible fixed assets includes an amount of £212,000 (2022: £167,000) in respect of assets held under finance leases.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**13 Fixed asset investments**

<i>Investments in subsidiary undertakings</i>	<b>£'000</b>
<i>Cost</i>	
At 1 April 2022	291,720
Additions in year	-
	<hr/>
<b>At 31 March 2023</b>	<b>291,720</b>
	<hr/>
<i>Impairment</i>	
At 1 April 2022	-
Provided in year	-
	<hr/>
<b>At 31 March 2023</b>	<b>-</b>
	<hr/>
<i>Net book value</i>	
<b>At 31 March 2023</b>	<b>291,720</b>
	<hr/>
<i>Net book value</i>	
At 31 March 2022	291,720
	<hr/> <hr/>

The directors assess the investments held for indicators of impairment and perform a detailed impairment review as required. During the year, the directors identified no such indicators and so no provisions have been made.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**13 Fixed asset investments (continued)**

Details of the Group's subsidiary undertakings are set out below. All companies are in the business of delivery of creative production and procurement services, unless otherwise stated. All holdings are 100% of ordinary shares unless otherwise stated.

<b>Name</b>	<b>Country of incorporation</b>	<b>Registered address</b>
<b>EMEA</b>		
HH Global Ltd	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
HH Global Corporate Services Ltd	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
HH Associates Ltd	England	Grove House, Guildford Rd, Leatherhead, Surrey, KT22 9DF
EYELEVEL Solutions Ltd	England	5 Cranbrook Way, Solihull, UK, England, B90 4GT
InnerWorkings Europe Ltd	England	5 Cranbrook Way, Shirley, Solihull, West Midlands, B90 4GT
Professional Packaging Services Ltd	England	5 Cranbrook Way, Shirley, Solihull, West Midlands, B90 4GT
Merchandise Mania Ltd	England	5 Cranbrook Way, Shirley, Solihull, West Midlands, B90 4GT
Adare International Limited <sup>1</sup>	England	Eni House, Basing View, Basingstoke, RG21 4YY
InnerWorkings (NI) Ltd	Northern Ireland	Murray House, Murray Street, Belfast, BT1 6DN
HH Global Belgium SRL	Belgium	1831 Diegem, Culliganlaan 2C, Park Lane C, Brussels, Belgium
HH Global Czechia s.r.o. <sup>9</sup>	Czech Republic	Evropská 859/115, Vokovice, 160 00 Praha 6
Eyelevel Distribution Services s.r.o.	Czech Republic	Evropská 859/115, Vokovice, 160 00 Praha 6
HH France SAS	France	25 Anatole France Street 92300, Levallois Perret, Paris
InnerWorkings Europe Ltd (Etrinsic Ltd French Branch)	France	25 Anatole France Street 92300, Levallois Perret, Paris
HH Print Management Deutschland GmbH	Germany	Niederkasseler Lohweg 18 40547 Dusseldorf
InnerWorkings Hellas M.I.K.E	Greece	72, Vassiliou Deligianni Str., 144 52 Metamorfofi, Athens
HH Global Marketing Solutions Ireland Ltd. <sup>10</sup>	Ireland	Unit M, M7 Business Park Newhall Naas Co. Kildare, Naas, Kildare, W91YC5E
HH Global Italy S.r.l. <sup>3</sup>	Italy	Via Montefeltro 4 CAP 20156 Milano
HH Global Kazakhstan Limited Liability Partnership	Kazakhstan	9th Fl. Business Center Baykonyr, 42 Abay Ave 050022 Almaty
InnerWorkings Luxembourg IP S.à r.l.	Luxembourg	46A, Avenue J.F. Kennedy, L - 1855 Luxembourg
Adare DOOEL Skopje	Macedonia	Str. Sv. Kiril i Metodij no 52b-1/18 1000 Skopje
Adare Int SRL	Moldova	c/o Grant Thornton, 69 Grigore Ureche Street, Chisinau, MD-2005
HH Associates Netherlands BV	Netherlands	Rivium Boulevard 215, Crystal Building A 7e etage, 2909 LK Capelle aan den IJssel
InnerWorkings Nederland BV	Netherlands	Meander 251, 6825 MC ARNHEM
HH Poland Sp. Z o.o	Poland	Pruszkowska 29B Street, 02-118 Warsaw
InnerWorkings Polska Spółka z Ograniczoną Odpowiedzialnością	Poland	Zwirki i Wigury Street, 16B, 02-092, Warsaw
InnerWorkings Portugal, Unipessoal LDA	Portugal	Avenida da República, nº 679-1º-sala 1.5, 4450 - 242 Matosinhos
HH Global Russia LLC	Russia	43 Bld., 13 Zvenigorodskaya 2nd Street, room 2/1, 123022, Moscow
EYELEVEL, LLC	Russia	1 Bld., 1 Yeniseiskaya Street, 129334, Moscow
InnerWorkings Rus LLC	Russia	43 Bld., 13 Zvenigorodskaya 2nd Street, room 2/1, 123022, Moscow
Adare International LLC	Russia	Attic floor, office 10, Building 2, House 7, Pereulok Zvonarskiy, 107031, Moscow
HH Global Africa (Proprietary) Ltd <sup>4</sup>	South Africa	Statucor: 6th Floor 119 - 123 Hertzog Boulevard, Foreshore, Cape Town, Western Cape, 8001
InnerWorkings South Africa (Pty) Ltd <sup>3</sup>	South Africa	3rd Floor, 200 On Main, Cnr. Main and Bowwood Roads Claremont, Western Cape, 7708
HH Print Management Spain S.L	Spain	Cl Pau Claris 165, Planta 6 C&D Barcelona 08037
InnerWorkings Latin America, S.L.	Spain	Paseo de Gracia, 61, 2nd e 1st floors, 08007, Barcelona
HH Nordic AB	Sweden	c/o the Works Medborgarplatsen 25 118 72 Stockholm
HH Global Switzerland GmbH <sup>2</sup>	Switzerland	Rue du Nant 8, c/o Bernie Associates SA, 1207 Geneve
Adare International Switzerland GmbH	Switzerland	C/o Grant Thornton Advisory AG, Claridenstrasse 35, P.O. Box, CH-8027, Zurich
HH Turkey Baski Yonetim Hizmetleri Ltd.Sti	Turkey	19 Mayıs Mah. Atatürk Cad. Esin Sok. Yazgan İş Merkezi No 3 K:6 D:13 Kozyatağı/Kadıköy- Istanbul
InnerWorkings Ukraine LLC <sup>3</sup>	Ukraine	Podilskij district, 15A Kyrylivska, 04080, Kyiv
Adare Ukraine LLC	Ukraine	C/o Grant Thornton LLC, Sichovykh Striltsiv Street, 6004050 Kyiv
HH Global Mena DMCC	United Arab Emirates	1601-004 Jumeirah Bay 2 Plot No: JLT - PH2-X2A Jumeirah Lakes Towers Dubai,

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**13 Fixed asset investments (continued)**

<b>Name</b>	<b>Country of incorporation</b>	<b>Registered address</b>
<b>North America</b>		
HH Associates US, Inc.	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
INWK EMEA, LLC	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
InnerWorkings Luxembourg IP S.à r.l. LLC	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
Catch 3, Inc.	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
Screened Images, Inc.	USA	7 Joanna Ct, East Brunswick, NJ, 08816
Adare International Inc.	USA	55 Madison Avenue, Suite 400, Morristown, NJ 07960, USA
NewLineNoosh, Inc.	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
HH Global Marketing Services (Canada) Inc.	Canada	c/o Miller Thomson LLC, 40 King Street West 5800 Toronto M5H 3S1 Canada
InnerWorkings Canada, Inc.	Canada	c/o Miller Thomson LLC, 40 King Street West 5800 Toronto M5H 3S1 Canada
Traderunner Inc.	Puerto Rico	Ciudad Jardin 3 Calle Majagua 157, TOA ALTA PR 00953
HH Global Puerto Rico Inc.	Puerto Rico	Andrea's Court Calle Natalia 8, Trujillo Alto PR 00976
<b>LATAM</b>		
HH Global (Argentina) S.r.l.	Argentina	Cerrito 1070, 3rd Floor, Office 71, City of Bueno Aires
InnerWorkings IWARG S.A. <sup>3</sup>	Argentina	25 de Mayo 749, 5th Floor, 17 Office, Autonomous City of Buenos Aires, Argentina
Adare International S.R.L. <sup>5</sup>	Argentina	AV. Corrientes 327 Piso:30, CABA Buenos Aires, C1043 AAQ
AdareIB Servicios SA <sup>6</sup>	Bolivia	C/o Acevedo & Asociados S.R.L. Miembro de Grant Thornton International Calle Gueembe, No. 2015, Esquina Avenue, Beni, Santa Cruz
HH Print Management DO Brasil ER Ltda <sup>3</sup>	Brazil	Rua Alexandre Dumas, 2.100 – 6º andar - São Paulo-SP 04717-004 Brazil
EYELEVEL Design Ltda <sup>3</sup>	Brazil	Rua Alexandre Dumas, 2.100 – 6º andar - São Paulo-SP 04717-004 Brazil
InnerWorkings Comercio de Produtos de Marketing Ltda. <sup>3</sup>	Brazil	Rua Alexandre Dumas, 2.100 – 6º andar - São Paulo-SP 04717-004 Brazil
InnerWorkings Brasil Gerenciamento de Impressoes Ltda. <sup>3</sup>	Brazil	Rua Alexandre Dumas, 2.100 – 6º andar - São Paulo-SP 04717-004 Brazil
Adare Brasil Servicios de Marketing LTDA <sup>7</sup>	Brazil	Rua Alexandre Dumas, 2.100 – 6º andar - São Paulo-SP 04717-004 Brazil
HH Chile SpA <sup>3</sup>	Chile	Mariano Sanchez Fontecilla 310, ofi. 201, Las Condes, Santiago
Cirqit Servicios de Impresion S.A.	Chile	Av. Presidente Kennedy, 5757, suite 303, Las Condes, Chile, Santiago, Chile
InnerWorkings Servicios Ltda.	Chile	Av. Presidente Kennedy, 5757, suite 303, Las Condes, Chile, Santiago, Chile
Adare International Chile SPA	Chile	Alfredo Barros Errazuriz 1954, Oficina 1801 - 7500521, Providencia, Santiago
HH Colombia S.A.S <sup>3</sup>	Colombia	Carrera 19A #90, 13 Oficina 712 La Noventa Building, Bogota
InnerWorkings Andina S.A.S.	Colombia	Carrera 19A #90, 13 Oficina 712 La Noventa Building, Bogota
Adare International SAS	Colombia	Calle 119 # 14-42 oficina 401, edificio Baruc. Código postal 11001 -Bogota
HH Global (Costa Rica) S.R.L. <sup>3</sup>	Costa Rica	San Pedro de Montes de Oca Barrio. Dent de la Agencia, Hyundai 200 metros al norte, San José
HH Global Dominican Republic S.R.L.	Dominican Republic	Av. 27 de Febrero. Plaza Central, Tercer Nivel, Local 343-A Sector Ens. Piantini, Ciudad de Santo Domingo
HH Global Associates Ecuador HHGA CIA. LTDA <sup>3</sup>	Ecuador	Calle Lorenzo de Garaicoa N 732 y Victor Manuel Rendón, edificio plaza Centenario Piso 3, city of Guayaquil
InnerWorkings Servicios, S.A.	Ecuador	Av. Cristobal Colón 535 y Av. 6 de Diciembre
Adare International Del Ecuador SA <sup>7</sup>	Ecuador	Street: Republica Del Salvador N35-146 - Building: Prisma Norte Número De Oficina: 304 - Iñaquito - Quito – Pichincha.
HH Global El Salvador, S.A. DE C.V. <sup>3</sup>	El Salvador	Res. Escalón, Calle Esconal, Block C, Casa 18, San Salvador, El Salvador
Adare International El Salvador, S.A. de C.V. <sup>7</sup>	El Salvador	Avenida Masferrer Norte. Pasaje San Luis # 8, Col. Escalón, San Salvador
HH Global Guatemala S.A. <sup>3</sup>	Guatemala	13 Calle 3-40 Zona 10, Edificio Atlantis Oficina 606
Adare Guatemala International, Sociedad Anonima <sup>9</sup>	Guatemala	C/o Grant Thornton 3 Avenida 12-38 zona 10 edificio el paseo plaza nivel 7 oficina 702



**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**13 Fixed asset investments (continued)**

Name	Country of incorporation	Registered address
<b>LATAM (continued)</b>		
HH Global (HONDURAS) S. de R.L. <sup>3</sup>	Honduras	Ciudad Distrito Central Barrio o Colonia 0433 Palmira (433) Col Palmira Edificio Palmira 4to Piso Ave República de Chile
Adare Honduras S.A. de C.V. <sup>7</sup>	Honduras	C/o Grant Thornton Honduras, Bo. Los Andes 7 calle "A" 13 y 14 ave, Edificio Medrano Irias San Pedro Sula
Global Brand Management Mexico s de rl de cv <sup>3</sup>	Mexico	Insurgentes Sur 552 Piso 12 Col. Roma Sur, Cuauhtémoc, Mexico City, CP 06760
INWK Mexico S de R.L. De C.V. <sup>3</sup>	Mexico	Insurgentes Sur 552 Piso 12, Col. Roma Sur, Cuauhtémoc, Ciudad de México CP 06760
EYELEVEL Sociedad de Responsabilidad Limitada de Capital Variable <sup>3</sup>	Mexico	Insurgentes Sur 552 Piso 12 Col. Roma Sur, Cuauhtémoc, Mexico City, CP 06760
Adare International Mexico, S. DE R.L. DE C.V. <sup>7</sup>	Mexico	Insurgentes Sur 552 Piso 12 Col. Roma Sur, Cuauhtémoc, Mexico City, CP 06760
HH Global Nicaragua <sup>6 8</sup>	Nicaragua	Rotonda El Güegüense, 2 cuadras al oeste, 1 cuadra al sur Reparto Bolonia
HH Global Panama S.A	Panama	Corregimiento de BELLA VISTA, Urbanización Marbella, Calle 53 Este, Edificio PH, Humboldt Tower, Apartment/Local, 1st floor
Adare International Paraguay S.A. <sup>7</sup>	Paraguay	Olmedo Abogados, Av. Peru No 534. Asunción
HH Global (Peru) S.A.C <sup>3</sup>	Peru	Av. Pardo y Aliaga 699, Office - 501-A San Isidro, Lima
InnerWorkings Peru S.A.C.	Peru	Las Casuarinas NRO. 291 URB. Los Sauces 3 Etapa Lima - Surquillo
Adare International S.R.L <sup>7</sup>	Peru	Departamento Lima, Distrito Lima, Zona Urb, Jardin Via Calle Coronel Andres Reyes Nro 360 Interior 201B
INWK Uruguay S.A.	Uruguay	De Herera Av. Dr Luis Alberto 1052, D. 1402
Lomendy International S.A, trading as Adare Uruguay S.A.	Uruguay	C/o Grant Thornton Uruguay, Colonia 810, P.10. 11100 Montevideo
Innerworkings LATAM SA	Venezuela	Carretera El Hatillo, Edif. Trinidad Tepuy, Piso 1, Local 1-13, Urb. Sorocaima, Municipio Baruta, Estado Miranda, Caracas
<b>APAC</b>		
HH Australia (Proprietary) Limited	Australia	Unit 13/1 Vuko Place, Warriewood, NSW 2102
HH Global Enterprises Management Consulting (Beijing) Co. Ltd	China	A-707, Beijing Fairmont Tower, 33# Guangshun North Street Chaoyang, Beijing
Taizhou Eyelevel Store Fixtures Co., Ltd.	China	No. 3, Yuxi Village, Yuxi County, Jiangyan District, Taizhou City, Jiangsu Province
Guangzhou InnerWorkings Trading Company Limited	China	Room 1805, No. 374-2, Beijing Road, Yuexiu District, Guangzhou
InnerWorkings Trading & Commerce (Shanghai) Co. Ltd.	China	Room 355, 3rd Floor, No. 390-408 Beijing East Road, Huangpu District, Shanghai
Xiamen Eyelevel Commercial Equipment Co., Ltd.	China	A06 2nd Floor, No.18, East Haijing Road, Xiamen Area (Free Trade Port Zone) of China (Fujian) Pilot Free Trade Zone
Xiamen Eyelevel Equipment Manufacture Co., Ltd	China	No. 85, Qun Yao Road, Xiamen Area (Free Trade Port Zone) of China (Fujian) Pilot Free Trade Zone
HH Asia Pacific Ltd <sup>9</sup>	Hong Kong	20/F, East Town Building, No. 41 Lockhart Road, Wan Chai
EYELEVEL Limited (Hong Kong)	Hong Kong	20/F, East Town Building, No. 41 Lockhart Road, Wan Chai
HH Global Marketing Solutions Private Limited	India	E 201-202, G 202, Lotus Corporate Park, CTS No 185/A, Off Western Express Highway, Goregaon (East) Mumbai Maharashtra 400063
InnerWorkings India Private Limited	India	E 201-202, G 202, 2nd Floor, Lotus Corporate Park, CTS No 185 /A, Off Western Express Highway, Goregaon (East) Mumbai Maharashtra 400063
PT HH Global Services Indonesia	Indonesia	Indonesia Stock Exchange Building, 17th Floor, Jl. Gen. Sudirman Kav. 52-53, Jakarta 12190
HH Global Kabushiki Kaisha <sup>3</sup>	Japan	EBS Building 2F, 1-7-7 Ebisu Nishi Shibuya-ku, Tokyo 150-0021
HH Global Marketing SDN. BHD.	Malaysia	Suite 13.02, 13th Floor Menara Tan & Tan 207 Jalan Tun Razak 50400 Kuala Lumpur Malaysia
HH Global (New Zealand) Limited	New Zealand	TMF Group, Level 11, 41 Shortland Street, Auckland, 1010
HH Global Marketing Execution Philippines Inc	Philippines	24th Floor Philam Life Tower, 8767 Paseo De Roxas, Makati City
HH Singapore Private Ltd	Singapore	39 Robinson Road #17-01 Robinson Point, Singapore 068911
HH Global Korea Ltd	South Korea	4F, Blue Mountain Building 27-8, Gangnam-gu, Seoul
HH APAC Limited – Taiwan Branch	Taiwan	7F, No.270 Sec.4 Zhongxiao E. Rd, Da'an Dist, Taipei City 10694
HH Global Thai Co., Ltd	Thailand	No. 88 The Parq Building, 7th – 8th Floor, Room No. 7E1-16 and 8E1-16, Ratchadaphisek Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok
HH Global Vietnam Company Limited	Vietnam	Room 8.6, 8 <sup>th</sup> Floor, Le Meridien Building, 3C, Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**13 Fixed asset investments (continued)**

<b>Name</b>	<b>Country of incorporation</b>	<b>Registered address</b>
<b>Holding companies</b>		
Continuous Stationery Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
HH Global Group Ltd	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
HHGI Holdings Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, Surrey, England, KT22 9DF
HH Associates (Europe) Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, England, KT22 9DF
InnerWorkings EMEA Holdings LP	England	5 Cranbrook Way, Shirley, Solihull, West Midlands, B90 4GT
Adare International Holdings Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
Adare International LNC Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
INWK Holdings LLC	USA	Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, DE 19801
<b>Non-trading companies</b>		
Access Plus Marketing Services Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
Access Plus Marketing Logistics Limited	England	Grove House Guildford Road, Fetcham, Leatherhead, United Kingdom, KT22 9DF
<b>Marketing data and analytics</b>		
HH Global Interactive Limited	England	Watermoor Point, Watermoor Road, Cirencester, GL17 1LF

<sup>1</sup> The company also has branches in Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, Greece, Hungary, Jamaica, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Sweden, Trinidad & Tobago and Turkey.

<sup>2</sup> Name was changed in the year to 31 March 2023. Previously known as InnerWorkings Switzerland GmbH.

<sup>3</sup> Accounting Reference Date is 31 December.

<sup>4</sup> 70% of voting rights and share capital are held in the Group. The remainder constitutes an immaterial holding therefore NCI is not disclosed.

<sup>5</sup> 95% of voting rights and share capital are held in the Group. The remainder constitutes an immaterial holding therefore NCI is not disclosed.

<sup>6</sup> 98% of voting rights and share capital are held in the Group. The remainder constitutes an immaterial holding therefore NCI is not disclosed.

<sup>7</sup> 99% of voting rights and share capital are held in the Group. The remainder constitutes an immaterial holding therefore NCI is not disclosed.

<sup>8</sup> Name was changed in the year to 31 March 2023. Previously known as Adare International SAS (Nicaragua) Sociedad Anonima.

<sup>9</sup> Name was changed in the year to 31 March 2023. Previously known as HH APAC Ltd.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**14 Stocks**

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Finished goods	18,679	20,879
Work in progress	17,879	14,007
	<u>36,558</u>	<u>34,886</u>

Finished goods are stated at the lower of cost and net realisable value being the estimated selling price less the costs of disposal.

Work in progress relates to the cost of jobs, which have yet to be delivered to clients at the balance sheet date. These are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to complete.

**15 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Trade debtors	395,746	323,480	-	-
Accrued income	32,741	33,547	-	-
Amounts due from subsidiary undertakings	-	-	112,523	100,485
Amounts due from parent undertakings	2,769	218,208	2,305	708
Other debtors	42,330	41,195	507	1
Prepayments	22,312	25,723	-	-
Income tax recoverable	8,056	7,760	474	317
Derivative financial instrument (note 20)	4,280	-	-	-
	<u>508,234</u>	<u>649,913</u>	<u>115,809</u>	<u>101,511</u>

The amounts due from subsidiary undertakings are unsecured, repayable on demand and carry a market rate of interest.

Other debtors includes supplier rebates due and a number of other categories of other debtors, none of which are individually material.

Trade debtors are stated after provisions for impairment of £4,411,000 (2022: £4,340,000).

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**16 Deferred taxation**

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Balance at start of year	(30,570)	(27,834)
Acquisition of subsidiary undertakings	-	(1,352)
Deferred tax credit in the year (note 9)	8,735	(1,032)
Exchange difference	(2,758)	(352)
<b>Balance at end of year</b>	<b>(24,593)</b>	<b>(30,570)</b>
<i>Deferred tax comprises of:</i>		
Tax losses	16,266	11,231
Accelerated / (decelerated) capital allowances	637	(2,693)
Intangible fixed assets	(45,542)	(47,681)
Other timing differences	4,046	8,573
	<b>(24,593)</b>	<b>(30,570)</b>
<i>Balance comprises:</i>		
Deferred tax asset	2,314	2,954
Deferred tax liability	(26,907)	(33,524)
	<b>(24,593)</b>	<b>(30,570)</b>

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

The recoverability of the deferred tax asset is dependent on the Group making sufficient future taxable profits. The directors have reviewed forecasts in making this assessment and are of the opinion that the deferred tax asset reported should be recognised as recoverable in full. There are a further £61 million of gross tax losses, plus £10 million of other gross tax deductibles which are currently restricted, which are not being recognised for deferred tax purposes.

The OECD released the Pillar Two Model Framework in December 2021, which introduces a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million, and this will apply to the Group for the financial year ending 31 March 2025 onwards. The Group is monitoring new legislation, including the UK enactment of the Pillar 2 rules in July 2023, and the associated filing requirements. The Group is continuing to assess the potential impact that these new rules will have on future financial statements.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**17 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Borrowings (note 20)	30,965	26,850	24,400	21,950
Finance lease liability (note 20)	123	133	-	-
Overdrafts	501	318	-	-
Trade creditors	177,330	201,538	-	-
Amounts owed to parent	818	120	-	-
Amounts owed to subsidiary undertakings	-	-	43,500	28,399
Deferred taxation	-	-	-	3
Corporation tax	5,116	3,946	-	-
Other taxation and social security	3,389	7,485	-	-
Other creditors	10,715	9,214	-	-
Deferred income	26,459	27,998	-	-
Accruals	151,618	120,435	4,024	2,416
Dilapidation provisions (note 19)	1,263	-	-	-
Deferred consideration	-	3,569	-	-
	<u>408,297</u>	<u>401,606</u>	<u>71,924</u>	<u>52,768</u>

The amounts owed to subsidiary undertakings are unsecured, repayable on demand and carry a market rate of interest.

The finance lease liability is secured against the assets to which it relates. Other creditors includes amounts due in respect of employee benefits and a number of other categories of other creditors, none of which are individually material.

**18 Creditors: amounts falling due after more than one year**

	<b>Group 31 March 2023 £'000</b>	<b>Group 31 March 2022 £'000</b>	<b>Company 31 March 2023 £'000</b>	<b>Company 31 March 2022 £'000</b>
Borrowings (note 20)	529,949	503,162	97,897	95,367
Finance lease liability (note 20)	119	87	-	-
Deferred consideration	5,895	1,377	-	-
Dilapidation provisions (note 19)	5,928	516	-	-
Deferred tax (note 16)	26,907	33,524	-	-
	<u>568,798</u>	<u>538,666</u>	<u>97,897</u>	<u>95,367</u>

*Deferred consideration*

Deferred consideration is payable on the acquisition of Alecom S.R.L which was purchased by a subsidiary, HH Global Ltd, in 2019. The final amount payable is based on a multiple of the increase in annual Adjusted EBITDA from the date of acquisition to the year ending 31 March 2024. The best estimate of the latter has increased during the year and the deferred consideration payable has been adjusted as a result. Goodwill arising on acquisition has been increased accordingly (note 11).

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**19 Dilapidation provisions**

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Balance at start of year	516	-
Acquired in business combinations	-	516
Provided during the year	6,675	-
	<hr/>	<hr/>
<b>Balance at end of year</b>	<b>7,191</b>	<b>516</b>
	<hr/>	<hr/>

Dilapidation provisions relate to the total expected costs of restoring occupied properties to a specified condition at the end of the lease period. Amounts provided at the year-end are expected to be utilised within one to three years of the balance sheet date.

**20 Borrowings**

The principal terms of the Group's borrowings as at the balance sheet date are as follows:

- Term Facility 'A1' of £48,708,356 was borrowed at an interest rate of SONIA Daily Comp, with a spread adjustment of 0.2766%, and a floor of 0.5%, and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.50% at the start of the year, increasing to 6.75% on 3 May 2022, then falling to 6.70% on 1 November 2022. There is a final repayment date of 25 February 2027.
- Term Facility 'A2' of \$35,000,000 was borrowed at an interest rate of US Libor plus margin, where there is a Libor floor of 1.00% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.00% at the start of the year, increasing to 6.25% on 3 May 2022, then falling to 6.20% on 1 November 2022. There is a final repayment date of 25 February 2027.
- Term Facility 'A3' of \$248,000,000 was borrowed at an interest rate of US Libor plus margin, where there is a Libor floor of 1.00% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.00% at the start of the year, increasing to 6.25% on 3 May 2022, then falling to 6.20% on 1 November 2022. There is a final repayment date of 25 February 2027.
- Term Facility 'B1' of \$223,300,000 was borrowed at an interest rate of US Libor plus margin, where there is a Libor floor of 1.00% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.00% at the start of the year, increasing to 6.25% on 3 May 2022, then falling to 6.20% on 1 November 2022. There is a final repayment date of 25 February 2027.
- Term Facility 'B2' of €65,000,000 was borrowed at an interest rate of EURIBOR plus margin, where there is a floor of 0.00% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.25% at the start of the year, increasing to 6.50% on 3 May 2022, then falling to 6.45% on 1 November 2022. There is a final repayment date of 25 February 2027.
- The 'Acquisition/Capex A facility' has a facility limit of £23,915,000, and an interest rate applicable to drawn down balances of SONIA Daily Comp plus margin, where there is a floor of 0.50% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.50% at the start of the year, increasing to 6.75% on 3 May 2022, then falling to 6.70% on 1 November 2022. There is a final repayment date of 25 February 2027.
- The 'Acquisition/Capex B facility' has a facility limit of \$2,000,000, and an interest rate applicable to drawn down balances of US Libor plus margin, where there is a Libor floor of 1.00% and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 6.00% at the start of the year, increasing to 6.25% on 3 May 2022, then falling to 6.20% on 1 November 2022. There is a final repayment date of 25 February 2027.
- A multi-currency revolving credit facility totalling £49,000,000 was provided. The interest rate applicable to drawn down balances was subject to SONIA Daily Comp, with a spread adjustment of 0.1193%, and a floor of 0.5%, and the margin is determined with reference to the leverage of the group. During the year, the applicable margin was 3.00% at the start of the year, increasing to 3.25% on 3 May 2022. As at 31 March 2023 £24,400,000 was drawn down. There is a final repayment date of 25 February 2027.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**20 Borrowings (continued)**

- A multi-currency receivables finance facility totalling £14,000,000 provided by HSBC was acquired as part of the acquisition of Adare. Interest is charged at 2.20% above the Bank of England base rate. As at 31 March 2023 £6,565,000 was drawn down. The facility continues until terminated by either party.
- Borrowings are secured against the assets of the business.

Effective 30 November 2022, the Group entered three-year interest rate cap arrangements as follows:

- USD Libor interest on borrowings of \$339,000,000 was capped at a rate of 4.75% and a premium paid of \$7,278,026. The fair value of the premium as at 31 March was \$4,322,250.
- EURIBOR interest on borrowings of €43,400,000 were capped at a rate of 2.75% and a premium paid of €857,544. The fair value of the premium as at 31 March was €874,845.

The fair value of the premium in total at the balance sheet date was £4m (note 15) and the fair value adjustment recorded in interest payable was a loss of £2m (note 8).

The Group's borrowings as at 31 March 2023 and 2022 may be further analysed as follows:

**Analysis of borrowings – 31 March 2023**

	Due < 1 year £'000	Due 1-2 years £'000	Due 2-5 years £'000	Due after 5 years £'000	Total £'000
Term loans	-	-	516,718	-	516,718
Acquisition/capex	-	-	25,537	-	25,537
Facilities					
Revolving credit facilities	24,400	-	-	-	24,400
Receivables financing	6,565	-	-	-	6,565
facility					
Finance lease liability	123	119	-	-	242
Unamortised finance costs	-	-	(12,306)	-	(12,306)
<b>Total debt - Group</b>	<b>31,088</b>	<b>119</b>	<b>529,949</b>	<b>-</b>	<b>561,156</b>

**Analysis of borrowings – 31 March 2022**

	Due < 1 year £'000	Due 1-2 years £'000	Due 2-5 years £'000	Due after 5 years £'000	Total £'000
Term loans	-	-	492,464	-	492,464
Acquisition/Capex facilities	-	-	25,441	-	25,441
Revolving credit facilities	21,950	-	-	-	21,950
Receivables financing	4,900	-	-	-	4,900
facility					
Finance lease liability	133	87	-	-	220
Unamortised finance costs	-	-	(14,743)	-	(14,743)
<b>Total debt - Group</b>	<b>26,983</b>	<b>87</b>	<b>503,162</b>	<b>-</b>	<b>530,232</b>

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**21 Financial instruments**

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group 31 March 2023 £'000	Group 31 March 2022 £'000	Company 31 March 2023 £'000	Company 31 March 2022 £'000
<b>Financial assets</b>				
Measured at amortised cost				
Cash at bank and in hand	96,264	93,953	5,236	4,496
Trade debtors	395,746	323,480	-	-
Amounts due from parent undertakings	2,769	218,208	2,305	708
Other debtors	42,330	41,195	507	1
Accrued income	32,741	33,547	-	-
Amounts due from subsidiary undertakings	-	-	112,523	100,485
Measure at fair value through profit or loss				
Interest rate cap	4,280	-	-	-
	<u>574,130</u>	<u>710,383</u>	<u>120,571</u>	<u>105,690</u>
<b>Financial liabilities</b>				
Measured at amortised cost				
Borrowings	560,914	530,012	122,297	117,317
Overdrafts	501	318	-	-
Trade creditors	177,330	201,538	-	-
Amount owed to parent undertakings	818	120	-	-
Amounts due to subsidiary undertakings	-	-	43,500	28,963
Other taxation and social security	3,389	7,485	-	-
Other creditors	10,715	9,214	-	-
Deferred income	26,459	27,998	-	-
Accruals	151,618	120,435	4,024	2,416
Deferred consideration	5,895	4,946	-	-
Finance lease liability	242	220	-	-
Dilapidations provisions	7,191	516	-	-
	<u>945,072</u>	<u>902,802</u>	<u>169,821</u>	<u>148,696</u>

Of the Group's cash balance, £3m (March 2022: £1m) is held in Russian bank accounts to which access is restricted.



**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**21 Financial instruments (continued)**

The Group's income and expenses in respect of financial instruments are summarised below:

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
<b>Interest income and expense</b>		
Total interest income for financial assets at amortised cost	9,407	6,423
Total interest expense for financial liabilities at amortised cost (note 8)	(56,537)	(31,348)
<b>Fair value gains and losses</b>		
On derivative financial instruments measured at fair value through profit or loss (note 8)	(2,327)	-

**22 Cash flows from operating activities**

	<b>Note</b>	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Profit for the year		13,494	12,968
<i>Adjustments for:</i>			
Depreciation and amortisation	<b>4</b>	68,851	56,146
Decrease / (increase) in stocks		1,085	(10,554)
Increase in trade and other debtors		(58,131)	(104,550)
(Decrease) / increase in trade and other creditors		(20,823)	20,253
Taxation	<b>9</b>	17,344	21,148
Interest payable	<b>8</b>	58,864	31,348
Interest receivable	<b>21</b>	(9,407)	(6,423)
Share-based payment charge	<b>25</b>	3,571	12,824
Unrealised foreign exchange loss		2,918	2,835
Net interest received		8,957	5,689
Income tax paid		(24,492)	(17,643)
<b>Net cash generated from operating activities</b>		<b>62,231</b>	<b>24,041</b>

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**23 Reconciliation of net debt**

	<b>31 March 2022 £'000</b>	<b>Cash flows £'000</b>	<b>Acquisitions £'000</b>	<b>Other non- cash changes £'000</b>	<b>31 March 2023 £'000</b>
Cash at bank and in hand	93,953	2,759	-	(448)	96,264
Overdrafts	(318)	(183)	-	-	(501)
Obligations under finance leases	(220)	217	-	(239)	(242)
Borrowings due within one year	(26,850)	(3,909)	-	(206)	(30,965)
Borrowings due after more than one year	(503,162)	-	-	(26,787)	(529,949)
	<u>(436,597)</u>	<u>(1,116)</u>	<u>-</u>	<u>(27,680)</u>	<u>(465,393)</u>

Non-cash movements relate to retranslation of foreign currency balances, as well as the amortisation of loan issue costs.

**24 Share capital**

Ordinary shares – Allotted, called up and fully paid:

	<b>Number</b>	<b>Nominal Value £</b>	<b>Share capital £'000</b>	<b>Share premium £'000</b>
At 1 April 2022	100,004	0.00001	-	260,568
Capital reduction in year	-	-	-	(260,568)
<b>At 31 March 2023</b>	<b>100,004</b>		<b>-</b>	<b>-</b>

The Ordinary shares of £0.00001 each entitle the holders to full voting rights. Each shareholder has one vote in respect of each Ordinary share held.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

## 25 Share-based payments

The Group operates a share-based payment scheme. The directors have determined that the scheme is classified as an equity settled share-based payment scheme and is measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the expected vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

HH Global Enterprise Network Ltd, the Company's ultimate parent undertaking, has the obligation to settle the scheme, which is classified as cash settled in its consolidated and separate financial statements. The scheme is classified as equity settled in these consolidated financial statements. The amount expensed is treated as a capital contribution from the group's ultimate parent.

Fair value is measured by use of the Monte Carlo simulation method which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. In this assessment, the directors have taken into account all known facts as well as performing scenario analysis and probability assessment and determined that at the balance sheet date the most likely vesting period is one which ends on 31 March 2025.

The share-based payment charge for the year was £3,571,000 (2022: £12,824,000). Total capital contributions made as at 31 March 2023 from the Company's ultimate parent are £16,959,000 (2022: £13,388,000).

A reconciliation of the share and share awards movements during the year is shown below:

	Number of shares / awards assessable under equity settled share-based payment scheme					
	Outstanding at 31 March 2022	Issued/ Granted	Exercised	Lapsed / cancelled	Outstanding as at 31 March 2023	Exercisable at 31 March 2023
Total	22,383,665	31,477	-	(108,912)	22,306,230	20,557,958

## 26 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Within one year	10,303	9,966	396	451
Within two to five years	22,911	27,554	329	269
After more than five years	6,587	10,552	-	-
<b>Total</b>	<b>39,801</b>	<b>48,072</b>	<b>725</b>	<b>720</b>

**HH Global Finance Limited**  
**Notes forming part of the financial statements (continued)**  
**for the year ended 31 March 2023**

**27 Commitments under finance leases**

Total future minimum lease payments under finance leases are as follows:

	<b>Other 31 March 2023 £'000</b>	<b>Other 31 March 2022 £'000</b>
Within one year	151	131
Within two to five years	130	103
<b>Total</b>	<b>281</b>	<b>234</b>

**28 Pensions**

The Group made contributions of £4,475,000 (2022: £3,864,000) to the individual money purchase pension plans of certain employees of the Group during the year. The assets of these plans were held separately from those of the Group in independently administered funds. As at the year end, contributions totalling £4,182,000 (2022: £1,746,000) remained payable.

**29 Related party transactions and balances**

The Group did not enter into any related party transactions during the year, nor did it hold any related party balances as at 31 March 2023.

The Company has taken advantage of the exemption in FRS 102 not to disclose details of related party transactions with other wholly owned group companies.

**30 Immediate parent and ultimate controlling party**

The Company's ultimate parent undertaking is HH Global Enterprise Network Ltd, a company registered in Jersey, company number 130404, and the largest Group for which the results of the Company are consolidated. The registered office of HH Global Enterprise Network Ltd is 44 Esplanade, St Helier, Jersey, JE4 9WG. No shareholder had a controlling interest during the year and therefore, in the opinion of the directors, there is no ultimate controlling party.

The Company's immediate parent undertaking is HH Global Finance Holdings Limited, a company with the registered address of Grove House, Guildford Road, Fetcham, Leatherhead, KT22 9DF, United Kingdom. HH Global Finance Holdings Limited is exempt from preparing consolidated financial statements.

**31 Group guarantees**

As at 31 March 2023 the Group had guaranteed certain credit lines as part of its working capital facilities totalling £1.5m (2022: £1.5m).

**32 Post balance sheet events**

There were no reportable post balance sheet events.

**HH Global Finance Limited**  
**Notes forming part of the financial statements (*continued*)**  
**for the year ended 31 March 2023**

### 33 Parental guarantee

Certain subsidiary undertakings as listed below are exempt from the requirements of an audit of their individual entity accounts under section 479A of the Companies Act 2006 for the year ended 31 March 2023 by way of parental guarantee.

<b>Name</b>	<b>Country of incorporation</b>	<b>Registration number</b>	<b>Registered address</b>
HH Global Limited	England	04680562	Grove House, Guildford Rd, KT22 9DF
HH Global Corporate Services Limited	England	10709268	Grove House, Guildford Rd, KT22 9DF
HH Associates Limited	England	02671533	Grove House, Guildford Rd, KT22 9DF
Eyelevel Solutions Ltd	England	06861592	5 Cranbrook Way Solihull B90 4GT
InnerWorkings Europe Ltd	England	01845737	5 Cranbrook Way Solihull B90 4GT
Professional Packaging Services Ltd	England	01567813	5 Cranbrook Way Solihull B90 4GT
Merchandise Mania Ltd	England	03957211	5 Cranbrook Way Solihull B90 4GT
HH Associates (Europe) Limited	England	05202748	Grove House, Guildford Rd, KT22 9DF
HHGI Holdings Ltd	England	09228844	Grove House, Guildford Rd, KT22 9DF
InnerWorkings (NI) Limited	England	NI610875	Murray House, Murray St, Belfast. BT1 6DN
HH Global Interactive Ltd	England	03952959	22 Thomas Street, Cirencester, Glos, GL7 2BD
HH Global Group Limited	England	10884962	Grove House, Guildford Rd, KT22 9DF
Adare International Holdings Limited	England	10828012	Grove House, Guildford Rd, KT22 9DF
Adare International LNC Limited	England	10828010	Grove House, Guildford Rd, KT22 9DF
Access Plus Marketing Services Limited	England	01594411	Grove House, Guildford Rd, KT22 9DF
Access Plus Marketing Logistics Limited	England	05671058	Grove House, Guildford Rd, KT22 9DF
Continuous Stationery Limited	England	00938016	Grove House, Guildford Rd, KT22 9DF