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Elixirr International PLC
03 April 2023

ELIXIRR INTERNATIONAL PLC

("Elixirr", the "Company" or the "Group")

Final Results for the Year Ended 31 December 2022

Elixirr International plc (AIM:ELIX), an established, global award-winning challenger consultancy, is pleased to announce its final results for the year ended 31 December 2022.

Financial Highlights

- Revenue increased by 40% to £70.7m (FY 21: £50.6m)
- Adjusted EBITDA* increased by 30% to £20.5m (FY 21: £15.7m)
- Adjusted EBITDA* margin of 29% (FY 21: 31%)
- Profit before tax increased by 29% to £15.7m (FY 21: £12.2m)
- Adjusted diluted earnings per share* increased by 26% to 30.5p (FY 21: 24.2p)
- Net cash position of £20.4m (FY 21: £31.8m)
- Final dividend increased by 163% to 10.8p per Ordinary share (FY 21: 4.1p)

* Adjusted EBITDA excludes the following items from operating profit: non-cash depreciation and amortisation charges, share-based payments and non-recurring M&A-related items. Adjusted EPS excludes the following items from profit after tax: amortisation charges, share-based payments, non-recurring M&A-related items, M&A-related non-cash finance costs and their related tax impacts.

Current Trading & Outlook

- FY 22 momentum has accelerated during Q1 2023, with three record revenue months, absolute revenue growth of 52% and underlying organic revenue growth of 19%
- Strong pipeline for the remainder of FY 23
- FY 23 expectations upgraded to £85m-£90m revenue at an Adjusted EBITDA margin of 28-30%

Operating Highlights

- Continued progress executing our four-pillar growth strategy, including:

  1. Stretching our current Partner team - we achieved underlying organic revenue growth of 18%, and increased revenue per Partner by 13% to £3.57m in FY 22 (FY 21: £3.15m).
  2. Promoting Partners from within the firm - we have promoted two experienced Principals to Partner in January 2023. A further two Principals will join the Partner team in October 2023, with our first promotion to Partner in one of our acquired businesses effective January 2024.
  3. Hiring new Partners - we made two successful Partner hires in 2022, who both brought new clients to Elixirr and are now working with clients that have the potential to become gold clients.
  4. Inorganic growth - we completed the acquisition of iOLAP in March 2022, our biggest acquisition to

iv. Inorganic growth – we completed the acquisition of [illegible] in March 2022, our biggest acquisition to date, furthering our US growth and bringing key data expertise that we are cross-selling to our clients across the Group. We remain focused on inorganic growth with a strong pipeline and dedicated M&A team. We are rigorous with our screening and diligence processes to ensure that we only complete high-quality transactions that fit the Company's growth strategy.

- Multiple accolades received including being listed as one of Consulting Magazine's 'Fastest Growing Firms 2022', being selected for the 2022 Global Outsourcing 100®, the annual list of the world's best outsourcing service providers and advisors, and two team members recognised as "Rising Stars of the Profession".

- Brand increasingly recognised in the consulting industry. Our 'Con-sulting' campaign was nominated for 'Best B2B Brand Campaign' at the 2022 Drum Awards. The Company saw an increase of over 100% in marketing leads resulting in a record year of revenue generated from this source.

Commenting on the results, Founder & CEO, Stephen Newton said:

"2022 proved Elixirr's consistent ability to perform from both a revenue and profit perspective. This year we continued to leverage, and further invest in, our four-pillar growth strategy, enabling us to deliver exceptional growth despite challenging market conditions. Our equity incentive model is reinforcing an entrepreneurial culture of exceptional quality as we scale and this, combined with the breadth of our capabilities, will continue to set us apart from our industry in FY 23 and beyond."

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Alice Lane, Sunila De Silva (ECM)

About Elixirr International plc

Elixirr is an established global award-winning management consultancy, challenging the larger consultancies by delivering innovative and bespoke solutions to a repeat, globally-recognised client base.

Elixirr was founded in 2009, by Stephen Newton, Graham Busby, Ian Ferguson, Andy Curtis and Mark Goodyear, experienced business advisors who identified a market opportunity to provide bespoke, personal services as a 'challenger' to the traditional consultancy businesses in the market. Elixirr guides its clients to overcome challenges such as: future-proofing against technological disruption; development and roll-out of new propositions, products and services; incubating new businesses; navigating a more complex and multinational regulatory environment; and project management and implementation of major change programmes.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

Non-Executive Chairman's Report

OVERVIEW

I am pleased to introduce Elixirr's 2022 Annual Results, a year which demonstrated another robust period of growth for the Group. Despite market volatility in the last twelve months, under a strong and experienced leadership team, the Group has continued to deliver the Group has continued to deliver.

Elixirr's diverse offering made it well-placed to adapt to the changing needs of its clients, and as a result, combined with its growing industry reputation, the business performed well in both attracting new business alongside scaling its existing client-base. This continues to position the Group strategically as a client-led consultancy that can address a broad spectrum of key boardroom challenges.

Whilst continuing to expand in all its key geographies, the Group achieved its goal of increasing its US footprint substantially with the acquisition of data, technology and analytics consultancy, iOLAP, in March 2022. This significant acquisition has proven to be highly complementary to Elixirr's core consulting offering and provides the Group with additional services where there is high client demand.

STRATEGY

The Board continues to be fully supportive of the Group's four-pillar growth strategy which has proven its value in FY 22. By continuing to make strategic investments in new people and acquisitions, in parallel with organic growth, the overall success of this strategy has been well demonstrated throughout the year.

Through a well-structured Partner incentivisation model, the selling of additional services across the wider client base has been firmly established throughout the Group, utilising services from Elixirr Digital, The Retearn Group Limited ('Retearn') and the addition of iOLAP during the year. Clients have benefited from our ability to support them from strategy through to execution which has enabled scalability both in size and duration of projects for the business - and this is something we expect to increase with further inorganic growth.

Going forward, we see clear pathways to further success in each of the four growth pillars with increased Partner targets, a pipeline of talent of both new Partner hires and promotions, as well as the continued pursuit of high-quality acquisition targets from our dedicated M&A team.

DIVIDEND

Given the strong performance of the business in FY 22 and the year-end cash position, the Board is pleased to recommend a final dividend for FY 22 of 10.8p per share. This will be recommended to shareholders at the AGM in June 2023. The FY 22 final dividend represents an increase of 163% on the FY 21 final dividend with a total cash cost of £5.0 million, which will be met from the Group's existing cash reserves.

GOVERNANCE

The Board recognises the importance of operating within a robust governance framework. Throughout the period the Group has continued to comply with the corporate governance code of the Quoted Companies Alliance (QCA). This includes ensuring that we have an appropriate balance of diverse skills and experience to deliver our strategic vision and objectives. The Board and its subcommittees include independent non-executive members with varying backgrounds and experience. The Board continues to monitor this on a regular basis.

OUTLOOK

The Board is optimistic about the outlook for FY 23, given the Group's strong foundations and a variety of opportunities for further growth. The performance of the business to date, combined with the support of our shareholders, clients and people position Elixirr well to continue on its growth trajectory.

Gavin Patterson
Non-Executive Chairman
31 March 2023

CEO's Report

OVERVIEW

Our performance in FY 22 has again displayed Elixirr's ability to consistently deliver strong revenue and profitability growth - despite challenging market conditions. I'd like to thank our teams across the globe for their contribution to these results and their continued dedication in providing the excellent service that our firm has become renowned for.

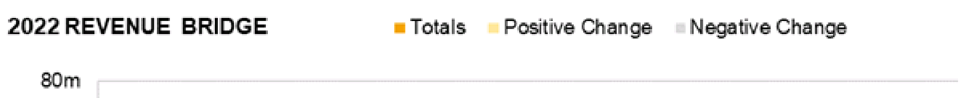
The consulting industry grew at 8% CAGR from 2017 to 2021 (source: Gartner). We have proven our ability to gain market share since listing, with revenue growing at a CAGR of 42% from 2019 to 2022, an acceleration of our long term CAGR of 32% since 2012. This can be attributed to the broadening of our offering and ability to address a widening spectrum of key boardroom challenges, whilst retaining the bespoke, high-quality approach we have always had with clients since starting the firm in 2009.

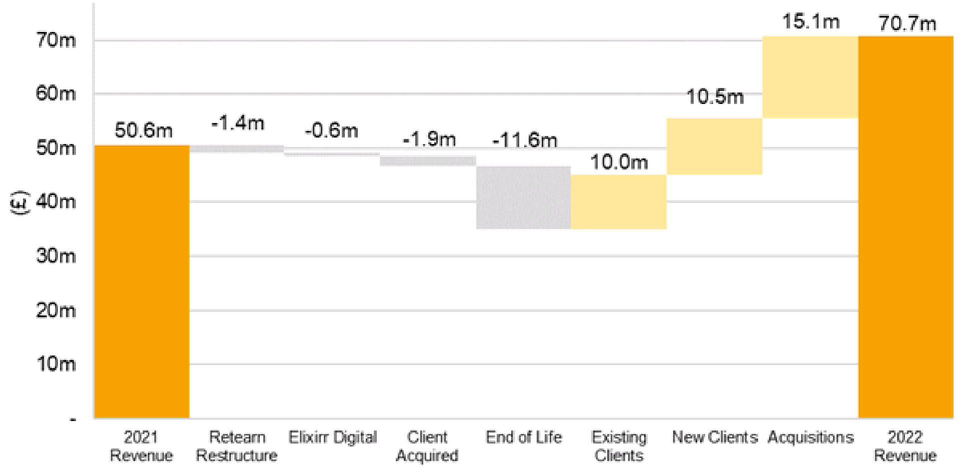
In 2022, Elixirr's strong performance in both organic and inorganic growth was the result of progress in all the pillars of our four-pillar growth strategy. This has enabled us to further our goal of building a business that is resilient to turbulent market conditions, while providing our clients with exceptional service that evolves with their changing demands.

FY 22 PERFORMANCE

In FY 22, the business performed strongly, resulting in record revenue of £70.7 million - a 40% increase from the prior year (£50.6 million). We continued to focus both on bringing in new clients and building on our existing relationships, increasing client retention year-on-year. We have seen an increase in the number of 'gold' accounts - accounts with annual revenue of over £1 million - and, through focus on building out our services to these clients, have also seen an increase in the number of £2+ million revenue accounts.

Trading during the year was strong, with Elixirr's 20+ services making it well placed to support clients with a range of challenges, including business transformation and cost-reduction which have become increasingly critical to clients as the macro-economic environment has worsened.





The revenue bridge above shows the elements of the growth in revenue from £50.6 million in FY 21 to £70.7 million in FY 22.

The acquisition of iOLAP in March 2022 added £15.1 million to revenue. In addition, management made the decision to exit lower margin revenue in Reteam and Elixirr Digital to sustain the quality of the Group's earnings (-£2.0 million) and two clients were subject to take overs which impacted progress in those accounts (-£1.9 million).

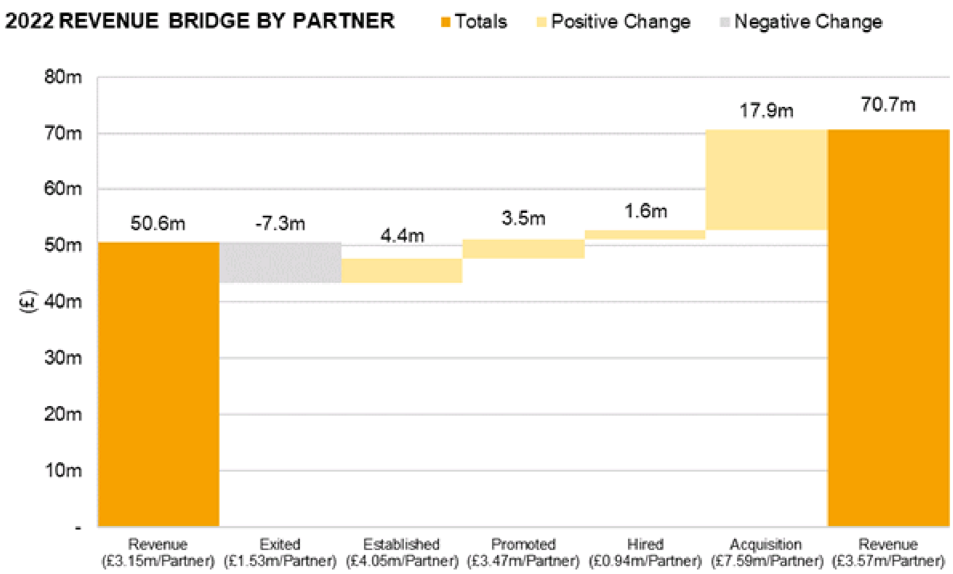
Underlying organic revenue growth was 18% year on year (net +£8.9 million revenue), with £10.0 million growth from existing clients and £10.5 million growth from new clients, partially offset by an abnormally high value of end of life projects (-£11.6 million). This included the impact of one major client change programme coming to an end, without which organic growth would have been 29%.

FY 22 saw us maintain consistently strong levels of profitability, demonstrating the value that clients see from our premium service and delivery quality. Each of our Partners are required to manage their project profitability margins closely, and the wider business continued to deliver on this front. This resulted in Adjusted EBITDA of £20.5 million, above market expectations and an increase in absolute terms of 30% from FY 21 (£15.7 million). The Adjusted EBITDA margin continued to be market-leading at 29% (FY 21: 31%).

DELIVERING OUR FOUR-PILLAR GROWTH STRATEGY

Our four-pillar growth strategy has a proven track record, with the capacity to support our long-term ambitions for the Group, and in FY 22 Elixirr made great momentum in each facet of stretching existing Partners, bringing new Partners into the business, promoting Partners from within and acquiring new businesses.

This resulted in revenue per Partner increasing by 13% from £3.15 million in FY 21 to £3.57 million in FY 22, as set out in the Partner revenue bridge below. This continues the growth in this metric in every year since listing.



Stretching Existing Partners

As we grow our Partner team, we are looking for each member of the team to maximise their revenue contribution, supporting the Group's overall performance. The established Partners in our firm generated average revenue of £4.0 million each in FY 22, an increase of 20% compared to £3.4 million in FY 21. The additional capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients.

We have increased Partner revenue targets for FY 23, reflecting our expectations for further growth in this metric.

Hiring New Partners

Bringing new talent into the Partner team is an important pillar in the Group's overall growth - a great route to bringing on board new clients and entering new, or increasing the penetration of, existing markets. We successfully hired two

Partners who have established a great base in two clients that we expect to become gold clients during FY 23. Both these candidates came through the existing network of our Partner team and had extensive prior consulting experience, factors which have contributed to their strong performance since joining.

As a high-performing business we expect each of our Partners to meet a minimum threshold for revenue performance. As a consequence, we exit Partners who underperform - with their equity position forfeited. We will continue to take decisive action to protect the overall business and quality of earnings.

We continue to use our networks to bring in new talent and in April 2023 we will welcome a new Partner to the team. He brings extensive experience in change management and transformation programmes, with an impressive network including major clients in the healthcare industry. We continually progress a warm pipeline of potential Partner candidates.

Promoting Partners from Within

Growing talent from within is of great importance to the firm - ensuring that we retain our existing culture and quality as we scale. Our strategy is to give promoted Partners a 'runway' to develop their Partner-level experience before officially joining the Partner team which has proven to be of great success in FY 22, with our promoted client-facing Partner achieving £3.5 million revenue.

2023 saw two further promoted Partners officially join the Partner team, Danielle Croucher and Ben Gower. We expect both to play roles in expanding key areas of the business - Danielle supporting our ambitions to further scale Elixirr's US business and Ben helping to increase our presence in the insurance space, both in the UK and globally.

Later in the year, we will welcome two more of our own to the Partner team, Dan Coral and Rory Farquharson, effective October 2023. Both have been instrumental in our expansion in the US in recent years and, as Partners, they will continue contributing to the Group's success worldwide. We are also particularly pleased to have just made our first promotion to Partner in one of our acquired businesses - Nick Larsen is a longstanding member of the iOLAP team where he leads the AWS practice, providing data services to a number of major clients, and he will join the Partner team from January 2024.

Acquiring New Businesses

Buying new businesses with expertise and experience in growing markets that are complementary to the Group's existing capabilities remains a key part of Elixirr's growth strategy.

In March 2022 our acquisition of iOLAP marked our biggest deal to date, bringing in a capability of key importance in the current business landscape. Data is a more leveraged service than strategy consulting and iOLAP added the annual equivalent of £7.6 million of revenue per acquisition Partner. This highlights an additional opportunity for our organic Partners to get more leverage from this data proposition - as well as future acquisitions.

In addition to bringing in a key service offering, the acquisition of iOLAP has brought strong leaders into our business. Given the calibre of iOLAP leadership, we have mutually agreed to change their earn-out targets for FY 23 onwards to target them on growth in our overall US business including iOLAP, rather than on the performance of iOLAP alone. This again proves the entrepreneurial way our partners work together for mutual benefit.

We were pleased to complete the acquisition of iOLAP from the internal cash resources of the Group, without any dilution of shareholders' equity. In FY 23, we have settled 50% of the iOLAP earn-out consideration, again from our internal cash resources without any dilution of shareholders. We continue to protect shareholders from dilution where possible and have not had a dilution event since April 2021.

Our internal M&A team continue to generate a pipeline of strong prospects, focused on bringing in additional capabilities that will help us to support clients in their key boardroom issues. They remain focused on bringing in businesses of the highest quality that meet our exacting criteria, having scouted 3,000+ firms since Elixirr's IPO.

OUR FIRM

Whilst I am very pleased to see the mechanisms we have put in place result in the growth Elixirr has enjoyed in FY 22, it is the nature of our people and boldness of our clients that truly set our firm apart in the market.

Our equity scheme is continuing to fulfil our objectives of building a high performing team with long-term commitment to the business. Our Employee Share Purchase Plan ("ESPP") had high levels of participation again for the new financial year - over 50% for the Group and over 75% for the consulting business for FY 23, highlighting the longevity and conviction our teams have as part of the firm. This is further proven by the increases we have seen in employee retention, particularly pleasing given employment market conditions.

Our pool of talent continues to be highly diverse in skillset and experience, and we remain committed to creating a firm of equal opportunity, with individuals measured purely by the quality of the work that they do. We continue to source talent through the world's best universities, start-ups and from industry to sustain our high-performing global team. This strategy continues to be enhanced by the talent we bring in from acquisitions, and we were delighted to welcome the expertise of iOLAP's data engineers and consultants earlier this year.

During the year we continued to uphold our company values, one of which; "*Beyond expectations"* is crucially important - helping to maintain the quality of delivery and industry expertise as we scale and deliver our growth ambitions. In 2022 we were pleased to receive multiple accolades including being listed as one of Consulting Magazine's '*Fastest Growing Firms 2022*', being selected for the 2022 Global Outsourcing 100®, the annual list of the world's best outsourcing service providers and advisors, and two team members recognised as "Rising Stars of the Profession".

In addition to industry accolades our brand is becoming increasingly recognised as a challenger in the consulting industry. Our 'Con-sulting' campaign was nominated for 'Best B2B Brand Campaign' at the 2022 Drum Awards. This campaign helped to support an overall increase in brand awareness and leads. In FY 22, the business saw an increase of over 100% in marketing leads resulting in a record year of revenue generated from this source. It is fantastic to see the investment we have made in building a great brand paying off.

OUTLOOK

This year Elixirr has again proven both its resilience and growth potential, notwithstanding a turbulent macroeconomic backdrop. Our positioning in the market and ability to address clients' key challenges have continued to result in our services being in high demand.

The momentum we built in FY 22 has accelerated in the first quarter of 2023. In Q1 2023, we have had three record revenue months with absolute revenue growth of 52% and underlying organic revenue growth of 19%.

Combined with a strong pipeline thereafter, and a proven four-pillar growth strategy, I am incredibly bullish about FY 23 and beyond. We are therefore pleased to upgrade our target revenue for FY 23 to £85m-£90m, whilst maintaining our Adjusted EBITDA margin in the range of 28-30%.

Stephen Newton

Founder & Chief Executive Officer

31 March 2023

Financial Review

	FY 22	FY 21	% change
Revenue	**£70.7m**	£50.6m	+40%
Gross profit	**£23.2m**	£17.7m	+31%
Adjusted EBITDA*	**£20.5m**	£15.7m	+30%
Adjusted EBITDA margin*	**29%**	31%	-7%
Profit before tax	**£15.7m**	£12.2m	+29%
Adjusted diluted earnings per share*	**30.5p**	24.2p	+26%
Dividend per share	**10.8p**	4.1p	+163%
Free cash flow	**£14.6m**	£13.6m	+7%
Net cash	**£20.4m**	£31.8m	-36%

* In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted earnings per share ('EPS') as alternative performance measures ('APMs'). Please refer to note 3 of the Group and Company Financial Statements for further details.

GROUP RESULTS

The Board is pleased to report that the Group has delivered an exceptionally strong year, continuing to grow revenue and profits despite global macro uncertainty. The growth has demonstrated the continued effectiveness of our four-pillar growth strategy which enables the Group to deliver robust performance in all market conditions.

The Group delivered strong growth in FY 22, both organically and through the acquisition of iOLAP. Our full range of services positioned us optimally to adapt to the changing needs of our clients, as we continued to deliver high-quality client service to a growing customer base. The Group successfully acquired iOLAP in FY 22, integrating their product offerings and teams into the Group and delivering enhanced capabilities to our client base. The Group has maintained healthy margins and good cash generation, ending the year in a strong financial position. In FY 22 the Group delivered revenue of £70.7 million and profitability continues to be strong with Adjusted EBITDA of £20.5 million at a 29% margin.

REVENUE

Revenue increased by 40% to £70.7 million in FY 22 compared with £50.6 million in FY 21, with four record months of revenue achieved during the year. Revenue growth was driven by both underlying organic revenue growth of 18% and the impact of the acquisition of iOLAP.

Revenue growth was achieved across all geographic regions (UK, USA and Rest of World) in which the Group operates, and we have significantly increased our US footprint, having more than doubled revenues in FY 22 following the acquisition of iOLAP. US revenue now accounts for 44% of Group revenue (FY 21: 25%). We are also pleased to report that revenue per client-facing Partner grew by 13% during the year, despite the difficult market environment, reflecting the quality and resilience of our Partner team and how the additional capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients.

The double-digit growth in revenues is testament to the Group's relentless focus on continuing to build long-term, trusted relationships with our clients by consistently delivering innovative, impactful solutions to solve our clients' key business challenges. The Group's revenue growth is reflective of continuing strong demand for its existing service offering as well as the leveraging of new service capability to clients from acquisitions. The iOLAP business has proven to be highly complementary to Elixirr's core consulting offering and provides the Group with additional services where there is high client demand.

GROUP PROFITABILITY

The Group's revenue growth was matched with strong growth in profits too. Group gross profit was £23.2 million (FY 21: £17.7 million), increasing by £5.5 million or 31% over the previous year. The gross profit margin decreased slightly to 33% from 35% in FY 21. The decrease was driven by the resumption of travel and business development activities to normalised levels compared to the unusual lockdown environment in FY 21.

Administrative expenses increased by 33% to £6.9 million, principally reflecting the acquisition of iOLAP and the resulting non-cash acquired intangible asset amortisation.

Group Adjusted EBITDA grew 30% and was delivered at a 29% margin (FY 21: 31%). The Adjusted EBITDA margin reflects the increased costs referred to in relation to gross profit above.

Group profit before tax grew by 29% to £15.7 million (FY 21: £12.2 million) and was in line with the growth in Adjusted EBITDA.

NET FINANCE EXPENSE

Net finance expense of £1.2 million for FY 22 includes interest on the contingent consideration discount unwinding for iOLAP of £0.9 million and £0.3 million for the Group office leases liability. The increase in net finance expense was principally driven by the iOLAP contingent consideration discount unwinding. As at 31 December 2022 the Group has no interest rate risk exposure.

TAXATION

The Group's tax charge for FY 22 was £2.9 million, reflecting a marginally higher effective tax rate of 18% compared with 17% in FY 21. The increase was largely driven by higher tax rates in the US as, following the acquisition of iOLAP, the US business comprised a larger proportion of profit before tax. The Group's cash tax payment in the year was £3.8 million (FY 21: £2.5 million), with the increase partly due to certain subsidiary companies becoming liable to pay corporation tax on a quarterly basis rather than annually in arrears. For further detail on taxation see notes 7 and 8 of the Group and Company Financial Statements. Adjusted profit after tax, used in calculating adjusted EPS, is shown after adjustments for the applicable tax on adjusting items as set out in note 3.

EARNINGS PER SHARE

Adjusted diluted EPS increased by 26% to 30.5p, with the calculation reflecting potential additional dilution from shares that could be issued as contingent consideration for the iOLAP acquisition. As reported in note 13 of the Group and Company Financial Statements of this report, the Group retains the option to satisfy this consideration through a cash payment with a commitment to buy shares from the EBT in order to minimise dilution. Adjusting items and their tax impacts are set out in note 3 of the Group and Company Financial Statements.

CASH FLOW

The Group's net cash position decreased to £20.4 million (FY 21: £31.8 million) primarily due to the initial consideration paid for the acquisition of iOLAP (£18.1 million) and net purchases of shares for the EBT (£4.4 million) which can be used to settle future deferred consideration obligations. As stated above, the Group retains the option to satisfy the remaining iOLAP contingent consideration through cash payments with a commitment of the sellers to buy shares from the EBT in order to minimise dilution. Free cash flow increased by 7% due to improved operating cash flow generation driven by business growth and efficient working capital management.

The Group enjoyed strong cash generation with net cash flow generated from operations of £15.7 million in FY 22 (FY 21: £14.3 million). The increase in operating cash flow compared to FY 21 was less than the increase in EBITDA due to the increase in cash tax (as explained above) and lower payables (on a like for like basis excluding iOLAP) compared with FY 21.

Net cash utilised for acquisitions reflects £18.1 million net initial cash consideration for the acquisition of iOLAP (net of cash of £0.8 million acquired on acquisition) plus contingent consideration of £0.2 million for Coast Digital Limited ('Coast Digital').

Net cash utilised in financing activities of £8.9 million represents net purchases of shares for the EBT of £4.4 million, net Partner loans (including associated section 455 tax) of £0.5 million, dividend payment of £1.9 million, repayment of iOLAP bank loans on acquisition of £1.1 million and office lease payments of £0.9 million.

STATEMENT OF FINANCIAL POSITION

Net assets as at 31 December 2022 totalled £95.9 million (FY 21: £86.0 million). The increase in net assets is as a result of foreign currency translation benefit of £1.8 million, share premium of £0.6 million for gains on sale of shares by the EBT, retained profit for the year of £12.4 million (after FY 21 final dividend of £1.8 million offset by £1.3 million add back of share-based payments charge and related tax), partially offset by net EBT share purchases of £5.0 million.

DIVIDENDS

No interim Ordinary share dividends were paid in relation to FY 21 or FY 22. The Company paid a final Ordinary share dividend in respect of FY 21 of 4.1 pence per Ordinary share in August 2022. The Directors are proposing a final Ordinary share dividend in respect of FY 22 of 10.8 pence per Ordinary share, representing a 163% increase in dividend per share compared with FY 21.

Group Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000s	Year ended 31 December 2021 £'000s
Revenue	4	70,703	50,611
Cost of sales		(47,547)	(32,913)
Gross profit		**23,156**	**17,698**
Administrative expenses		(6,852)	(5,161)
Operating profit before M&A-related items	5	**16,304**	**12,537**

Depreciation		1,061	670
Amortisation of intangible assets		2,004	1,378
Share-based payments		1,159	1,152
Adjusted EBITDA	3	**20,528**	**15,737**

M&A-related items	5	600	(154)
Operating profit	5	**16,904**	**12,383**
Finance income		54	29
Finance costs		(1,213)	(246)
Net finance expense	6	**(1,159)**	**(217)**
Profit before taxation	5	**15,745**	**12,166**
Taxation	7	(2,876)	(2,022)
Profit for the period		**12,869**	**10,144**
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Currency translation on foreign currency net investments		1,827	123
		1,827	**123**
Total comprehensive income		**14,696**	**10,267**
Basic earnings per Ordinary share (p)	10	27.86	22.04
Diluted earnings per Ordinary share (p)	10	24.78	20.01

All results relate to continuing operations.

The notes form part of these accounts.

Group and Company Statements of Financial Position

As at 31 December 2022

		Group		Company	
		31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	Note	**£'000s**	£'000s	**£'000s**	£'000s
Assets					
Non-current assets					
Intangible assets	12	83,581	56,193	-	-
Property, plant and equipment	14	5,662	5,496	-	-
Investments	15	-	-	85,426	63,807
Other receivables	16	1,293	1,535	876	1,104
Loans to shareholders	16	4,734	3,991	4,723	3,991
Deferred tax asset	8	1,719	1,197	-	-
Total non-current assets		**96,989**	**68,412**	**91,025**	**68,902**
Current assets					
Trade and other receivables	16	11,234	6,963	403	1,928
Cash and cash equivalents	17	20,433	31,795	6,340	13,576
Total current assets		**31,667**	**38,758**	**6,743**	**15,504**
Total assets		**128,656**	**107,170**	**97,768**	**84,406**
Liabilities					
Current liabilities					
Trade and other payables	18	13,304	12,055	7,215	134
Loans and borrowings	19	750	485	-	-
Corporation tax		381	1,150	-	11
Other creditors	20	6,765	436	203	436
Total current liabilities		**21,200**	**14,126**	**7,418**	**581**

Net current assets		**10,467**	**24,632**	**(675)**	**14,923**
Non-current liabilities					
Loans and borrowings	19	4,393	4,760	-	-
Deferred tax liability	8	1,435	623	-	-
Other non-current liabilities	20	5,713	1,620	-	1,370
Total non-current liabilities		**11,541**	**7,003**	**-**	**1,370**
Total liabilities		**32,741**	**21,129**	**7,418**	**1,951**
Net assets		**95,915**	**86,041**	**90,350**	**82,455**
Equity					
Share capital	21	52	52	52	52
Share premium	21	25,599	24,952	25,599	24,952
Capital redemption reserve		2	2	2	2
EBT share reserve	22	(7,147)	(2,193)	(7,147)	(2,193)
Merger relief reserve	21	46,870	46,870	46,870	46,870
Foreign currency translation reserve		1,878	51	-	-
Retained earnings		28,661	16,307	24,974	12,772
Total shareholders' equity		**95,915**	**86,041**	**90,350**	**82,455**

As permitted by section 408 of the Companies Act 2006, a separate statement of comprehensive income of the parent Company has not been presented. The Company's profit for the year was £13.1 million (FY 21: £4.0 million).

The notes form part of these accounts.

The Financial Statements were approved by the Board of Directors on 31 March 2023 and were signed on its behalf by:

Stephen Newton

Director

Group Statement of Changes in Equity

For the year ended 31 December 2022

Group	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Foreign currency translation reserve £'000s	Retained earnings £'000s	**Total £'000s**
As at 31 December 2020 and 01 January 2021	**52**	**19,729**	**2**	**(1,248)**	**46,870**	**(72)**	**5,355**	**70,688**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	10,144	10,144
Other comprehensive income	-	-	-	-	-	123	-	123
Transactions with owners								
Share issue as consideration for a business combination	-	2,154	-	-	-	-	-	2,154
Dividends	-	-	-	-	-	-	(1,014)	(1,014)
Share-based payments	-	-	-	-	-	-	1,152	1,152
Deferred tax recognised in equity	-	-	-	-	-	-	670	670
Sale of Ordinary shares	-	3,069	-	2,705	-	-	-	5,774
Acquisition of Ordinary shares	-	-	-	(3,650)	-	-	-	(3,650)
As at 31 December 2021 and 01 January 2022	**52**	**24,952**	**2**	**(2,193)**	**46,870**	**51**	**16,307**	**86,041**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	12,869	12,869
Other comprehensive income	-	-	-	-	-	1,827	-	1,827

Transactions with owners								
Dividends	-	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	-	975	975
Deferred tax recognised in equity	-	-	-	-	-	-	365	365
Sale of Ordinary shares	-	647	-	9,743	-	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	-	(14,697)
As at 31 December 2022	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**1,878**	**28,661**	**95,915**

The notes form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

Company Statement of Changes in Equity

For the year ended 31 December 2022

Company	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Retained earnings £'000s	**Total £'000s**
As at 31 December 2020 and 01 January 2021	**52**	**19,729**	**2**	**(1,248)**	**46,870**	**8,780**	**74,185**
Comprehensive income							
Profit for the period	-	-	-	-	-	4,006	4,006
Transactions with owners							
Share issue as consideration for a business combination	-	2,154	-	-	-	-	2,154
Dividends	-	-	-	-	-	(1,014)	(1,014)
Share-based payments	-	-	-	-	-	1,152	1,152
Deferred tax recognised in equity	-	-	-	-	-	(152)	(152)
Sale of Ordinary shares	-	3,069	-	2,705	-	-	5,774
Acquisition of Ordinary shares	-	-	-	(3,650)	-	-	(3,650)
As at 31 December 2021 and 01 January 2022	**52**	**24,952**	**2**	**(2,193)**	**46,870**	**12,772**	**82,455**
Comprehensive income							
Profit for the period	-	-	-	-	-	13,082	13,082
Transactions with owners							
Dividends	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	975	975
Deferred tax recognised in equity	-	-	-	-	-	-	-
Sale of Ordinary shares	-	647	-	9,743	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	(14,697)
As at 31 December 2022	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**24,974**	**90,350**

The notes form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

Group and Company Cash Flow Statements

For the year ended 31 December 2022

	Group		**Company**	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021

	Note	£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities:					
Cash generated from operations	24	19,583	16,856	20,364	4,265
Taxation paid		(3,855)	(2,527)	(18)	(86)
Net cash generated from operating activities		**15,728**	**14,329**	**20,346**	**4,179**
Cash flows from investing activities:					
Purchase of property, plant and equipment		(329)	(98)	-	-
Payment for acquisition of subsidiary, net of cash acquired		(18,276)	(3,179)	(203)	(4,000)
Investment in subsidiary		-	-	(20,643)	-
Interest received		71	33	59	32
Net cash utilised in investing activities		**(18,534)**	**(3,244)**	**(20,787)**	**(3,968)**
Cash flows from financing activities:					
EBT Ordinary share purchases		(14,697)	(3,649)	(14,697)	(3,649)
EBT Ordinary share sales		10,257	5,774	10,257	5,774
Loans to shareholders		(3,011)	(4,500)	(3,000)	(4,500)
Loans repaid by shareholders		2,268	8,293	2,268	7,181
s455 tax refunded/(paid) re loans to shareholders		245	(1,104)	232	(1,104)
Repayment of borrowings		(1,143)	-	-	-
Lease liability payments		(651)	(448)	-	-
Interest paid		(262)	(246)	-	-
Ordinary share dividends paid to shareholders		(1,855)	(1,014)	(1,855)	(1,014)
Net cash (utilised)/generated from financing activities		**(8,849)**	**3,106**	**(6,795)**	**2,688**
Net (decrease)/increase in cash and cash equivalents		**(11,655)**	**14,191**	**(7,236)**	**2,898**
Cash and cash equivalents at beginning of the period		31,795	17,503	13,576	10,678
Effects of exchange rate changes on cash and cash equivalents		293	101	-	-
Cash and cash equivalents at end of the period		**20,433**	**31,795**	**6,340**	**13,576**

The notes form part of these accounts.

Notes to the Financial Statements

1. BASIS OF PREPARATION

1.1. General information

Elixirr International plc (the "Company") and its subsidiaries' (together the "Group") principal activities are the provision of consultancy services.

The Company is a public limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the Company number is 11723404.

1.2. Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards.

1.3. Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings as at 31 December 2022.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The acquisition method of accounting has been adopted. The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

1.4. Measurement convention

The financial statements have been prepared under the historical cost convention, except as otherwise described in the accounting policies.

The preparation of the consolidated financial information in compliance with UK adopted international accounting standards requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 2.1.

1.5. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate cash flow in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements of the Group and Company, which have been applied consistently to the period presented, are set out below.

2.1. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the financial statements. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

In the process of applying the Group's accounting policies, the Directors have made no judgements (excluding those involving estimations), which are considered to have a significant effect on the amounts recognised in the financial statements for the year ending 31 December 2022.

The key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Full provision is made for loss making projects in the period in which the loss is first foreseen, and for the cost of conditional or contingent engagements prior to the event occurring. Estimation is required of costs to complete and the provision necessary.
- The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations are accrued based on estimation of the cost expected to crystallise on vacating leased premises.

- In determining the fair value of intangible assets arising on business combinations, management is required to estimate the timing and amount of future cash flows applicable to the intangible assets being acquired.
- Amortisation periods of trademarks, customer relationships and order book intangibles are estimates based on the expected useful lives and are assessed annually for any changes based on current circumstances.
- Management has estimated the share-based payments expense under IFRS 2. In determining the fair value of share-based payments, management has considered several internal and external factors in order to judge the probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating a number of future performance and other factors.
- The Coast Digital and iOLAP contingent consideration calculations under IFRS 3 contain estimation uncertainty, as the earn-out potentially payable in each case is linked to the future performance of the acquiree. In estimating the fair value of the contingent consideration, at both the acquisition date and financial year end, management has estimated the potential future cash flows of the acquirees and assessed the likelihood of an earn-out payment being made. These estimates could potentially change as a result of events over the coming years.

2.2. Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, excluding discounts and Value Added Tax. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are resolved. This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and the Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision became known.

For time-and-materials and fixed-fee contracts, fees are normally billed on a monthly basis. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

The Group's standard payment terms require settlement of invoices within 30 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

2.3. Business combinations, goodwill and consideration

Business combinations

The Group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

On 17 March 2022, the Group acquired 100% of the share capital and voting interests of iOLAP, a US-headquartered technology and data firm. The acquisition brings specialist data and analytics capabilities, including artificial intelligence (AI) and machine learning (ML), into the Group where there is existing demand for these services. The difference between the fair value of the purchase consideration of £28.4 million and the fair value of the identifiable assets acquired and liabilities assumed of £5.0 million was recognised as goodwill of £23.4 million. The goodwill is attributable to the company's workforce and working methodologies. The tax cost base of the goodwill is deductible for tax purposes. Please refer to note 13 for further details.

On 9 April 2021 the Group acquired 100% of the share capital and voting interests of Reteam, a procurement, transformation and insights consultancy firm. The difference between the fair value of the purchase consideration of £7.4 million and the fair value of the identifiable assets acquired and liabilities assumed of £2.1 million was recognised as goodwill of £5.3 million. The goodwill is attributable to the company's workforce and working methodologies and it is not deductible for tax purposes.

Goodwill

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The Group performs impairment reviews at the reporting period end to identify any goodwill or intangible assets that have a carrying value that is in excess of its recoverable amount. Determining the recoverability of goodwill and the intangible assets requires judgement in both the methodology applied and the key variables within that methodology. Where it is determined that an asset is impaired, the carrying value of the asset will be reduced to its recoverable amount with the difference recorded as an impairment charge in the income statement.

In accordance with IAS 36, the Group has tested goodwill for impairment at the reporting date. No goodwill impairment was deemed necessary as at 31 December 2022. For further details on the impairment review please refer to note 12.

Contingent and non-contingent deferred consideration on acquisition

Contingent and non-contingent deferred consideration may arise on acquisitions. Non-contingent deferred consideration may arise when settlement of all or part of the cost of the business combination falls due after the acquisition date. Contingent deferred consideration may arise when the consideration is dependent on future performance of the acquired company.

Deferred consideration associated with business combinations settled in cash is assessed in line with the agreed contractual terms. Consideration payable is recognised as capital investment cost when the deferred or contingent consideration is not employment-linked. Alternatively, consideration is recognised as remuneration expense over the deferral or contingent performance period, where the consideration is also contingent upon future employment. Where the contingent consideration is settled in a variable number of shares or cash, the consideration is classified as a liability and measured at fair value through profit and loss.

2.4. Taxation

2.4. Taxation

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

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting end date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.5. Foreign currency translation

The presentational currency of these financial statements and the functional currency of the Group is pounds sterling.

Functional and presentational 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 financial statements are presented in 'sterling', which is the Group's and Company's functional currency and presentation 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. 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.

Transactions and balances
Foreign currency transactions are translated into the 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.6. Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination are initially measured at their fair value (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset under IAS 38. Such assets are only recognised if either:

- They are capable of being separated or divided from the company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the company intends to do so; or

- They arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of such intangible assets is the fair value at the acquisition date. All intangible assets acquired through business combinations are amortised over their estimated useful lives. The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in business combinations are as follows:

Intangible Asset	Useful Economic Life	Valuation Method
Trademark	33.33% reducing balance	Relief from Royalty method
Customer relationships	10 - 25% reducing balance	Multi-Period Excess Earnings method
Order book	Over order term	Multi-Period Excess Earnings method

2.7. Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Tangible fixed asset	Useful economic life
Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures and fittings	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

2.8. Impairments of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2.9. Employee benefits

Post-retirement benefits

The Group pays into defined contribution pension schemes on behalf of employees that are operated by third parties. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the statement of profit and loss.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market based vesting conditions) at the grant date. Fair value is measured by use of Black Scholes option valuation model.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market based vesting conditions to reflect conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity.

The Group has the obligation to pay employers' national insurance on the exercise of certain UK employee options. The Group has opted to account for the tax obligation under IFRS 2 as a cash-settled share-based payment arrangement as the amount of employers' national insurance due at the time of exercise is based on the share price of the equity instruments of the Company. The cash-settled share-based payment liability is estimated at each period end using the closing share price of the Company and the prevailing employers' national insurance rate. The number of awards expected to vest are consistent with the treatment for equity-settled share-based payments. The cost of employers' national insurance is included within share-based payments expense in the statement of comprehensive income.

Please refer to note 23 for further details.

2.10. Earnings per share

The Group presents basic and diluted EPS on an IFRS basis. In calculating the weighted average number of shares outstanding during the period, any share restructuring is adjusted to allow comparability with other periods.
Basic EPS is calculated by dividing the profit attributable to the Group's Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

The calculation of diluted EPS assumes conversion of all potentially dilutive Ordinary shares, which arise from share options outstanding. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value from the future assumed proceeds of the outstanding share options.

2.11. Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are de-recognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables and trade and other payables
Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Unbilled revenue
Unbilled revenue is recognised at the fair value of consultancy services provided at the reporting date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in contract assets.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with terms up to 95 days. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

Contingent consideration
Contingent deferred consideration may arise on acquisitions where the consideration is dependent on the future

performance of the acquired company. In circumstances where the acquiree will receive contingent consideration in a variable number of shares and is not employment-linked, the Group has recognised a financial liability at the fair value of the contingent consideration. Subsequent changes to the fair value of the contingent consideration are recognised in the statement of comprehensive income.

At the balance sheet date the contingent consideration liability represents the fair value of the remaining contingent consideration valued at acquisition. The contingent consideration liability for acquisitions under IFRS 3 contains estimation uncertainty as they relate to future expected performance of the acquired business. In estimating the fair value of the contingent consideration, management have assessed the potential future cash flows of the acquired business and the likelihood of an earn-out payment being made.

2.12. Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2.13. Right-of-use assets: Leases

The Group leases two properties in the UK from which it operates and iOLAP has a further two properties outside the UK that it leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the lessee's incremental borrowing rate on commencement of the lease is used. This has been estimated at 5.0 per cent.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2.14. Financing income and expenses

Financing expenses comprise interest payable, finance leases recognised in the income statement using the effective interest method and the unwinding of the discount on contingent consideration.
Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

2.15. Standards issued but not yet effective

At the date of authorisation of these financial statements, there are no standards that are issued but not yet effective that would be expected to have a material impact on the Group or Company's financial statements in the current or future reporting periods and on foreseeable future transactions.

3. ALTERNATIVE PERFORMANCE MEASURES

In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted EPS as alternative performance measures. These measures are not defined under IFRS. These non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but have been included as the Directors consider adjusted EBITDA and adjusted EPS to be key measures used within the business for assessing the underlying performance of the Group's ongoing business across periods.

Adjusted EBITDA excludes the following items from operating profit: non-cash depreciation and amortisation charges, share-based payments and non-recurring M&A-related items. Adjusted EPS excludes the following items from profit after tax: amortisation charges, share-based payments, non-recurring M&A-related items, M&A-related non-cash finance costs and their related tax impacts.

The table below sets out the reconciliation of the Group's adjusted EBITDA and adjusted profit before tax from profit before tax:

Group	**FY 22** **£'000s**	FY 21 £'000s
Profit before tax	**15,745**	**12,166**
Adjusting items:		
M&A-related items (note 5)	(600)	154
Amortisation of intangible assets	2,004	1,378
Share-based payments	1,159	1,152
Finance cost - iOLAP contingent consideration	951	-
Adjusted profit before tax	**19,259**	**14,850**
Depreciation	1,061	670
Net finance cost (excluding iOLAP contingent consideration)	208	217
Adjusted EBITDA	**20,528**	**15,737**

The table below sets out the reconciliation of the Group's adjusted profit after tax to adjusted profit before tax:

Group	**FY 22** **£'000s**	FY 21 £'000s
Adjusted profit before tax	**19,259**	**14,850**
Tax charge	(2,876)	(2,022)
Tax impact of adjusting items	(531)	(566)
Adjusted profit after tax	**15,852**	**12,262**

Adjusted profit after tax is used in calculating adjusted basic and adjusted diluted EPS. Adjusted profit after tax is stated before adjusting items and their associated tax effects.

Adjusted EPS is calculated by dividing the adjusted profit after tax for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period. Adjusted diluted EPS is calculated by dividing adjusted profit after tax by the weighted average number of shares adjusted for the impact of potential Ordinary shares.

Potential Ordinary shares are treated as dilutive when their conversion to Ordinary shares would decrease EPS. Please refer to note 10 for further details.

Group	**FY 22** **p**	FY 21 p
Adjusted EPS	34.32	26.64
Adjusted diluted EPS	30.53	24.19

4. SEGMENT REPORTING

Group	**FY 22** **£'000s**	FY 21 £'000s
Revenue from contracts with customers arises from:		
United Kingdom	23,643	22,375
USA	31,088	12,588
Rest of World	15,972	15,648
	70,703	**50,611**

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore consider that the Group has one operating segment. As such, no additional disclosure has been provided under IFRS 8.

The Company is a holding Company operating in the UK with its assets and liabilities given in the Company Statement of Financial Position. Other Company information is provided in the other notes to the accounts.

5. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

Group	**FY 22** **£'000s**	FY 21 £'000s
Depreciation of property, plant and equipment:		
- Owned assets	213	138
- Leased assets	848	532
Amortisation of intangible assets	2,004	1,378
Share-based payments	1,159	1,152
Foreign exchange gains	(392)	(16)
M&A-related items	(600)	154
- Transaction costs	486	154
- Adjustment to contingent consideration	(1,086)	-

The M&A-related net credit of £0.6 million in FY 22 includes adjustments to contingent consideration associated with the acquisition of Reteam and iOLAP, less non-recurring costs associated with the acquisition of iOLAP. The M&A-related items totalling £0.2 million in FY 21 include non-recurring costs associated with the acquisitions of Reteam and Coast Digital.

During the year the Group obtained the following services from the Company's auditors as detailed below:

Group	**FY 22** **£'000s**	FY 21 £'000s
Services provided by the Company's auditors:		
Audit fees - parent Company and consolidated accounts	40	22
Audit fees - subsidiary companies	89	67
Other services:		
Due diligence	-	36

6. NET FINANCE EXPENSE

Group	**FY 22** **£'000s**	FY 21 £'000s
Finance income:		
On short term deposits and investments	54	29
	54	**29**
Finance costs:		
Finance cost - iOLAP contingent consideration	(951)	-
On lease liability	(262)	(246)
	(1,213)	**(246)**
Net finance expense	**(1,159)**	**(217)**

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge:

Group	**FY 22** **£'000s**	FY 21 £'000s
Current tax		
In respect of the current year	3,466	2,926
[illegible]	[illegible]	[illegible]

Adjustments in respect of prior periods	(334)	(398)
Total current tax	**3,132**	**2,528**
Deferred tax		
In respect of the current year	(324)	(506)
Change in tax rates	68	-
Total deferred tax	**(256)**	**(506)**
Income tax expense	**2,876**	**2,022**

The change in deferred tax rates reflects an increase from 19% to 25% for UK corporation tax main rate with effect from 1 April 2023, as announced at the UK Spring Budget 2021.

Numerical reconciliation of income tax expense:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19%.

Group	**FY 22 £'000s**	FY 21 £'000s
Profit before taxation	15,745	12,166
Profit on ordinary activities multiplied by rate of corporation tax in UK of 19% (FY 21: 19%)	2,992	2,312
Effects of:		
M&A-related items not deductible	-	29
Expenses not deductible	193	65
Difference in overseas tax rates	201	125
Change in deferred tax rate	68	-
Adjustments in respect of prior periods	(62)	51
R&D tax relief in respect of prior periods	(271)	(450)
Deferred tax release re trademarks	(245)	(110)
Total taxation	**2,876**	**2,022**

8. DEFERRED TAX

Net deferred tax asset/(liability):

The balances comprise temporary differences attributable to:

	Group		**Company**	
	FY 22 £'000s	FY 21 £'000s	**FY 22 £'000s**	FY 21 £'000s
Deferred tax liability				
Property, plant and equipment	(105)	(52)	-	-
Intangible assets	(1,330)	(571)	-	-
Total deferred tax liability	**(1,435)**	**(623)**	**-**	**-**
Deferred tax asset				
Share-based payments	1,400	966	-	-
Short-term timing differences	319	231	-	-
Total deferred tax asset	**1,719**	**1,197**	**-**	**-**
Net deferred tax asset/(liability)	**284**	**574**	**-**	**-**

The deferred tax liability on intangible assets relates to goodwill, customer relationships and order book and those on property, plant and equipment relate to accelerated capital allowances.

The deferred tax asset recognised represents the future tax effect of share-based payment charges in respect of options that are yet to vest. Deductions in excess of the cumulative share-based payment charge recognised in the statement of comprehensive income are recognised in equity.

Movements in deferred tax:

	Property, plant and equipment	Intangible assets	Share-based payments	Short-term timing differences	**Total**

	£'000s	£'000s	£'000s	£'000s	**£'000s**
At 31 December 2020	(64)	(483)	161	-	(386)
Acquisition of business	(2)	(214)	-	-	(216)
Credited to equity	-	-	670	-	670
Credited to profit and loss	14	126	135	231	506
At 31 December 2021	(52)	(571)	966	231	574
Acquisition of business	-	(858)	-	-	(858)
Credited to equity	-	-	365	-	365
Credited/(charged) to profit and loss	(53)	182	69	58	256
Exchange rate difference	-	(83)	-	30	(53)
At 31 December 2022	**(105)**	**(1,330)**	**1,400**	**319**	**284**

9. ORDINARY DIVIDENDS

No interim Ordinary share dividends were paid in relation to FY 21 or FY 22. The Company paid a final Ordinary share dividend in respect of FY 21 of 4.1 pence per Ordinary share on 22 August 2022.

The Directors are proposing a final Ordinary share dividend in respect of FY 22. Please refer to post balance sheet events note 27 for final Ordinary share dividend proposed.

10. EARNINGS PER SHARE

The Group presents non-adjusted and adjusted basic and diluted EPS for its Ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

Diluted EPS takes into consideration the Company's dilutive contingently issuable shares. The weighted average number of Ordinary shares used in the diluted EPS calculation is inclusive of the number of share options and ESPP matching awards that are expected to vest (subject to the relevant criteria being met) and the number of shares that may be issued to satisfy contingent M&A deferred consideration.

The profits and weighted average number of shares used in the calculations are set out below:

	FY 22	FY 21
Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating basic and diluted EPS (£'000s)	12,869	10,144
Basic earnings per Ordinary share (p)	27.86	22.04
Diluted earnings per Ordinary share (p)	24.78	20.01

	FY 22	FY 21
Adjusted Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating adjusted basic and diluted EPS (note 3) (£'000s)	15,852	12,262
Adjusted basic earnings per Ordinary share (p)	34.32	26.64
Adjusted diluted earnings per Ordinary share (p)	30.53	24.19

	FY 22	FY 21
	Number	Number
Weighted average number of shares		
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted basic EPS	46,186,481	46,031,070
Number of dilutive shares	5,740,587	4,655,445
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	51,927,068	50,686,515

11. EMPLOYEES AND DIRECTORS

The monthly average number of persons employed by the Group during the year, analysed by category, was as follows:

Group	FY 22 Number	FY 21 Number
Directors, management and partners	31	25
Provision of services	373	180
Administration	46	20
	450	**225**

The average number of persons employed and staff costs includes both executive and non-executive directors.

The aggregate payroll costs of these persons were as follows:

Group	FY 22 £'000s	FY 21 £'000s
Wages and salaries	32,702	22,085
Social security costs	3,910	2,748
Pension costs	755	453
Share-based payment charge	1,159	1,152
	38,526	**26,438**

Defined contribution pension schemes are operated by third parties on behalf of the employees of the Group. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the funds and amount to £0.8 million for FY 22 (FY 21: £0.5 million). Contributions amounting to £0.1 million (FY 21: £0.1 million) were payable to the fund as at 31 December 2022 and are included in payables.

Key management personnel include the Directors and senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (including employers' national insurance) paid in respect of key management personnel for services provided to the Group is as follows:

	Group		Company	
	FY 22 £'000s	FY 21 £'000s	**FY 22 £'000s**	FY 21 £'000s
Aggregate emoluments including short term employee benefits	4,872	4,773	167	144
	4,872	**4,773**	**167**	**144**

The share-based payment charge in respect of key management personnel was £0.2 million (FY 21: £0.2 million).

Details of the Directors' remuneration, including salary, bonus, share option awards, pension and other benefits are included in the tables within the Directors' Report.

12. GOODWILL AND INTANGIBLE FIXED ASSETS

Group	Goodwill £'000s	Trademarks £'000s	Customer relationships £'000s	Order book £ 000's	**Total £'000s**
Cost					
At 31 December 2020	46,155	7,135	748	-	54,038
Acquisition of business	5,257	-	1,126	-	6,383
At 31 December 2021	51,412	7,135	1,874	-	60,421
Acquisition of business (note 13)	23,391	-	2,453	1,051	26,895
Gains/(losses) from foreign exchange	2,172	-	227	98	2,497
At 31 December 2022	**76,975**	**7,135**	**4,554**	**1,149**	**89,813**
Amortisation					
At 31 December 2020	-	(2,838)	(12)	-	(2,850)
Charge for the year	-	(1,233)	(145)	-	(1,378)
At 31 December 2021	-	(4,071)	(157)	-	(4,228)
Charge for the year	-	(879)	(620)	(505)	(2,004)
Gains/(losses) from foreign exchange	-	-	1	(1)	-

At 31 December 2022	**-**	**(4,950)**	**(776)**	**(506)**	**(6,232)**
Net book value					
At 31 December 2021	51,412	3,064	1,717	-	56,193
At 31 December 2022	**76,975**	**2,185**	**3,778**	**643**	**83,581**

The Company has no intangible assets.

Goodwill

Goodwill arising on the acquisition of a business in FY 22 relates to the acquisition of iOLAP and was calculated as the fair value of initial consideration paid less the fair value of the net identifiable assets at the date of the acquisition (see note 13).

Goodwill arising on the acquisition of a business in FY 21 relates to the acquisition of Reteam and was calculated as the fair value of initial consideration paid less the fair value of the net identifiable assets at the date of the acquisition.

Goodwill impairment review

The breakdown of goodwill by cash-generating unit ('CGU') is listed below:

	FY 22	FY 21
	£'000s	£'000s
Consulting	48,556	48,556
Elixirr Digital	2,856	2,856
iOLAP	25,563	-
	76,975	**51,412**

During FY 22 there was a reorganisation of the Group's reporting structure resulting in a change in the composition of one or more of the Group's CGUs to which goodwill has been allocated. The Consulting CGU comprises goodwill and other assets of Elixirr Consulting Limited and The Reteam Group Limited, the Elixirr Digital CGU comprises goodwill and other assets of Coast Digital Limited and the iOLAP CGU comprises goodwill and other assets of iOLAP.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at fair value less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and budgeted EBITDA growth rate;
- discount rate; and
- terminal growth rate.

No impairment is indicated for any of the CGUs using the value in use calculation.

Number of years of cash flows used and budgeted growth rate

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter.

The budget for the following financial year forms the basis for the cash flow projections for a CGU. The cashflow projections for the four years subsequent to the budget year reflect the Directors' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

The Group's post-tax weighted average cost of capital has been used to calculate a discount rate of 12% for the Group and Consulting, 12% for iOLAP and 13% for Elixirr Digital. This reflects current market assessments of the time value of money for the period under review and the risks specific to the Group and company acquired.

Terminal growth rate

An appropriate terminal growth rate is selected, based on the Directors' expectations of growth beyond the five-year period. The terminal growth rate used is 2%.

Sensitivity to changes in assumptions

With regard to the value in use assumptions, the Directors believe that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount. In forming this view, the Directors have considered the following:

	Consulting	Elixirr Digital	iOLAP

	Consulting		Elixirr Digital		iOLAP	
	FY 22	FY 21	**FY 22**	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s	**£'000s**	£'000s
On current cash flow projections, the discount rate would need to exceed the % alongside for there to be any impairment; and	30.5%	26.7%	50.0%	30.1%	23.7%	-
In the case of no increase in future cash flows above those projected for the following year, the discount rate would have to exceed the % alongside for there to be any impairment.	25.0%	23.6%	42.7%	26.4%	19.0%	-

Customer relationships

FY 22 additions represent the fair value of customer relationships from the acquisition of iOLAP. Refer note 13 for further details.

FY 21 additions represent the fair value of customer relationships from the acquisition of Reteam.

The fair value has been determined by applying the Multi-Period Excess Earnings method to the cash flows expected to be earned from customer relationships. The key management assumptions are in relation to forecast revenues, margins and discount factors. The fair value represents the present value of the earnings the customer relationships generate.

A useful economic life of 10 years has been deemed appropriate based on the average realisation rate of cumulative cash flows. The projected cash flows have been discounted over this period. The amortisation charge since acquisition is recognised within administrative expenses.

Order Book

Current period additions represent the fair value of the order book from the acquisition of iOLAP. Refer note 13 for further details.

The fair value has been determined by applying the Multi-Period Excess Earnings method to the cash flows earned from the order book.

The key management assumptions relate to forecast margins and discount factors. A useful economic life of 3 years and nine months has been deemed appropriate based on the relevant contractual period. Projected cash flows have been discounted over this period. The amortisation charge is recognised within administrative expenses.

13. BUSINESS COMBINATIONS

On 17 March 2022, the Group acquired 100% of the share capital and voting interests of iOLAP, a US-headquartered technology and data firm. The acquisition brings specialist data and analytics capabilities, including artificial intelligence (AI) and machine learning (ML), into the Group where there is existing demand for these services.

On 3 March 2022, Elixirr Inc. was incorporated in Delaware as a direct subsidiary of Elixirr International Plc. Elixirr Inc. was used as the acquisition vehicle for iOLAP.

The Group acquired iOLAP for a maximum consideration payable of US$40.0 million (£30.4 million). The consideration consists of:

- An initial cash consideration of US$25.2 million (£19.2 million);
- Potential earn-out payments of up to US$14.8 million (£11.3 million) in Ordinary shares which are contingent on iOLAP achieving revenue growth and EBITDA margin targets in periods up to 31 December 2024. This consideration will be satisfied, at Elixirr's option, either from the EBT, subject to sufficient available supply, or otherwise by way of a subscription for new Ordinary shares from Elixirr, or a combination of both.

Of the US$25.2 million (£19.2 million) initial cash consideration, US$13.5 million (£10.2 million) was paid to the selling shareholders free of restrictions with US$0.5 million (£0.4 million) held back for warranties under the sale and purchase agreement. The remaining balance of US$11.2 million (£8.5 million) was subject to a contractual commitment to use the after-tax amount (US$8.5 million) to purchase Ordinary shares in Elixirr at a price per share of £6.425. 941,172 Ordinary shares were purchased from the EBT on 11 May 2022. The balance of this element of the cash consideration (US$2.7 million) was paid to the sellers to settle their tax obligations relating to it.

The total fair value of the contingent consideration payable recognised on the date of acquisition was $13.2 million (£10.0 million), of which US$0.5 million (£0.4 million) was the hold back for warranties and US$12.7 million (£9.7 million) related to the present value of the maximum potential earn-out payments.

The contingent consideration for potential earn-out payments is discounted to fair value and has been estimated by management based on anticipated future revenue growth and EBITDA. Discount unwinding is recognised in finance costs proportionately across the periods until final settlement. During the period, £1.0 million of discount unwinding was expensed as finance costs in relation to the iOLAP acquisition consideration.

On 16 December 2022, the sale and purchase agreement was amended to accelerate US$2.5 million of the potential earn-out payments given the over achievement of targets for FY 22 and agreement to revise earn-out targets for FY 23 and FY 24 to be based on the combined results of iOLAP and the wider Elixirr US business, rather than on iOLAP alone.

Included within M&A-related items is an amount of £0.3 million for an adjustment to the fair value of the contingent consideration in relation to the accelerated earn-out payments.

As at 31 December 2022, a £11.8 million liability is recorded, of which £6.6 million is a current and £5.2 million is a non-current liability.

Included within M&A-related items is an amount of £0.4 million for legal and advisory fees in relation to the acquisition.

The Ordinary shares purchased by the sellers from the EBT pursuant to the acquisition are subject to a one-year lock-in arrangement and limitations on the Ordinary shares that each seller can sell in each of the following three years.

iOLAP contributed £17.9 million to the Group's revenue and £2.2 million to the Group's profit before tax for the period from the date of acquisition to 31 December 2022.

If the acquisition of iOLAP had been completed on 1 January 2022, Group revenues for the year ended 31 December 2022 would have been £75.1 million and Group profit before tax would have been £16.8 million.

In calculating the goodwill arising, the fair value of the net assets of iOLAP have been assessed, and fair value adjustments were required for the recognition of customer relationship and order book intangibles and the related deferred tax.

Customer relationships and order book intangibles were assessed to be separately identifiable assets, recognised at fair value and are included within intangible assets below. Refer note 12 for further details.

The table below sets out the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, the consideration and goodwill on the acquisition of iOLAP:

	Fair value £'000s
Assets	
Non-current assets	
Intangible assets	3,504
Property, plant and equipment	827
Loans to shareholders	308
Total non-current assets	**4,639**
Current assets	
Trade and other receivables	6,524
Cash and cash equivalents	779
Total current assets	**7,303**
Total assets	**11,942**
Liabilities	
Current liabilities	
Trade and other payables	2,567
Loans and borrowings	1,692
Other creditors	1,406

Other creditors	1,406
Total current liabilities	**5,665**
Non-current liabilities	
Loans and borrowings	315
Deferred tax liability	858
Other non-current liabilities	122
Total non-current liabilities	**1,295**
Total liabilities	**6,960**

Fair value of net assets acquired	4,982
Goodwill (note 12)	**23,391**
Fair value of purchase consideration	28,373
Cash and cash equivalents in subsidiaries acquired	779

14. PROPERTY, PLANT AND EQUIPMENT

Group	Right of use asset £'000s	Furniture and Fittings £'000s	Leasehold Improvements £'000s	Computer Equipment £'000s	**Total £'000s**
Cost					
At 31 December 2020	5,918	72	505	108	6,603
Acquisition of business	-	-	-	14	14
Disposals	-	-	-	(15)	(15)
Additions	509	17	-	81	607
At 31 December 2021	6,427	89	505	188	7,209
Acquisition of business (note 13)	655	56	26	90	827
Disposals	-	-	-	-	-
Additions	-	131	134	64	329
Gains/(losses) from foreign exchange	51	5	2	5	63
At 31 December 2022	**7,133**	**281**	**667**	**347**	**8,428**
Depreciation					
At 31 December 2020	(789)	(63)	(149)	(57)	(1,058)
Disposals	-	-	-	-	-
Charge for the year	(532)	(7)	(76)	(40)	(655)
At 31 December 2021	(1,321)	(70)	(225)	(97)	(1,713)
Disposals	-	-	-	-	-
Charge for the year	(848)	(29)	(86)	(98)	(1,061)
Gains/(losses) from foreign exchange	7	-	-	1	8
At 31 December 2022	**(2,162)**	**(99)**	**(311)**	**(194)**	**(2,766)**
Net book value					
At 31 December 2021	5,106	19	280	91	5,496
At 31 December 2022	**4,971**	**182**	**356**	**153**	**5,662**

The Company has no property, plant and equipment.

The lease liability in respect of the right-of-use asset was £5.1 million (FY 21: £5.2 million) and relates to property leases.

15. INVESTMENTS

	Group companies

Company	£'000s
Cost/carrying value	
At 31 December 2020	55,156
Acquisition of business	7,499
Group companies share-based payments	1,152
At 31 December 2021	63,807
Capitalisation of subsidiary	20,643
Group companies share-based payments	975
At 31 December 2022	**85,426**

The Group has no investments.

The undertakings in which the Company's interest at the year-end is 20 per cent or more are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 22	FY 21
Elixirr Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elix-IRR Consulting Services Limited (indirect)*	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	-	100%
Elix-IRR Consulting Services (South Africa) Limited (indirect)	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr LLC (indirect)	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%
Elixirr Creative Limited (indirect)*	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	-	100%
Den Creative Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Services Limited (indirect)	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	100%	100%
Coast Digital Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
The Retearn Group Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Consulting (Jersey) Limited	Jersey	Consultancy	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	100%	-
Elixirr Inc.	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	-
iOLAP Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	-
iOLAP d.o.o. (indirect)	Croatia	Consultancy	Prolaz Marije Krucifikse Kozulić 1, 51000, Rijeka	100%	-

* Elix-IRR Consulting Services Limited and Elixirr Creative Limited applied to be struck off the Companies House register on 23 December 2021 and were dissolved on 22 March 2022.

16. RECEIVABLES

	Group		Company	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Non-current assets				
Loans to shareholders	4,734	3,991	4,723	3,991
Other receivables	1,293	1,535	876	1,104
	6,027	**5,526**	**5,599**	**5,095**
Current assets				
Trade receivables	10,355	6,432	-	-
Less: allowance for doubtful debts	(8)	-	-	-
Trade receivables - net	10,347	6,432	-	-
Prepayments and deposits	653	487	62	18
Contract assets	26	12	-	-
Amounts owed by group companies	-	-	199	1,908
Other receivables	208	33	142	2
	11,234	**6,963**	**403**	**1,928**

The Company was due £0.2 million as at 31 December 2022 from Elixirr Inc. for costs relating to the acquisition of iOLAP. As at 31 December 2021, the Company was due £1.9 million from Elixirr Consulting Limited for management charges net of costs incurred by Elixirr Consulting Limited on behalf of the Company.

Loans to shareholders represent amounts owed to the Company and Elixirr Consulting Limited in FY 22, and amounts owed to the Company in FY 21 by shareholders, who are senior employees of the Group. The loans to shareholders are interest-free and expected to be repaid beyond one year. Non-current other receivables include property deposits and section 455 tax receivable.

Trade receivables are non-interest bearing and receivable under normal commercial terms. Management considers that the carrying value of trade and other receivables approximates to their fair value. The carrying value of non-current other receivables and loans to shareholders is considered to be a reasonable approximation of their fair value, but has not been discounted to present value.

The expected credit loss on trade and other receivables was not material at the current or prior year ends. For analysis of the maximum exposure to credit risk, please refer to note 25.

The ageing of trade receivables of the Group as at 31 December 2022:

	Gross carrying amount	Loss allowance	Net carrying amount
Group	£'000s	£'000s	£'000s
< 31 days	6,171	-	6,171
31-60 days	3,607	-	3,607
61-90 days	450	-	450
91-120 days	1	-	1
121+ days	126	(8)	118
At 31 December 2022	**10,355**	**(8)**	**10,347**

The ageing of trade receivables of the Group as at 31 December 2021:

	Gross carrying amount	Loss allowance	Net carrying amount
Group	£'000s	£'000s	£'000s
< 31 days	4,599	-	4,599
31-60 days	1,299	-	1,299
61-90 days	444	-	444
91-120 days	90	-	90
121+ days	-	-	-
At 31 December 2021	**6,432**	**-**	**6,432**

17. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Cash at bank and in hand	20,433	31,795	6,340	13,576
	20,433	**31,795**	**6,340**	**13,576**

Cash at bank includes £3.0 million (FY 21: £4.0 million) on 95-day notice deposit, £1.0 million on 32-day notice deposit and £2.0 million (FY 21: £4.0 million) on 50% instant and 50% 32-day notice deposit, which earned interest at average rates of 1.7%, 2.9% and 1.2% respectively during the year.

18. TRADE AND OTHER PAYABLES

	Group		**Company**	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Trade payables	1,178	825	55	32
Other taxes and social security costs	1,540	1,138	7	5
Accruals	8,599	8,081	156	97
Contract liabilities	1,983	2,007	-	-
Other payables	4	3	-	-
Amounts owed to group companies	-	-	6,997	-
	13,304	**12,055**	**7,215**	**134**

As at 31 December 2022, the Company owed £7.0 million to Elixirr Consulting Limited.

The fair value of trade and other payables approximates to book value at the period end. Trade payables are non-interest bearing and are normally settled monthly.

Trade payables comprise amounts outstanding for trade purchases and ongoing costs.

Contract liabilities arise from the Group's revenue generating activities relating to payments received in advance of performance delivered under a contract. These contract liabilities typically arise on short-term timing differences between performance obligations in some milestone or fixed fee contracts and their respective contracted payment schedules.

19. LOANS AND BORROWINGS

	Group	**Company**

	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Current liabilities				
Right of use lease liability	750	485	-	-
	750	**485**	**-**	**-**
Non-current liabilities				
Right of use lease liability	4,393	4,760	-	-
	4,393	**4,760**	**-**	**-**

The movement in the right of use lease liability was as follows:

	Right of use lease liability
Group	£'000s
At 31 December 2020	5,285
Additions	407
Interest payable	246
Repayment of lease liabilities	(694)
At 31 December 2021	5,245
Acquisition of business (note 13)	555
Additions	-
Interest payable	262
Repayment of lease liabilities	(913)
Gains/(losses) from foreign exchange	(6)
At 31 December 2022	**5,143**

The acquisition of business in FY 22 relates to the acquisition of iOLAP. The additions in FY 21 relate to a new property lease signed for Coast Digital.

As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5%.

Maturity analysis of contracted undiscounted cashflows of the right of use lease liability are as follows:

	FY 22	FY 21
	£'000s	£'000s
Lease liability less than one year	932	727
Lease liability greater than one year and less than five years	3,270	3,031
Lease liability greater than five years	1,871	2,632
Total liability	6,073	6,390
Finance charges included above	(930)	(1,145)
	5,143	**5,245**

20. OTHER CREDITORS AND OTHER NON-CURRENT LIABILITIES

	Group		**Company**	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Other creditors				
Contingent consideration	6,765	436	203	436
	6,765	**436**	**203**	**436**
Other non-current liabilities				
Dilapidations	380	250	-	-
Cash-settled share-based payments	139	-	-	-
Contingent consideration	5,194	1,370	-	1,370
	5,713	**1,620**	**-**	**1,370**

Other creditors and other non-current liabilities in FY 22 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and iOLAP.

Other creditors and other non-current liabilities in FY 21 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and Reteam.

Other non-current liabilities include cash-settled share-based payment obligations for the Group's employers' national insurance on options that are yet to vest. Refer note 23 for further details.

Other non-current liability payments fall due beyond 12 months from the reporting date.

21. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE

			FY 22	
	Issued shares	Par value	Merger relief reserve	Share premium
Group and Company	Number	£	£'000s	£'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	25,599
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	**52,310**	**46,870**	**25,599**

			FY 21	
	Issued shares	Par value	Merger relief reserve	Share premium
Group and Company	Number	£	£'000s	£'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	24,952
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	**52,310**	**46,870**	**24,952**

The total number of voting rights in the Company at 31 December 2022 was 46,186,481 (FY 21: 46,186,481).

Ordinary shares

On a show of hands every holder of Ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote. The shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. These rights are subject to the prior entitlements of the Redeemable Preference shareholders.

Movements in Ordinary shares:

	Issued shares	Par value	Merger relief reserve	Share premium
Group and Company	Number	£	£'000s	£'000s
At 31 December 2020	45,642,542	2,282	46,870	19,729
Share issue as consideration for a business combination	543,939	27	-	2,154
Sale of Ordinary shares from the EBT	-	-	-	3,069
At 31 December 2021	46,186,481	2,309	46,870	24,952
Sale of Ordinary shares from the EBT	-	-	-	647
At 31 December 2022	**46,186,481**	**2,309**	**46,870**	**25,599**

Redeemable Preference shares

The Redeemable Preference shares are entitled to dividends at a rate of 1% per annum of paid up nominal value. The shares have preferential right, before any other class of share, to a return of capital on winding-up or reduction of capital or otherwise of the Company.

The Redeemable Preference shares are redeemable 100 years from the date of issue or at any time prior at the option of the Company.

22. EBT SHARE RESERVE

The Employee Benefit Trust ('EBT') is accounted for under IFRS 10 and is consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company and Group statement of financial position and shares held by the EBT in the Company are presented as a deduction from equity. The EBT share reserve comprises of Ordinary and Redeemable Preference shares bought and held in the Group's EBT.

The below table sets out the number of EBT shares held and their weighted average cost:

		FY 22	
	Shares held in EBT	Weighted average cost	Total cost
Group and Company	Number	£	£'000s
Ordinary shares	1,204,965	5.89	7,097
Redeemable Preference shares	50,001	1.01	50
	1,254,966		**7,147**

		FY 21	
	Shares held in EBT	Weighted average cost	Total cost
Group and Company	Number	£	£'000s
Ordinary shares	547,225	3.92	2,143
Redeemable Preference shares	50,001	1.01	50
	597,226		**2,193**

23. SHARE-BASED PAYMENTS

The Group recognised a total share-based payment expense of £1.2 million (FY 21: £1.2 million) in the current year, comprising £1.0 million (FY 21: £1.2 million) in relation to equity settled share-based payments, and £0.2 million relating to relevant social security taxes.

A cash-settled share-based payment liability is recognised relating to social security tax on share options (refer note 20). The liability has been estimated using a closing share price of £5.10 and employers' national insurance at 13.8%. The carrying value of the liability as at 31 December 2022 is £0.1 million, with £0.2 million recognised in the P&L and payments amounting to £0.1 million made in the year.

Share Option Plans

The Group operates EMI and unapproved share option plans with time-based and performance-based vesting conditions.

During FY 22, a total of 3,687,080 (FY 21: 7,700,430) share options were granted to employees and senior management. The weighted average fair value of the options awarded in the year is £1.66 per share (FY 21: £1.12)

Details of share option awards made are as follows:

	Number of share options (000's)	Weighted average exercise price
Outstanding at the beginning of the year	**11,339**	**2.87**
Granted during the year	3,687	6.48
Forfeited during the year	(4,140)	4.38
Outstanding at the year end	**10,886**	**3.47**
Exercisable at the year end	**121**	**5.45**

No share options were exercised during FY 22.

The options outstanding as at 31 December 2022 had a weighted average remaining contractual life of 3 years (FY 21: 4 years) and a weighted average exercise price of £3.47 (FY 21: £2.87) per share.

The options were fair valued at the grant date using the Black Scholes option valuation model.

The inputs into the model were as follows:

	FY 22	FY 21
Weighted average share price at grant date (£)	5.90	5.07
Weighted average exercise price (£)	6.32	4.52
Volatility (%)	26.54%	21.69%
Weighted average vesting period (years)	5	5
Risk free rate (%)	1.73%	0.34%
Expected dividend yield (%)	0.71%	1.14%

Expected volatility was determined by calculating the historic volatility of comparable companies in the market in which the Group operates. The expected expense calculated in the model has been adjusted, based on management's best estimate, for the effects of non-market-based performance conditions and employee attrition.

Reasonable changes in the above inputs do not have a material impact on the share-based payment charge in FY 22.

Fixed Consideration Options

In addition to the share options set out in the table above, share options with an exercise price of £0.00005 were issued in connection with the acquisitions of Coast Digital and Reteam. These share options are for a fixed monetary consideration where the number of share options is variable and determined with reference to the share price at the date of vesting.

The monetary value of such share options is as follows:

	Value £'000s
Outstanding at the beginning of the period	2,494
Forfeited during the year	(1,400)
Exercised during the year	(297)
Outstanding at the year end	**797**
Exercisable at the year end	**-**

The share price at the date of exercise of the Coast Digital options during FY 22 was £6.05.

The weighted average remaining contractual life of such options at 31 December 2022 was 1.5 years (FY 21: 2.5 years).

Employee Share Purchase Plan ('ESPP')

On 16 June 2021 an ESPP was implemented. Under the scheme all of the employees of the Group (excluding Partners) are eligible to contribute a percentage of their gross salary to purchase shares in the Company. The Company makes a matching award of shares that will vest over time dependent on continued employment. During FY 22, the Company awarded 89,841 matching shares on the basis of one matching share for every one employee share held on 15 January 2022. The matching shares vest equally over a 5-year period with the first tranche vesting on 31 January 2023.

Details of ESPP awards made are as follows:

	Number of ESPP awards (000's)
Outstanding at the beginning of the period	-
Granted during the year	90
Forfeited during the year	(12)
Outstanding at the year end	**78**
Exercisable at the year end	-

24. CASH FLOW INFORMATION

Cash generated from operations:

	Group		**Company**	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Profit before taxation	15,745	12,166	13,078	4,051
Adjustments for:				
Depreciation and amortisation	3,065	2,048	-	-
Net finance expense/(income)	1,159	217	(55)	(20)
Share-based payments	1,159	1,152	-	-
Adjustment to contingent consideration	(1,086)	-	(1,400)	-
Foreign exchange	(392)	(16)	-	(2)
Decrease/(increase) in trade and other receivables	975	(1,336)	1,660	531
(Decrease)/increase in trade and other payables	(1,042)	2,625	7,081	(295)
	19,583	**16,856**	**20,364**	**4,265**

Reconciliation of liabilities from financing activities:

	Borrowings	Leases	**Total**
Group	£'000s	£'000s	**£'000s**
At 31 December 2020	-	5,285	5,285
Cash flows	-	(694)	(694)
Other changes	-	654	654
Balance 31 December 2021	-	5,245	5,245
Cash flows	(1,143)	(913)	(2,056)
Other changes	1,143	811	1,954
Balance 31 December 2022	**-**	**5,143**	**5,143**

Other changes in FY 22 include non-cash movements, including borrowings and additional property leases on acquisition of iOLAP and accrued interest expense on leases. Other changes in FY 21 include non-cash movements, including accrued interest expense and an additional property lease.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Carrying amount of financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group		**Company**	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Financial assets				
Financial assets that are debt instruments measured at amortised cost	37,027	43,795	12,327	20,579
Financial liabilities				
Financial liabilities measured at amortised cost	16,907	16,162	7,208	129
Financial liabilities at fair value through profit and loss	11,959	1,806	203	1,806

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise loans and borrowings, trade payables and other payables.

Financial liabilities at fair value through profit and loss comprise contingent consideration on acquisition of iOLAP and Coast Digital.

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Generally, the Group's and Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	Group		Company	
	FY 22	FY 21	**FY 22**	FY 21
	£'000s	£'000s	**£'000s**	£'000s
Trade receivables	10,347	6,432	-	-
Contract assets	26	12	-	-
Other receivables	6,221	5,557	5,784	7,001
Cash and cash equivalents	20,433	31,795	6,340	13,576
	37,027	**43,796**	**12,124**	**20,577**

Credit risk is the risk of financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's debtor balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement.

The Group's trade and other receivables are actively monitored. The ageing profit of trade receivables is monitored regularly by management. Any debtors over 30 days are reviewed by the entire management group every week and explanations sought for any balances that have not been recovered.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy.

Other receivables include amounts owed by senior employees for the acquisition of shares in the Company. The EBT holds legal title to these shares which will not be released to the beneficial owner prior to the repayment of the loan.

Cash and cash equivalents is split across multiple counterparties and the Group actively monitors the exposure to different financial institutions.

The Directors are of the opinion that there is no material credit risk at Group level.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities of the Group as at 31 December 2022:

	Less than 6 months	6-12 months	1 - 2 years	2 - 5 years	Over 5 years	Total contractual cashflows	Carrying amount of liabilities
Trade payables	1,178	-	-	-	-	1,178	1,178
Lease liabilities	496	436	875	2,395	1,871	6,073	5,143
Financial liabilities at fair value through profit and loss	6,765	-	3,073	3,073	-	12,911	11,959
	8,439	**436**	**3,948**	**5,468**	**1,871**	**20,162**	**18,280**

Contractual maturities of financial liabilities of the Group as at 31 December 2021:

	Less than 6 months	6-12 months	1 - 2 years	2 - 5 years	Over 5 years	Total contractual cashflows	Carrying amount of liabilities
Trade payables	825	-	-	-	-	825	825
Lease liabilities	347	380	761	2,270	2,632	6,390	5,245
Financial liabilities at fair value through profit and loss	436	-	670	700	-	1,806	1,806
	1,608	**380**	**1,431**	**2,970**	**2,632**	**9,021**	**7,876**

Interest rate risk

As at 31 December 2022 the Group has no material interest rate risk exposure.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily US Dollars. The Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Currency Units, was as follows:

	FY 22					FY 21		
	USD '000s	**EUR '000s**	**ZAR '000s**	**CAD '000s**	**HRK '000s**	USD '000s	EUR '000s	ZAR '000s
Cash & cash equivalents	6,906	1	1,257	313	270	11,900	2	1,739
Trade receivables	6,709	72	-	28	149	1,450	101	-
Trade payables	(124)	(7)	(132)	-	(649)	(5)	(5)	(63)

The Group is exposed to foreign currency risk on the relationship between the functional currencies of the Group companies and the other currencies in which the Group's material assets and liabilities are denominated. The table below summaries the effect on profit and loss had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	FY 22	FY 21
	£'000s	£'000s
10% weakening of functional currency	219	925
10% strengthening of functional currency	(219)	(925)

The impact of a change of 10% has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates to their carrying value.

Capital risk management

The Group defines capital as being share capital plus all reserves, which amounted to £95.9 million as at 31 December 2022 (FY 21: £86.0 million)

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

26. RELATED PARTY DISCLOSURES

Related parties, following the definitions in IAS 24, are the Group's subsidiary companies, members of the Board, key management personnel and their families, and shareholders who have control or significant influence over the Group. Refer to note 11 for key management personnel compensation disclosures. The Directors' Report contains details of Board remuneration.

On 8 April 2022 certain Directors and key management personnel of the Group sold 812,106 Ordinary shares to the EBT at a price of 765 pence (being the closing mid-market share price on 5 April 2022). The purpose of this transaction was to provide the EBT with sufficient shares to satisfy the initial share consideration for the acquisition of iOLAP without any dilution of existing shareholders. Refer note 13 for further details.

Gavin Patterson, independent non-executive chairman of the Board, provided consulting services to the Company totalling £17,708 in FY 22 (FY 21: £25,000). Gavin Patterson's consulting services arrangement terminated on 31 August 2022.

In FY 22, travel and marketing costs include £43,956 (FY 21: NIL) for the hire of an aeroplane from Aviation E LLP. Stephen Newton, a member of the Board, is a member of Aviation E LLP.

Company related party transactions are disclosed in notes 16 and 18.

27. EVENTS AFTER THE REPORTING DATE

In January and February 2023, US$6.8 million of the iOLAP deferred consideration was settled through a cash payment to the former shareholders of iOLAP, who used US$5.1 million of the proceeds (the after-tax amount) to purchase 743,400 Ordinary shares in Elixirr from the EBT at a price of £5.50.

The Directors are proposing a final Ordinary share dividend in respect of the financial year ended 31 December 2022 of 10.8 pence per share.

As at 31 March 2023, in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company continues to have 46,186,481 Ordinary shares in issue, of which none are held in Treasury.

The total number of voting rights in the Company is 46,186,481. This figure of 46,186,481 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

28. RESERVES

Share capital

Share capital represents the nominal value of share capital subscribed.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at a premium, net of associated share issue costs.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of the Company's own shares.

EBT share reserve

The EBT share reserve represents the cost of shares repurchased and held in the employee benefit trust ("EBT").

Merger relief reserve

This reserve records the amounts above the nominal value received for shares sold, less transaction costs in accordance with section 610 of the Companies Act 2006.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences that arise on consolidation from the translation of the financial statements of foreign subsidiaries.

Retained earnings

The retained earnings reserve represents cumulative net gains and losses recognised in the statement of comprehensive income and equity-settled share-based payment reserves and related deferred tax on share-based payments.

29. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party as at 31 December 2022.

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