

25 April 2023

Dillistone Group Plc
("Dillistone", the "Company" or the "Group")
Final Results
& Investor Presentation

Dillistone Group Plc, the AIM quoted supplier of software for the international recruitment industry, is pleased to announce its audited final results for the 12 months ended 31 December 2022.

Highlights

- Revenue increased by 2% to £5.699m. First revenue growth since 2016.
- Adjusted* loss before tax decreased to £0.453m (2021: £0.687m) - an improvement of 34%.
- Adjusted* EBITDA increased to £0.949m (2021: £0.747m) - an improvement of 27%.
- Recurring revenues represented 89% (2021: 89%) of Group revenue, which covers administration expenses (excluding depreciation and amortisation).
- Total Annual Contract Value (TACV) up 4% to £4.99m (2021: £4.79m)
- Order book increased by 3% year on year.
- Adjusted operating cash from operating activities 45% up at £1.189m (2021: £0.819m).
- Cash at period end of £0.433m. The Board does not expect the Group to require additional funding.

Commenting on the results and prospects, Giles Fearnley, Non-Executive Chairman, said:

"I am pleased to report continued progress for 2022, delivering financial performance in line with expectations while paying down debt, delivering sector leading customer service and continuing to invest for the future."

"The underlying business has improved. The Group has increased revenue, decreased adjusted loss and improved cash generation. We have delivered on our strategy and present results in line with market expectations."

"The Board is pleased to report a positive start to the year. We expect to see year on year growth in recurring revenue across both our Executive Search and Contingency sectors in H1 and remains confident of achieving market expectations for the full year."

Definitions:

- * EBITDA adjusted for furlough support
- * Operating cash adjusted for Government support received
- * (Loss) before tax adjusted for furlough, Government support and exceptional costs associated with Covid
- * TACV is the total annual recurring revenue of all signed contracts, whether invoiced and included in deferred revenue or still to be deployed and/or not yet invoiced

See note 7 for a reconciliation to adjusted figures

Investor Presentation: 3pm on Tuesday 25 April 2023

Jason Starr, Chief Executive, and Ian Mackin, Finance Director, will hold an investor presentation to cover the results and prospects at 3pm on Tuesday 25 April 2023.

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company and add to meet Dillistone Group Plc via the following link <https://www.investormeetcompany.com/dillistone-group-plc/register-investor>. For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to dillistone@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

Mello Investor Conference, Chiswick, London – Tuesday 23 and Wednesday 24 May 2023

Dillistone announces that it expects to present at the Mello investor conference in Chiswick, London, on Tuesday 23 and Wednesday 24 May 2023. Investors wishing to attend can find more details at www.melloevents.com.

Annual Report and Accounts - The final results announcement can be downloaded from the Company's website (www.dillistonegroup.com). Copies of the Annual Report and Accounts (in addition to the notice of the Annual General Meeting) will be sent to shareholders by 19 May 2023 for approval at the Annual General Meeting to be held on 13 June 2023.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquiries:

Dillistone Group Plc

Giles Fearnley
Jason Starr
Ian Mackin

Chairman
Chief Executive Officer
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Via Walbrook PR

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Notes to Editors:

Dillistone Group Plc is a leader in the supply and support of software and services to the recruitment industry. Dillistone operates through the Ikiru People (www.IkiruPeople.com) brand.

The Group develops, markets and supports the Talentis, FileFinder, Infinity, Mid-Office, ISV and GatedTalent products.

Dillistone was admitted to AIM, a market operated by the London Stock Exchange plc, in June 2006.

Learn about our products:

Talentis Software: <https://www.talentis.global/recruitment-software/>

Voyager Software: <https://www.voyagersoftware.com>

GatedTalent Services: <https://www.talentis.global/optimization-services/>

CHAIRMAN'S STATEMENT

I am pleased to report continued progress in 2022, delivering financial performance in line with expectations while paying down debt, delivering sector leading customer service and continuing to invest for the future.

The underlying business has improved. The Group has increased revenue, decreased adjusted loss and improved cash generation. We have delivered on our strategy and present results in line with market expectations.

The Group achieved its first annual total and recurring revenue growth since 2016. Total revenue for the year was up 2% to £5.699m, with recurring revenue increasing 1% to £5.051m.

For the purposes of obtaining true comparatives, we focus on measures which are adjusted to remove items of Government support, acquisition related or exceptional items, to better understand the underlying business.

Excluding furlough and Government support received in 2021, adjusted EBITDA increased by 27% to £0.949m (FY2021: £0.747m). The adjusted operating loss before acquisition related, furlough and other items fell by 58% to (£0.156m) (FY2021: (£0.375m)).

Adjusted net cash from operating activities, excluding Government support, is up 45% at £1,189m (FY2021: £0.819m) with a similarly adjusted net change in cash and cash equivalents up 58% at (£0.362m) (FY2021: (£0.853m)).

Dividends

The Group is not recommending a final dividend in respect of the year to 31 December 2022 (2021: nil).

Staff

I and the Board would like to pay tribute to our employees across the Group, acknowledging their commitment and contribution in facing the challenges of the last few years. It is as a result of their combined efforts that we are heading into 2023 with optimism.

Corporate governance

It is the Board's duty to ensure that the Group is managed for the long-term benefit of all stakeholders.

We welcomed Ian Mackin to the Group Board as Finance Director in June, stepping up from Financial Controller. Ian replaced Joanne Curd who resigned to further pursue her voluntary works.

Outlook

Current economic conditions are challenging for the recruitment industry and as a result we have seen a number of our existing clients reduce headcount – and therefore licences - and new client signups are typically of lower value than anticipated.

Generally speaking, any economic slowdown is likely to impact our executive search clients more than our contingency ones. However, despite this environment, we are pleased to see that in Q1 2023, our next generation executive search software, Talentis was our best performing product in terms of both number of new client sales and TACV growth. Individual order values remain low, partly reflecting the state of the market, but the Group expects this to change as the economy recovers.

The Board is pleased to report a positive start to the year. We expect to see year on year growth in recurring revenue across both our Executive Search and Contingency sectors in H1 and remain confident of achieving market expectations for the full year.

Giles Fearnley
Non-Executive Chairman

CEO's Review

Dillistone Group Plc is a global leader in the supply of solutions and services to the recruitment sector worldwide, working with executive search, contingent recruiting and in-house staffing teams in over 1,200 organisations.

We split our products into two groups – products primarily targeting contingency recruiters (largely, but not exclusively, in the United Kingdom) and products targeting executive search firms and in-house executive search teams across the globe.

Contingency recruitment products:

Our products serving this sector are:

- Infinity, which is an established recruitment CRM used primarily by agencies in the UK, but also with users in Asia and Australia. It enables recruitment businesses to manage prospects, clients, candidates and jobs in one place and offers deep integration to Office365 and other recruitment industry complementary solutions. It is one of the few solutions in the UK market with extensive functionality for permanent, contract and temporary jobs all in one system;
- ISV.Online, which is an online skills testing product used by both recruitment agencies and corporate organisations and has a strong international footprint. It allows recruiters and HR professionals to test individuals using our extensive portfolio of existing tests or to create their own unique tests to meet their requirements; and
- Mid-Office, which is a comprehensive pay & bill solution that allows recruitment businesses and back office service providers to process timesheets and bridges the gap between paying workers and invoicing clients. It can be used standalone or integrated to other recruitment systems including our Infinity product.

Contingency review:

- We delivered strong growth in the recurring revenue associated with this part of our business, generating a combined £3.44m in recurring revenue, (FY2021 £3.04m revenue) an increase of 13%.
- In December 2021 we announced a major contract win. We are pleased to report this was successfully implemented in H1 2022 and the client is now an active reference site.
- Summer 2022 saw us win a similarly sized contract and this was successfully implemented in H2. Once again, the client – who switched from a direct competitor – is now an active reference site for us.

Since year end, we have announced what has the potential to be our largest contract win yet, and we expect to deliver a large part of this contract in 2023. The year saw us discontinue our legacy VDQ product. During the year we were able to successfully migrate over half of our VDQ customers to the Infinity platform. Infinity offers greater functionality and is priced at a premium to VDQ. As a result, recurring revenue from this group of clients grew by 96% over the year.

Infinity is used by permanent, contract and temporary recruitment agencies. However, an increasing percentage of our new contract wins are from firms that are focussed, at least in part on the temporary recruitment sector, validating our decision to focus our efforts on this sector of the market.

Many of our Infinity clients also use our Mid-Office product to facilitate payments to temporary staff. We have also continued to develop this product and expect to deliver a significant upgrade to this product during the second quarter.

Our ISV online skill testing product continues to generate meaningful revenue, with half of the UK's largest 10 recruiters using the platform.

Executive Search products:

Our primary products in the Executive Search sector are:

- FileFinder, which is an established CRM product with thousands of users Worldwide.
- GatedTalent, which is a service that helps recruiters source candidates and candidates find jobs and;
- Talentis, which is our latest product targeting executive recruiters and is used for both candidate research and sourcing and as an executive recruiting CRM.

Executive search review:

We are pleased to report that we have arrested the decline in revenue for executive search products. Having seen revenue for these products fall 24% in 2021, revenue fell by 10% in 2022 totalling £2.258m compared to £2.512m in 2021. However, performance in H2 improved to a percentage fall of only 6% compared to the same period in 2021. This trend of improvement is continuing in 2023, with Q1 revenue above that of Q1 2022.

The largest contribution to our executive search revenues came from FileFinder, our established executive search CRM product. The Group has invested in architectural improvements for the platform over recent years and this has improved the user experience while also allowing us to deliver the platform in a more cost effective manner. This, combined with our decision to make our new Talentis platform available at no charge to most FileFinder clients, has certainly improved our ability to retain clients on this product.

GatedTalent is used by a number of FileFinder clients to support GDPR compliance, whilst also offering recruiters candidate sourcing functionality. Further revenue is generated from an array of B2C products. The product continues to make a financial contribution in its own right and remains cash generative.

Talentis is our next generation executive search software platform, providing a combination of both candidate sourcing and project management / CRM functionality. Since launch in Q1 2021, recurring revenue has grown every quarter, and this trend continued into Q1 2023.

The Group believes that the Talentis platform is unique in its scope, which is reflected by the global span of its user base. Paying clients can now be found on every continent apart from Antarctica, with North America becoming the fastest growing region in recent months.

We are continuing to develop this, with significant enhancements expected in Q2-Q3.

The Board expects Talentis revenue growth to continue and remains very excited about the potential for the product.

Delivering more, with less.

All of our Group products are developed, sold and supported by our Ikiru People operating business. Our drive to improve efficiency has seen us reduce headcount by 37% from its peak, while maintaining what we believe to be market leading levels of customer service. Indeed, the Ikiru People TrustPilot score of 4.8 (at 24/04/2023 based on 731 reviews) is, at the time of writing, unmatched by any of our direct competitors. This speaks volumes for the performance of our team, and I would like to place on record my appreciation for the effort and aptitude they show for delivering exceptional service to our clients.

KPIs and financial performance

As is noted in the financial review, the Group's operational performance has improved significantly in recent years, although the extent of the improvement has been masked somewhat in 2022 by the impact of Government Covid support received in 2021 but not repeated in 2022.

	FY22 £'000	FY21 £'000	% Move	Success measure used by management
Total revenue	5,699	5,599	2%	Year on Year Improvement
Recurring revenue	5,051	5,009	1%	Year on Year Improvement
Adjusted EBITDA *	949	747	27%	Year on Year Improvement
Adjusted Operating Cash **	1,189	819	45%	Year on Year Improvement
Adjusted (loss) before tax ***	(453)	(687)	34%	Year on Year Improvement

* EBITDA adjusted for furlough support

** Operating cash adjusted for Government support received

*** (Loss) before tax adjusted for furlough, Government support and exceptional costs associated with Covid

Strategy

Over recent years, we have reduced the size of our product range while broadly maintaining consistent levels of product development expenditure. In 2022, product development equated to 17.4% of revenues (2021: 17.6%) and we believe that the Group is now increasingly seeing the benefit of this. While the economic climate is challenging, our ability to win ever larger contracts in our contingent product group, while ending the decline in our executive search revenue, validates our decisions. We intend to maintain our current focus, and 2023 will see us deliver significant improvements to users of both our product groups.

Jason Starr
Chief Executive Officer

Financial Review

Summary

The Group saw progress on the financial turnaround of the business.

- Total revenue and recurring revenue grew for the first time since 2016
- Adjusted EBITDA, excluding furlough support, increased by 27%
- Adjusted operating loss, before furlough, acquisition, reorganisation and other items, down by 58%
- Adjusted net cash from operating activities increased by 45%

This was achieved whilst maintaining the level of investment in our products.

Revenue

Group revenue increased by 2% to £5.699m from £5.599m in FY2021

Revenue by type	FY 2022 £'000	FY 2021 £'000	% Change
Recurring revenue	5,051	5,009	0.8%
Non-recurring revenue	488	427	14.3%
Third party revenue	160	163	(1.8%)
	5,699	5,599	1.8%
Recurring revenue %	89%	89%	-

Gross profit margin

The gross margin reduced to 86% from 88%. Going forward, the management team is focused on driving improvements to gross margin through revenue growth, whilst maintaining a stable cost base. With Talentis having our highest marginal profit percentage, growth in Talentis should help drive improvements to gross margin.

Adjusted EBITDA*

The adjusted EBITDA* increased by 27% to £0.949m from £0.747m in FY2021. This resulted in a higher EBITDA margin of 16.7%, compared to 13.3% in FY2021, reflecting the Group's leaner headcount profile, whilst maintaining our customer service.

Operating profit/(loss) and profit/(loss) before tax

The operating loss, before acquisition related, reorganisation and other items, increased by 11% to stand at (£0.156m) from (£0.140m) in FY2021. However, in 2021, the Group received £0.235m in furlough support not received in 2022. Taking this into account, performance improved greatly with a 58% reduction in loss to (£0.156m) from (£0.375m) in FY2021.

Inclusive of acquisition related, reorganisation and other items, the operating loss increased to (£0.319m) from (£0.199m) in FY2021.

The loss before tax increased to (£0.453m) from (£0.298m) in FY2021. Using a like for like measure, excluding Government and furlough support of £0.395m, the comparative figure for FY2021 is (0.693m).

Taxation

The net tax credit for the year £0.270m (FY 2021: £0.302m).

Balance sheet

The Group's net assets decreased slightly to £3.223m (FY 2021: £3.382m)

Trade and other receivables decreased slightly to £0.608m (FY 2021: £0.615m). Trade and other payables also decreased slightly to £2.341m (FY2021: £2.347m).

R&D development

The Group capitalised £1.007m in development costs in the year (FY 2021: £0.987m) as the business continued its commitment to developing its products. Amortisation of development costs was £0.980m (FY 2021: £0.946m)

Financing

The Group continues to pay down its debt. Following the repayment of the June 2019 loan in June 2021, repayment of the Government CBIL loan received in June 2020 is now well underway. This loan of £1.5m is repayable over 6 years, with monthly repayments having commenced in July 2021.

As a result, bank borrowings at 31 December 2022 were £1.050m (2021: £1.350m). The Group also has a convertible loan of £0.400m (2021: £0.400m), which will not be repaid until the CBIL loan has been repaid.

Cashflow

Net cash from normalised operating activities (before government support) increased 45% to £1.189m (FY2021: £0.819m). Adjusted net change in cash before government support improved by 58% to (£0.362m) (FY2021: (£0.853m)). The Group finished the year with cash funds of £0.433m (2021: £0.764m).

Summarised cashflow	FY 2022	FY 2021
	£'000	£'000
Adjusted net cash from normalised operating activities	1,189	819
Investing Activities – net	(1,022)	(1,008)
Financial Activities - net	(529)	(664)
Adjusted Net change in cash and cash equivalents	(362)	(853)
Adjustment for Government Support	-	332
Net change in cash and cash equivalents	(362)	(521)
Cash and cash equivalents at beginning of year	764	1,291
Effect of foreign exchange rate changes	31	(6)
Cash and cash equivalents at 31 st December	433	764

Going forward, the Board and management teams are focused on increasing revenues whilst improving the Group's profitability and cash generation.

Ian Mackin
Finance Director

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £'000	2021 £'000
Revenue	5	5,699	5,599
Cost of sales		(816)	(685)
Gross profit		4,883	4,914
Administrative expenses		(5,202)	(5,113)
Operating loss		(319)	(199)
Adjusted operating (loss) before acquisition related, reorganisation and other items	4	(156)	(140)
Acquisition related, reorganisation and other items	7	(163)	(59)
Operating (loss)		(319)	(199)
Financial cost		(134)	(99)
(Loss) before tax		(453)	(298)
Tax income	8	270	302
(Loss)/profit for the year		(183)	4
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit and loss:			
Currency translation differences		7	4
Total comprehensive (loss)/profit for the year		(176)	8
Earnings per share			
Basic	9	(0.93p)	0.02p
Diluted	9	(0.93p)	0.02p

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

	Share capital £'000	Share premium £'000	Merger reserve £'000	Convertible loan reserve £'000	Retained earnings £'000	Share options £'000	Foreign exchange £'000	Total £'000
Balance at 1 January 2021	983	1,631	365	14	208	110	59	3,370
Comprehensive income								
Profit for the year	-	-	-	-	4	-	-	4
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	4	4
Total comprehensive loss	-	-	-	-	4	-	4	8
Transactions with owners								
Share option charge	-	-	-	-	50	(46)	-	4
<i>Total transactions with owners</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>50</i>	<i>(46)</i>	<i>-</i>	<i>4</i>
Balance at 31 December 2021	983	1,631	365	14	262	64	63	3,382
Comprehensive income								
Loss for the year	-	-	-	-	(183)	-	-	(183)
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	7	7
Total comprehensive loss	-	-	-	-	(183)	-	7	(176)
Transactions with owners								
Share option charge	-	-	-	-	14	3	-	17
<i>Total transactions with owners</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>14</i>	<i>3</i>	<i>-</i>	<i>17</i>
Balance at 31 December 2022	983	1,631	365	14	93	67	70	3,223

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Group	
	2022	2021
	£'000	£'000
ASSETS		
Non-current assets		
Goodwill	3,415	3,415
Other intangible assets	2,990	3,142
Property, plant and equipment	25	25
Right of use assets	498	592
Investments	-	-
Total non-current assets	6,928	7,174
Current assets		
Trade and other receivables	608	615
Current tax receivable	72	29
Cash and cash equivalents	433	764
Total current assets	1,113	1,408
Total assets	8,041	8,582
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	983	983
Share premium	1,631	1,631
Merger reserve	365	365
Convertible loan reserve	14	14
Retained earnings	93	262
Share option reserve	67	64
Foreign exchange reserve	70	63
Total equity	3,223	3,382
Liabilities		
Non-current liabilities		
Trade and other payables	241	238
Lease liabilities	483	560
Borrowings	1,150	1,450
Deferred tax liability	226	210
Total non-current liabilities	2,100	2,458
Current liabilities		
Trade and other payables	2,341	2,347
Lease liabilities	77	95
Borrowings	300	300
Total current liabilities	2,717	2,742
Total liabilities	4,805	5,200
Total liabilities and equity	8,041	8,582

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000	For the year ended 31 December 2021 £'000
Operating activities				
Loss before tax	(453)		(298)	
Adjustment for				
Financial cost	134		99	
Depreciation and amortisation	1,268		1,335	
Share option expense	17		3	
Foreign exchange adjustments arising from operations	(24)		10	
Operating cash flows before movement in working capital	942		1,149	
Decrease in receivables	20		268	
Decrease in payables	(16)		(639)	
Taxation refunded	243		373	
Net cash generated from operating activities		1,189		1,151
Investing activities				
Purchases of property, plant and equipment	(15)		(21)	
Investment in development costs	(1,007)		(987)	
Net cash used in investing activities		(1,022)		(1,008)
Financing activities				
Interest paid	(134)		(99)	
Bank loan repayments made	(300)		(461)	
Lease payments made	(95)		(144)	
Net cash (used in)/generated from financing activities		(529)		(664)
Net (decrease)/increase in cash and cash equivalents		(362)		(521)
Cash and cash equivalents at beginning of the year		764		1,291
Effect of foreign exchange rate changes		31		(6)
Cash and cash equivalents at end of year		433		764

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Publication of non-statutory accounts

In accordance with section 435 of the Companies Act 2006, the Directors advise that the financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2022 or 2021, but is derived from these financial statements. The financial statements for the year ended 31 December 2021 have been audited and filed with the Registrar of Companies. The financial statements for the year ended 31 December 2022 have been prepared in accordance with UK-adopted international accounting standards, IFRIC Interpretations and the Companies Act 2006. The financial statements for the year ended 31 December 2021 have been audited and will be filed with the Registrar of Companies following the Company's Annual General Meeting. The Independent Auditors Report on the Group's statutory financial statements for the years ended 31 December 2022 and 2021 were unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The preliminary announcement is extracted from the consolidated financial statements of the Group. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets or liabilities are eliminated in full.

The Group's business activities and financial position, together with the factors likely to affect its future development, performance and position have been taken into account in considering the Group's adoption of the going concern basis. Together with the financial statements, notes, net current liability position and cash flows for the year ended 31 December 2022. The Group prepare 3 year budgets and cash flow forecasts to ensure that the Group can meet its liabilities as they fall due.

The Group meets its day to day working capital requirements through its cash balance. It has in place a £1.5m CBIL loan, secured in June 2020, repayable over 6 years with capital repayments commencing from July 2021. Although the Group has an overdraft facility, this was not utilised for the entirety of 2022. The Group's forecasts, taking into account the Board's future expectations of the Group's performance, indicate that there is sufficient headroom within its CBIL loan facility. Compliance with the CBIL covenant has been considered and based on management expectations and actions, that could practically be taken, the directors do not consider any reasonable risk to arise from this.

The cash flow forecasts have been stress tested reviewing assumptions around new and existing business with growth and renewal rates being reduced. A reverse stress test was also prepared to review what reduction in revenue would be necessary to breach overdraft limits in 2023.

As at the date of this report, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3. Accounting policies

This preliminary announcement has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2021.

4. Reconciliation of adjusted profits to consolidated statement of comprehensive income

	Note	Adjusted profits 2022	Acquisition related, reorganisation and other costs 2022*	2022	Adjusted profits 2021	Acquisition related reorganisation and other costs 2021*	2021
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue		5,699	-	5,699	5,599	-	5,599
Cost of sales		(816)	-	(816)	(685)	-	(685)
Gross profit		4,883	-	4,883	4,914	-	4,914
Administrative expenses		(5,039)	(163)	(5,202)	(5,054)	(59)	(5,113)
Operating (loss)		(156)	(163)	(319)	(140)	(59)	(199)
Financial income		-	-	-	-	-	-
Financial cost		(134)	-	(134)	(99)	-	(99)
(Loss) before tax		(290)	(163)	(453)	(239)	(59)	(298)
Tax income		239	31	270	287	15	302
(Loss)/Profit for the year		(51)	(132)	(183)	48	(44)	4
Other comprehensive loss net of tax:							
Currency translation differences		7	-	7	4	-	4
Total comprehensive (Loss)/Profit for the year net of tax		(44)	(132)	(176)	52	(44)	8
Earnings per share							
Basic	9	(0.26p)	-	(0.93p)	0.24p	-	0.02p
Diluted	9	(0.26p)	-	(0.93p)	0.24p	-	0.02p

* See note 9

5. Segment reporting

Divisional segments	Ikiru			Ikiru		
	People	Central	Total	People	Central	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Segment revenue	5,699	-	5,699	5,599	-	5,599
Segment EBITDA	905	44	949	953	29	982
Depreciation and amortisation expense	(1,105)	-	(1,105)	(1,122)	-	(1,122)
Segment result before reorganisation and other costs	(200)	44	(156)	(169)	29	(140)
Reorganisation and other costs	-	-	-	154	-	154
Segment result	(200)	44	(156)	(15)	29	14
Acquisition related amortisation	-	(163)	(163)	-	(213)	(213)
Operating (loss)	(200)	(119)	(319)	(15)	(184)	(199)
Loan interest/ lease interest	(31)	(103)	(134)	(35)	(64)	(99)
Loss before tax			(453)			(298)
Income tax income			270			302
(Loss)/profit for the year			(183)			4
Additions of non-current assets	1,022		1,022	1,028		1,028

Revenue by Business Segment

The following table provides an analysis of the Group's revenue by product area for the 12 months of the financial year.

	2022	2021
	£'000	£'000
Recurring income	5,051	5,009
Non-recurring income	488	427
Third party revenues	160	163
	5,699	5,599

In the table above 'Recurring income' represents all income recognised over time, whereas 'Non-recurring income' and 'Third party revenues' represent all income recognised at a point in time.

Recurring income includes all support services, SaaS and hosting income and revenue on perpetual licenses with mandatory support contracts deferred under IFRS 15. Non-recurring income includes sales of new licenses which do not require a support contract, and income derived from installing licences including training, installation and data translation. Third party revenues arise from the sale of third party software.

It is not possible to allocate assets and additions between recurring, non-recurring income and third party revenue. No customer represented more than 10% of revenue of the Group in 2022 or 2021.

Revenue by Business Sector

The following table provides an analysis of the Group's revenue by market sector.

	2022	2021	2020	2019
	£'000	£'000	£'000	£'000
Contingent	3,441	3,087	3,005	3,795
Executive Search	2,258	2,512	3,327	4,232
	5,699	5,599	6,332	8,027

The above table includes years going back to 2019 when revenue was last reported split between Dillistone, Voyager and GatedTalent segments for comparative purposes.

For the purposes of the 2019 comparative:

- Contingent encompasses the Voyager segment
- Executive Search encompasses both Dillistone and GatedTalent segments.

6. Geographical analysis

The following table provides an estimated of the Group's revenue by geographic market based on the Customers' country. This is provided for information only as the Board does not review the performance of the business from a geographical viewpoint.

Revenue	2022	2021
	£'000	£'000
UK	4,148	3,933
Europe	663	762
Americas	518	526
Australia	147	140
ROW	223	238
	5,699	5,599

Non-current assets by geographical location

	2022	2021
	£'000	£'000
UK	6,927	7,169
US	-	1
Australia	1	4
	6,928	7,174

7. Acquisition related, reorganisation and other costs

	2022	2021
	£'000	£'000
Included within administrative expenses:		
Reorganisation and other costs	-	6
US government loan (Payment Protection Program)	-	(154)
Australian government grant	-	(6)
Amortisation of acquisition intangibles	163	213
	163	59

Reorganisation and other costs include severance payments and loss of office payments.

Below are reconciliations utilising the items above related to covid, including furlough payments, to adjusted measures used to better illustrate the underlying business performance.

	2022	2021
	£'000	£'000
EBITDA	949	982
Furlough Payments	-	(235)
Adjusted EBITDA	949	747

	2022	2021
	£'000	£'000
Adjusted operating (loss) before acquisition related, reorganisation and other items	(156)	(140)
Furlough Payments	-	(235)
Readjusted operating (loss) before acquisition related, reorganisation and other items	(156)	(375)
Acquisition related, reorganisation and other costs as above	(163)	(59)
Adjust for:		
Reorganisation and other costs	-	6
US government loan (Payment Protection Program)	-	(154)
Australian government grant	-	(6)
Adjusted Operating (Loss)	(319)	(588)
Financial Cost	(134)	(99)
Adjusted (Loss) Before Tax	(453)	(687)

8. Tax income

	2022	2021
	£'000	£'000
Current tax	(139)	(96)
Prior year adjustment – current tax	(146)	(121)
Total current tax	(285)	(217)
Deferred tax	(23)	(35)
Prior year adjustment – deferred tax	69	(60)
Deferred tax rate change from 19% to 25% in 2021	-	50
Deferred tax re acquisition intangibles	(31)	(40)
Total deferred tax	15	(85)
Tax (income) for the year	(270)	(302)

Factors affecting the tax credit for the year

Loss before tax	(453)	(298)
UK rate of taxation	19.0%	19.0%
Loss before tax multiplied by the UK rate of taxation	(86)	(57)
Effects of:		
Overseas tax rates	-	(6)
Impact of deferred tax not provided	17	(1)
Enhanced R&D relief	(174)	(146)
Disallowed expenses	11	18
Deferred tax rate change from 19% to 25% in 2021	-	50
Rate difference between CT rate and deferred tax rate	(5)	(9)
Rate difference between CT rate and rate of R&D repayment	43	30
Prior year adjustments	(76)	(181)
Tax (income)	(270)	(302)

9. Earnings per share

	2022 Using adjusted profit	2022	2021 Using adjusted profit	2021
Profit/(loss) attributable to ordinary shareholders (note 4)	(£51,000)	(£183,000)	£48,000	£4,000
Weighted average number of shares	19,668,021	19,668,021	19,668,021	19,668,021
Basic profit/(loss) per share	(0.26 p)	(0.93 p)	0.24 p	0.02 p
Weighted average number of shares after dilution	19,668,021	19,668,021	19,668,021	19,668,021
Fully diluted profit/(loss) per share	(0.26 p)	(0.93 p)	0.24 p	0.02 p

Reconciliation of basic to diluted average number of shares:

	2022	2021
Weighted average number of shares (basic)	19,668,021	19,668,021
Effect of dilutive potential ordinary shares – employee share plans	-	-
Weighted average number of shares after dilution	19,668,021	19,670,013

There are 476,510 (2021: 493,337) share options not included in the above calculations, as they are underwater or have been forfeited.

The impact of the convertible loan notes in the period is not dilutive and therefore does not impact the calculation of the fully diluted earnings per share.