



**UNAUDITED INTERIM REPORT  
FOR THE SIX MONTHS ENDED  
30 JUNE 2023**

**Company No. 4578125**



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## Key points of the unaudited interim report for the six months ended 30 June 2023

### **Financial Highlights**

- Group eliminates losses, makes first H1 adjusted operating profit since 2018 of £0.036m (H1 2022: loss (£0.129m)).
- Rolling 12 month adjusted operating profit also turns positive at £0.009m for the first time since H2 2018 (12 months to June 2022: loss (£0.342m)).
- First H1 recurring revenue growth since 2017 up 4% to £2.564m (2022: £2.477m).
- Recurring revenues represented 91% (H1 2022: 88%) of Group revenue. Total revenue flat at £2.826m (2022: £2.823m).
- Net cash from operating activities broadly the same at £0.565m (2022: £0.560m).
- Cash at period end of £0.249m (2022: £0.608m) reflecting ongoing repayment of Government support loans (£0.300m annually). The Board does not expect the Group to require additional funding.
- Board expects to deliver full year profit results in line with market expectations.

### **Operational Highlights**

- Strong start to year for all products, followed by deterioration in Q2 due to widely reported drop in UK advertised vacancies during this period leading to a downturn in demand for many of our clients.
- Improved operational gearing ensures that business is able to react rapidly to changes in demand.
- Post period end, major enhancements delivered for Talentis, Infinity and Mid-Office, including integrations with OpenAI (the technology behind ChatGPT) for both Talentis and Infinity.
- Implementation of previously announced major contract win progressing well.

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

*“In my statement in the annual report, I said that the underlying business had improved. These results confirm that statement with the Group returning an adjusted operating profit for the first time since 2018, despite the challenging economic environment.*

*Even with the current economic turbulence, we fully expect to make further progress during the remainder of the year. The Board is confident of delivering full year profit results in line with market expectations.”*

\* Note: “Adjusted” refers to activities before acquisition, reorganisation, Government support, and one-off costs



## Chairman's Statement

In my statement in the annual report, I said that the underlying business had improved. These results confirm that view with the Group achieving its first half year adjusted operating profit since H2 FY2018 and its first half year profit from operating activity since H1 FY2016.

It is perhaps though, the rolling 12-month measure of adjusted operating profit which truly shows the progress made. The table below shows the scale of recovery the company has achieved, with a small profit of £0.009m being achieved in the 12 months to 30 June 2023, a turnaround in operating performance of more than £350k, when accounting for government support.

12 months to	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Adjusted Operating Profit (£'000)	140	(6)	(228)	(568)	(342)	9

In the annual report I also pointed to challenging economic conditions. These worsened during Q2, with the widely reported reduction in hiring leading to a number of recruitment agencies downsizing, subsequently reducing demand for our products.

However, as a result of the restructuring undertaken over recent years, the Group now has the ability to rapidly adjust cost in line with market fluctuations and steps have been taken in H2 to reflect the harsher sales environment we face. As a result, the Board remains confident of continuing its financial recovery in 2023.

## Operational Review

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

### **Contingency review:**

In March, we announced that the Group had won a significant contract for our Infinity product. We stated that “The contract includes a significant amount of tailored development work which will determine the final value of the contract. The sum total of this development work and the ongoing licence revenue is expected by the Board to result in the contract being the largest won since the restructuring of the Group in January 2020.”

We are pleased to report that this project is progressing well and we anticipate that the non-recurring revenue part of the project will largely be realised in H2 2023. While the final value of this work remains unconfirmed, at this stage, we are now anticipating that this will be marginally higher than originally anticipated.



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While some of our development focus has been driven by the requirements of this contract, we continue to enhance our contingency products to deliver more value for all our clients.

During Q2, we completed the integration of Infinity with the “Talentis TalentGraph”, allowing our contingency users to search across the huge datapool which was previously available exclusively to our Talentis clients. We believe this enhancement will create a competitive advantage for Infinity, and the primary aim is to support client retention. In addition, we are charging users a small additional fee to take advantage of this functionality and we have already started to generate new revenue as a result.

As noted above, the UK recruitment market saw a marked decline in Q2, and we saw a number of our clients reduce licence numbers or take steps to cancel contracts. We also saw a steep decline in new business orders during this period.

The recruitment software industry tends to be relatively slow in Q3 and this has proven to be the case this year. However, there are no obvious signs of further deterioration, and we anticipate the previously mentioned large contract win will ensure a positive result for this part of the business in H2, regardless of the economic environment.

## ***Executive search review:***

Our executive search platforms enjoy a far greater global client base than our contingency products, with users accessing our systems from virtually every continent. While we’ve seen a steep decline in the recruitment sector in the UK, other countries have been less consistent with some territories and sectors doing better than others. Nevertheless, we have more clients in the UK than in other territories and as a result our executive search products were not immune to the fluctuations referenced above and as a result, recurring revenue associated with our headhunting products dropped in Q2.

In late Q2 following an extensive review by the organisation in question, we signed a “preferred provider agreement” for Talentis with a major global recruitment business. This has already created opportunities that have generated new revenue for the Group.

As with our contingency products, the market for executive search technology is typically slow over the summer months. However, after a tough second quarter, we are pleased to report that our Talentis product has outperformed expectations over the summer.

We continue to develop Talentis aggressively and, post period end, announced our first integrations with OpenAI – the technology that underpins ChatGPT. These integrations allow users to search for candidates more efficiently, and helps users to find “similar candidates” based on a “template candidate”.. These enhancements have been well received by our clients.

While the market remains challenging for all our executive search products, we are pleased to see that Talentis is increasingly being considered as a viable option for medium sized firms and we are pleased to note increasing levels of engagement with search firms who are considering Talentis as a CRM alternative to an existing platform – rather than a secondary resourcing tool.



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## KPIs and financial performance

The Group's operational performance has improved significantly in recent years, with H1 FY2023 marking our return to operating profit. The success measure for each of the KPIs used by management is year on year improvement.

	FY23 H1 £'000	FY22 H1 £'000	% Move
Total revenue	2,826	2,823	0%
Recurring revenue	2,564	2,477	4%
Adjusted EBITDA *	581	435	34%
Adjusted Operating Cash **	519	560	(8%)
Adjusted (loss) before tax ***	(105)	(274)	62%

\* EBITDA adjusted for Government support

\*\* Operating cash adjusted for Government support received

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

### Revenue

Group revenue stayed broadly flat at £2.826m from £2.823m in H1 FY2022

Recurring revenues increased by 4%, the first H1 increase since 2017, to £2.564m over the comparable period last year (2022: 2% decline to £2.477m). Recurring revenues represented 91% of total revenues (2022: 88%). Non-recurring revenues were down 23% at £0.200m (2022: £0.260m).

### Adjusted EBITDA\*

The adjusted EBITDA\* increased by 34% to £0.581m from £0.435m in H1 FY2022. This resulted in a higher EBITDA margin of 20.6%, compared to 16.7% in H1 FY2022, reflecting the Group's focus on efficiency, whilst maintaining our customer service.

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

The Group moved back into an operating profit in H1 FY2023. The operating profit, before acquisition related, reorganisation and other items, increased by 128% to stand at £0.036m from (£0.129m) in H1 FY2022.

Inclusive of acquisition related and other items, the operating profit was £0.027m compared to a loss of (£0.105m) in H1 FY2022.

The loss before tax decreased to (£0.046m) from (£0.274m) in H1 FY2022. Using a like for like measure, excluding Government support of £0.059m for H1 FY2023, the comparative figure for H1 FY2023 is (0.105m), a decrease in loss of 62%.

### Taxation

The net tax credit for H1 is £0.054m (FY 2022: £0.091m).



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## ***Balance sheet***

The Group's net assets increased slightly to £3.236m (H1 FY2022: £3.213m)

Trade and other receivables decreased to £0.635m (H1 FY2022: £0.739m).  
Trade and other payables also decreased to £2.523m (H1 FY2022: £2.847m).

## ***R&D development***

The Group capitalised £0.460m in development costs in the period (H1 FY2022: £0.476m) as the business continued its commitment to developing its products. Amortisation of development costs was £0.496m (H1 FY2022: £0.490m)

## ***Financing***

The CBIL loan balance stands at £0.900m (31 December 2022: £1.050m) and, on the current payment profile, will be repaid by June 2026. The Group also has a convertible loan of £0.400m (31 December 2022: £0.400m), which is not expected to be repaid until the CBIL loan has been repaid.

## ***Cashflow***

Net cash from normalised operating activities (before government support) decreased 7% to £0.519m (H1 FY2022: £0.560m). Adjusted net change in cash before government support deteriorated by 17% to (£0.217m) (H1 FY2022: (£0.186m)).

At 30 June 2023, we had net cash reserves of £0.249m (2022: £0.608m).

### ***Summarised cashflow***

	<b>H1 FY2023</b>	<b>H1 FY2022</b>
	£'000	£'000
Adjusted net cash from normalised operating activities	519	560
Investing Activities – net	(469)	(482)
Financial Activities - net	(267)	(264)
Adjusted Net change in cash and cash equivalents	(217)	(186)
Adjustment for Government Support	46	-
Net change in cash and cash equivalents	(171)	(186)
Cash and cash equivalents at beginning of year	433	764
Effect of foreign exchange rate changes	(13)	30
Cash and cash equivalents at 30 June	249	608



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## Strategy

Our long-term strategy is unchanged, concentrating on reducing the size of our product range to concentrate on the best opportunities while broadly maintaining consistent levels of product development expenditure. While the economic climate is challenging, we intend to maintain our current focus and deliver significant improvements to users of both our product groups.

## Outlook

After a challenging few years for the Group, the Board is delighted to report a return to profitability in the first half of 2023.

The recruitment sector has had a turbulent time in recent months, and this has unquestionably impacted upon demand for our services. To be able to report improved performance despite these market conditions is particularly pleasing and we are confident that the Group has exciting times ahead of it, especially when we see improvement in our recruitment and search customer bases.

Despite this current economic turbulence, we fully expect to make further progress during the remainder of the year. The Board is confident of delivering full year profit results in line with market expectations.

*Giles Fearnley*

*25 September 2023*



# Dillistone Group Plc



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 Months ended 30 June		Year ended
		2023	2022	31 Dec
		Unaudited £'000	Unaudited £'000	Audited £'000
Revenue	4	2,826	2,823	5,699
Cost of sales		(312)	(351)	(816)
Gross profit		2,514	2,472	4,883
Administrative expenses		(2,487)	(2,683)	(5,202)
Result from operating activities	4	27	(211)	(319)
<b>Analysed as:</b>				
Result from operating activities before acquisition related, reorganisation and other items		36	(129)	(156)
Acquisition related, reorganisation and other items	5	(9)	(82)	(163)
Result after acquisition related items		27	(211)	(319)
Financial cost		(73)	(63)	(134)
<b>(Loss) before tax</b>		<b>(46)</b>	<b>(274)</b>	<b>(453)</b>
Tax income	6	54	91	270
<b>Profit / (Loss) for the period</b>		<b>8</b>	<b>(183)</b>	<b>(183)</b>
<b>Other comprehensive income net of tax:</b>				
Currency translation differences		(6)	6	7
<b>Total comprehensive income / (loss) for period net of tax</b>		<b>2</b>	<b>(177)</b>	<b>(176)</b>
<b>Earnings per share (pence)</b>				
Basic	8	0.04	(0.93)	(0.93)
Diluted		0.04	(0.93)	(0.93)

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 30 June 2023</i>	<i>As at 30 June 2022</i>	<i>As at 31 Dec 2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3,415	3,415	3,415
Intangible assets	2,886	3,030	2,990
Right of use assets	455	541	498
Property plant & equipment	27	22	25
	<b>6,783</b>	<b>7,008</b>	<b>6,928</b>
<b>Current assets</b>			
Trade and other receivables	635	739	608
Current tax receivable	134	119	72
Cash and cash equivalents	249	608	433
	<b>1,018</b>	<b>1,466</b>	<b>1,113</b>
<b>Total assets</b>	<b>7,801</b>	<b>8,474</b>	<b>8,041</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	983	983	983
Share premium	1,631	1,631	1,631
Merger reserve	365	365	365
Convertible loan reserve	14	14	14
Retained earnings	103	79	93
Share option reserve	76	72	67
Translation reserve	64	69	70
<b>Total equity</b>	<b>3,236</b>	<b>3,213</b>	<b>3,223</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Trade and other payables	206	252	241
Lease liabilities	448	516	483
Borrowings	1000	1300	1,150
Deferred tax	226	210	226
<b>Total non-current liabilities</b>	<b>1,880</b>	<b>2,278</b>	<b>2,100</b>
<b>Current liabilities</b>			
Trade and other payables	2,317	2,595	2,341
Lease liabilities	68	88	77
Borrowings	300	300	300
Current tax payable	-	-	-
<b>Total non-current liabilities</b>	<b>2,685</b>	<b>2,983</b>	<b>2,718</b>
<b>Total liabilities</b>	<b>4,565</b>	<b>5,261</b>	<b>4,818</b>
<b>Total liabilities and equity</b>	<b>7,801</b>	<b>8,474</b>	<b>8,041</b>

The interim report was approved by the Board of directors and authorised for issue on 25 September 2023. They were signed on its behalf by:

JS Starr

IJ Mackin

# Dillistone Group Plc



## CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 30 June		As at 31 December
	2023 Unaudited £'000	2022 Unaudited £'000	2022 Audited £'000
<b>Operating Activities</b>			
(Loss) before tax	(46)	(274)	(453)
Adjustment for			
Financial cost	73	63	134
Depreciation and amortisation	614	648	1,268
Share option expense	11	8	17
Other including foreign exchange adjustments arising from operations	7	(24)	(24)
<b>Operating cash flows before movements in working capital</b>	<b>659</b>	<b>421</b>	<b>942</b>
(Increase) / Decrease in receivables	(27)	(124)	20
Increase / (Decrease) in payables	(59)	263	(16)
Net taxation (Paid) / repaid	(8)	-	243
<b>Net cash generated from operating activities</b>	<b>565</b>	<b>560</b>	<b>1,189</b>
<b>Investing Activities</b>			
Purchases of property plant and equipment	(9)	(5)	(15)
Investment in development costs	(460)	(477)	(1,007)
<b>Net cash used in investing activities</b>	<b>(469)</b>	<b>(482)</b>	<b>(1,022)</b>
<b>Financing Activities</b>			
Finance cost	(73)	(63)	(134)
Lease payments made	(44)	(51)	(95)
Bank loan repayments	(150)	(150)	(300)
<b>Net cash generated from financing activities</b>	<b>(267)</b>	<b>(264)</b>	<b>(529)</b>
<b>Net change in cash and cash equivalents</b>	<b>(171)</b>	<b>(186)</b>	<b>(362)</b>
Cash and cash equivalents at beginning of the period	433	764	764
Effect of foreign exchange rate changes	(13)	30	31
<b>Cash and cash equivalents at end of period</b>	<b>249</b>	<b>608</b>	<b>433</b>

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Merger Reserve £'000	Retained earnings £'000	Convertible loan reserve £'000	Share option £'000	Foreign exchange £'000	Total £'000
<b>Balance at 31 December 2022</b>	<b>983</b>	<b>1,631</b>	<b>365</b>	<b>93</b>	<b>14</b>	<b>67</b>	<b>70</b>	<b>3,223</b>
<b>Comprehensive income</b>								
Loss for the 6 months ended 30 June 2023	-	-	-	8	-	-	-	8
<b>Other comprehensive income</b>								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	(6)	(6)
Total comprehensive profit	-	-	-	8	-	-	(6)	2
<b>Transactions with owners</b>								
Share option charge	-	-	-	2	-	9	-	11
<b>Balance at 30 June 2023</b>	<b>983</b>	<b>1,631</b>	<b>365</b>	<b>103</b>	<b>14</b>	<b>76</b>	<b>64</b>	<b>3,236</b>
<b>Balance at 31 December 2021</b>	<b>983</b>	<b>1,631</b>	<b>365</b>	<b>262</b>	<b>14</b>	<b>64</b>	<b>63</b>	<b>3,382</b>
<b>Comprehensive income</b>								
Loss for the 6 months ended 30 June 2022	-	-	-	(183)	-	-	-	(183)
<b>Other comprehensive income</b>								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	6	6
Total comprehensive (loss)	-	-	-	(183)	-	-	6	(177)
<b>Transactions with owners</b>								
Share option charge	-	-	-	-	-	8	-	8
<b>Balance at 30 June 2022</b>	<b>983</b>	<b>1,631</b>	<b>365</b>	<b>79</b>	<b>14</b>	<b>72</b>	<b>69</b>	<b>3,213</b>



## NOTES TO THE UNAUDITED INTERIM REPORT

### 1. Basis of Preparation

The financial information for the six months ended 30 June 2023 included in this condensed interim report comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes.

The financial information in these interim results is that of the holding company and all of its subsidiaries (the Group). It has been prepared in accordance with UK adopted international accounting standards but does not include all of the disclosures that would be required under International Financial Reporting Standards (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2022 and are those which will form the basis of the 2023 financial statements.

The comparative financial information presented herein for the year ended 31 December 2022 does not constitute full statutory accounts for that period. The Group's annual report and accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

#### Going concern

The directors have continued to perform detailed forecasting on a regular basis taking into account current trading and expectations and cash balances and, having reflected upon these forecasts, the directors of the Company continue to adopt the going concern basis of accounting in preparing the financial statements.

Dillistone Group Plc is the Group's ultimate parent company. It is a public listed company and is domiciled in the United Kingdom. The address of its registered office and principal place of business is 12 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD. Dillistone Group Plc's shares are listed on the Alternative Investment Market (AIM).



## 2. Share Based Payments

The Company operates two share option schemes. The fair value of the options granted under these schemes is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period at the end of which the option holder may exercise the option. The fair value of the options granted is measured using the Black-Scholes model.



## 3. Reconciliation of adjusted operating profits to consolidated statement of comprehensive income

### 6 months ended 30 June 2023 and 30 June 2022

	Adjusted operating profits	Acquisition related items		Adjusted operating profits	Acquisition and reorganisation related items	
	30-Jun-2023	2023*	30-Jun-2023	30-Jun-2022	2022*	30-Jun-2022
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>	2,826	-	2,826	2,823	-	2,823
Cost of sales	(312)	-	(312)	(351)	-	(351)
<b>Gross profit</b>	2,514	-	2,514	2,472	-	2,472
Administrative expenses	(2,478)	(9)	(2,487)	(2,601)	(82)	(2,683)
Results from operating activities	36	(9)	27	(129)	(82)	(211)
Financial cost	(73)	-	(73)	(63)	-	(63)
<b>(Loss) before tax</b>	(37)	(9)	(46)	(192)	(82)	(274)
Tax income	41	13	54	76	15	91
<b>Profit / (loss) for the period</b>	4	4	8	(116)	(67)	(183)
<b>Other comprehensive income net of tax:</b>						
Currency translation differences	(6)	-	(6)	6	-	6
<b>Total comprehensive (loss) / profit for the year net of tax</b>	<b>(2)</b>	<b>4</b>	<b>2</b>	<b>(110)</b>	<b>(67)</b>	<b>(177)</b>

\* see accounts note 5

### Earnings per share – from continuing activities

<b>Basic</b>	<b>0.02p</b>	<b>0.04p</b>	<b>(0.59)p</b>	<b>(0.93)p</b>
<b>Diluted</b>	<b>0.02p</b>	<b>0.04p</b>	<b>(0.59)p</b>	<b>(0.93)p</b>

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Year Ended 31 December 2022

	Adjusted operating profits	Acquisition and reorganisation related items	
	31 December 2022	2022*	31 December 2022
	£'000	£'000	£'000
<b>Revenue</b>	5,699	-	5,699
Cost of sales	(816)	-	(816)
<b>Gross profit</b>	4,883	-	4,883
Administrative expenses	(5,039)	(163)	(5,202)
Results from operating activities (inc furlough)	(156)	(163)	(319)
Financial cost	(134)	-	(134)
<b>(Loss) before tax</b>	(290)	(163)	(453)
Tax income	239	31	270
<b>(Loss) for the year</b>	(51)	(132)	(183)
<b>Other comprehensive income net of tax:</b>			
Currency translation differences	7	-	7
<b>Total comprehensive (Loss) for the year net of tax</b>	<b>(44)</b>	<b>(132)</b>	<b>(176)</b>

\* see accounts note 5

## Earnings per share – from continuing activities

<i>Basic</i>	<i>(0.26p)</i>	<i>(0.93p)</i>
<i>Diluted</i>	<i>(0.26p)</i>	<i>(0.93p)</i>





# Dillistone Group Plc

## 4. Segment reporting

### Results

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2023</i>	<i>2022</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2022</i>
			<i>£'000</i>
<b>Results from operating activities</b>			
Ikiru People	15	(128)	(200)
Central	21	(1)	44
Reorganisation and other costs	-	-	-
Amortisation of acquisition intangibles and other one off costs or income	(9)	(82)	(163)
Result from operating activities	<u>27</u>	<u>(211)</u>	<u>(319)</u>

### Geographical segments

The following table provides an analysis of the Group's revenues by geographical market.

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2023</i>	<i>2022</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2022</i>
			<i>£'000</i>
UK	2,068	1,942	4,148
Europe	293	350	663
Americas	242	309	518
Australia	127	117	147
ROW	96	105	223
	<u>2,826</u>	<u>2,823</u>	<u>5,699</u>



## 4. Segment reporting (continued)

### Business Segment

The following table provides an analysis of the Group's revenues by products and services.

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2023</b>	<b>2022</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2022</b>
Recurring	2,564	2,477	5,051
Non recurring	200	261	488
Third party revenues	62	85	160
	<u>2,826</u>	<u>2,823</u>	<u>5,699</u>

'Recurring income' represents all income recognised over time, whereas 'Non-recurring income' represents all income recognised at a point in time. Recurring income includes all support services, software as a service income (SaaS) and hosting income. Non-recurring income includes sales of new licenses, and income derived from installing those licenses including training, installation, and data translation. Third party revenues arise from the sale of third party software.

### Business Sector

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

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2023</b>	<b>2022</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2022</b>
Contingent	1,703	1,712	3,441
Executive Search	1,123	1,111	2,258
	<u>2,826</u>	<u>2,823</u>	<u>5,699</u>

## 5. Acquisition related items and other one off costs

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2023</b>	<b>2022</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2022</b>
Grants received from overseas jurisdictions	(59)	-	-
Amortisation of acquisition intangibles	68	82	163
Total	<u>9</u>	<u>82</u>	<u>163</u>



## 6. Tax

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2023</i>	<i>2022</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2022</i>
			<i>£'000</i>
Current tax	(13)	(56)	(139)
Prior year adjustment – current tax	-	-	(146)
Deferred tax release	(28)	(20)	(23)
Prior year adjustment – deferred tax	-	-	69
Deferred tax re acquisition intangibles	(13)	(15)	(31)
Tax credit for the period	(54)	(91)	(270)

The tax charge is calculated for each jurisdiction based on the estimated position for the year. Deferred tax has been provided at a rate of 25% (2022: 25%).

## 7. Dividends

The Board has decided not to pay an interim dividend (2022: nil per share).

## 8. Earnings per Share

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2023</i>	<i>2022</i>	<i>31 Dec</i>
			<i>2022</i>
<b>Basic earnings per share</b>			
Profit / (Loss) attributable to ordinary shareholders	£4,000	£(183,000)	£(183,000)
Weighted average number of shares	19,668,021	19,668,021	19,668,021
Basic earnings / (loss) per share (pence)	0.02	(0.93)	(0.93)

## 9. Related party transactions

The Company has related party relationships with its subsidiaries, its directors, and other employees of the Company with management responsibility. There were no transactions with these parties during the period outside the usual course of business.

The Directors participated in the issue of convertible loan notes in 2017 which carry interest at 8.15% per annum payable quarterly in arrears.

There were no transactions with any other related parties.



## 10. Cautionary statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for these strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose. The Interim Report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of the Company. These statements are made in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the economic and business risks to which the Company is exposed. Nothing in this announcement should be construed as a profit forecast.