RNS Number : 8457W
Merit Group PLC
18 July 2024

Merit Group plc

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

AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2024

18 July 2024

Merit Group plc (AIM: MRIT), the data and intelligence business today publishes its audited results for the year ended 31 March 2024.

Financial Highlights of the Continuing Operations of the Group

- Group revenues grew to £19.9m, up 7.0% on FY23
- Merit Data & Technology (MD&T) business unit contributed £12.9m of revenue, an increase of 10.5% on FY23
- Adjusted EBITDA of £4.0m, (FY22 £2.7m) up 50%
- Adjusted EBITDA of Dods at £2.2m (up £0.4m) and MD&T at £2.8m (up £1.0m)
- Net margin improvement to 20.0% (FY23 14.3%)
- Profit before tax of £0.9m (FY23 loss of £3.7m), the first Profit before tax for the year reported since 2018
- The Group's Continuing Operations generated operating cash of £2.3 million
- Net debt reduced from £2.6m to £1.9m

Continuing Operations	**FY 2024**	**FY 2023**	**Change**(5)
	£m	**£m**	
Revenue	19.9	18.6	+7.0%
Gross profit	9.2	8.6	+7.2%
Gross margin %(1)	46.1%	46.0%	-
Adjusted EBITDA(2)	4.0	2.7	+50.4%
Net margin %(3)	20.0%	14.3%	
Profit/(loss) before tax	0.9	(3.7)	+124.3%
Profit/(loss)before tax and non-recurring items	*1.2*	*(0.2)*	*+500.4%*
Earnings per share (pence)	*2.3p*	*(14.9p*	*+17.2p*
Adjusted earnings per share (pence) (4)	*7.6p*	*0.8p*	*+6.8p*
Net debt(6)	*(1.9)*	*(2.6)*	*-27.6%*

(1) Gross margin is Gross profit as a percentage of Revenue

(2) Adjusted EBITDA is calculated as earnings before tax, depreciation, amortisation of intangible assets, share-based payments and non-recurring items

(3) Net margin is Adjusted EBITDA as a percentage of Revenue

(4) Adjusted EPS is calculated based on the profit/(loss) for the year before amortisation of intangible assets, share-based payments and non-recurring items (see note 13)

(5) Year-on-year percentage change figures are calculated on unrounded numbers

(6) Net (debt)/cash comprises the aggregate of gross debt, excluding IFRS16 lease liabilities, and cash and cash equivalents (see note 23)

Mark Smith, Chairman, commented;

"Having successfully completed its restructuring, the Group has demonstrated its underlying prospects and profitability in FY24. It has a clear focus on data and intelligence and the recurring nature of revenues within its Data and Political Intelligence segments underpin what is expected to be a solid FY25 performance. Further investment in sales & marketing resource is being largely funded from organic growth and we will continue to explore opportunities to generate growth beyond what we can expect organically within the context of maximising value for shareholders."

Phil Machray, CEO & CFO, said;

"These results for the first full year post the 2022 disposals clearly show the potential of our two operating businesses. MD&T has achieved double digit revenue growth and an Adjusted EBITDA margin in excess of 20%, whilst Dods Political Intelligence has achieved a 30% Adjusted EBITDA margin from flattish year-on-year revenues. Together, these businesses have delivered over £5 million of combined EBITDA, which together with a focus on overhead reduction, have allowed the Group to deliver Adjusted EBITDA up 50% year-on-year.

Data is the building block on which Artificial Intelligence applications are built as it serves as the foundation for training and improving machine learning models. The Group's more than five year experience in the field of Artificial Intelligence and Machine Learning and its expertise in data capture and analysis present the Group with exciting opportunities."

With our experience and focus on data, intelligence and data engineering very much aligned to evolving market trends - which demand greater volumes and better quality data to drive businesses' AI and automated models, we are well positioned to benefit from further market growth. Our current activities are focused on building the sales & marketing capabilities to convert that into further revenue growth in the new financial year."

Current trading and outlook

The Group has demonstrated its underlying prospects and profitability in FY24, following a significant period of restructuring. The recurring nature of its Data and Political Intelligence revenues underpin what is expected to be a solid FY25 performance. Further investment in sales & marketing resource is being largely funded from organic growth but will impact margin performance in FY25 as the Group positions itself for future growth.

The Group has made a solid start to FY25 and whilst Software & Technology Resourcing revenues have been impacted by the natural completion of some significant projects, the Board remains confident in anticipating overall growth in revenue for FY25. As highlighted above, profit in FY25 will be impacted by investment and the Board therefore currently anticipates Adjusted EBITDA will be approximately 15% lower than reported in FY24.

For further information contact:

Merit Group plc
Mark Smith - Chairman 020 7593 5500
Philip Machray - CEO & CFO
www.meritgroupplc.com

Canaccord Genuity Limited (Nomad and Broker)
Bobbie Hilliam 020 7523 8150
Harry Pardoe

be made in writing but also may be made verbally by members of management of the Company (including, without limitation, during management presentations to financial analysts) in connection with this announcement. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, changes in global or regional trade conditions, changes in tax rates, liquidity, prospects, growth and strategies. By their nature, forward-looking statements involve risks, assumptions and uncertainties that could cause actual events or results or actual performance or other financial condition or performance measures of the Company to differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this announcement and the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information or to reflect any change in circumstances or in the Company's expectations or otherwise.

Chairman's statement

A return to profit and growth

The year under review is the first full year following the Group's disposal of non-core assets. Having restructured the portfolio, resized the cost base and stabilised the Group's core businesses, we're now able to demonstrate the long-term potential of the Group and its two operating businesses.

We've reported growth in Revenue, Gross profit and EBITDA, resulting in a positive Profit before tax for the Group for the first time since 2018.

We will continue to invest in sales and marketing resource, combined with product and technology investments, to drive the future organic revenue growth of our two businesses. We will continue to focus on optimising operational performance, and where appropriate, we will continue to explore opportunities to generate growth beyond what we can expect organically within the context of maximising value for shareholders.

Results for the financial year

The Group grew revenue from Continuing Operations by 7.0% to £19.9 million in the year (FY23 £18.6 million), with the growth being driven by MD&T's double digit revenue growth, particularly in software and technology resourcing projects. This growth has been organically funded, with gross margins held flat at 46% despite the Group's investment in additional sales & marketing resource.

Good cost management, with the help of a favourable year-on-year exchange rate movement on the Group's Indian cost base, has seen the Group extend EBITDA margins to 20% (FY23: 14.3%) and report year-on-year EBITDA growth of 50% to £4.0m.

The profit before tax from Continuing Operations of £0.9 million (FY23: loss of £3.7 million) is pleasingly the first reported full year profit since 2018.

Continuing Operations	**FY 2024**	**FY 2023**	**Change**(6)
	£m	**£m**	
Revenue	19.9	18.6	+7.0%
Gross profit	9.2	8.6	+7.2%
Gross margin %(1)	46.1%	46.0%	
Adjusted EBITDA(2)	4.0	2.7	+50.4%
Net margin %(3)	20.0%	14.3%	
Profit/(loss) before tax	0.9	(3.7)	+124.3%
Profit/(loss) before tax and non-recurring items	1.2	(0.2)	+500.4%
Adjusted earnings per share (pence) (4)	*7.4p*	*0.8p*	*+6.6p*
Net debt (5)	*(1.9)*	*(2.6)*	*-27.6%*

(1) Gross margin is Gross profit as a percentage of Revenue

(2) Adjusted EBITDA is calculated as earnings before tax, depreciation, amortisation of intangible assets, share-based payments and non-recurring items

(3) Net margin is Adjusted EBITDA as a percentage of Revenue

(4) Adjusted EPS is calculated based on the profit/(loss) for the year before amortisation of intangible assets, share-based payments and non-recurring items (see note 13)

(5) Net debt comprises the aggregate of gross debt, excluding IFRS16 lease liabilities, and cash and cash equivalents (see note 22)

(6) Year-on-year percentage change figures are calculated on unrounded numbers

Chairman's statement continued

Cashflows and net debt

The Group's Continuing Operations generated consistent operating cash inflows amounting to £2.3 million (FY23: £2.9 million), allowing headroom for capital investment and for the repayment of £2.1 million of term loans and RCF borrowings.

The year-on-year change to the Group's net debt(6) position is a reduction of £0.7 million, from £2.6 million at March 2023 to £1.9m in March 2024.

Strategy

Data and Intelligence is, and will remain, at the core of everything that we do. We use technology, human expertise and Artificial Intelligence to collate, transform and add the greatest value to the data we provide our customers.

We aim to grow through the expansion of the sectors and markets we address and by constantly improving the proprietary technology platforms our customers use to access our data and business intelligence. This growth will be driven by our excellent reputation for the provision of valuable data and intelligence at a competitive price point, and our ability to deliver comprehensive solutions to our clients' data management needs.

Our business benefits from very high levels of recurring revenue from long standing customers; we will maintain our focus on these subscription and recurring revenue customers. We will continue to manage our profit margins with technology-led efficiencies and a tightly controlled cost base.

Having successfully completed its restructuring, the Group is in a much stronger position. It benefits from less complexity, greater focus, and a clear strategy for growth, supported by investment in its core businesses.

Board Changes

With a simplified Group and a clear strategy, the Board took the opportunity to restructure the Executive during the year, combining the roles of CEO and CFO, thereby reducing the overall Board size and cost. David Beck, who had served the Board well since September 2021, left the Board in January 2024.

Timothy Briant was appointed as a non-executive Director and member of the Audit Committee in February 2024.

Following the Executive restructure and strengthening of the non-executive team, Lord Ashcroft KCMG PC, the Company's largest shareholder, retired from the Board in April 2024.

People

Our people are central to our success as a Group and it is their combined efforts that make Merit a fantastic place to work. The Group aims for every employee to have the tools, training and professional development to facilitate a healthy and fulfilling work environment.

The Board is grateful to all employees for the contributions they have made to a successful year and to the management team that have delivered the transformation of the Group.

Chairman's statement continued

Current trading and outlook

The Group has demonstrated its underlying prospects and profitability in FY24, following a significant period of restructuring. The recurring nature of its Data and Political Intelligence revenues underpin what is expected to be a solid FY25 performance. Further investment in sales & marketing resource is being largely funded from organic growth but will impact margin performance in FY25 as the Group positions itself for future growth.

The group has made a solid start to FY25 and whilst Software & Technology Resourcing revenues have been impacted by the natural completion of some significant projects, the Board remains confident in anticipating overall growth in revenue for FY25. As highlighted above, profit in FY25 will be impacted by investment and the Board therefore currently anticipates Adjusted EBITDA will be approximately 15% lower than reported in FY24.

Mark Smith

Chairman

17 July 2024

Chief Executive's Review

Overview

The year under review is the Group's first full year of stability, following the significant disposals and restructuring of FY23. As such, the FY24 results provide a clear picture of the capabilities and performance of the current Group and, I believe, a compelling view on its potential.

As a reminder, in FY23 we disposed of the Dods Media, Events and Training operations ("MET business"); we disposed of the investments in Associates we held; and we exited the onerous Shard lease. We also amended our debt financing facilities to fund the Shard lease exit.

Whilst we continued to deal with some hangover of this restructuring - both in the provision of transitional services to the MET business and the repayment of debt taken out to fund the Shard lease exit - we entered FY24 focused on the next phase of our strategy, to deliver growth, and I'm pleased to report we've delivered on that. Within these results we report growth in revenues, in EBITDA, in Operating profit and in EPS. This year we reported the Group's first profit (both before and after tax) since 2018.

We have reduced Net debt, despite making further investment in our Software platforms and IT infrastructure. We therefore exit FY24 in good shape, with clear plans to drive the Group forward and to maximise shareholder value.

Operating results

The Group's revenue has increased by £1.3 million (7.0%) during the year to £19.9 million, driven by strong growth in Merit Data & Technology's ("MD&T") software & technology resourcing segment, as we delivered significant data engineering and tech-build projects for new and existing clients. Gross margins were held flat at 46% but the benefit of operational gearing and tight control of operating cost and administration cost, together with a favourable year-on-year movement in GBP/INR exchange rates, led to an increase in Adjusted EBITDA of 50%, up from £2.7 million to £4.0 million for the year.

The restructured Group benefits from very good visibility of its revenues, with Dods PI's income being almost entirely subscription based and MD&T data business having a very stable long term customer base with 84% of revenue recurring.

MD&T revenue was up by 10.5% to £12.9 million; this business unit now representing nearly two thirds of the Group's revenues. MD&T's Adjusted EBITDA of £2.8 million (FY23: £1.8 million) benefited from the additional profitable revenue, strong cost control and a favourable sterling to rupee foreign exchange rate movement compared to the prior FY23 period which had a period of sterling weakness. This favourable movement contributed around £0.6 million of the year-on-year improvement, with more stability of the exchange rate in FY24 and the early parts of FY25.

Dods Political Intelligence revenues were up marginally (1.2%) at £7.0 million (FY23: £6.9 million); however, Adjusted EBITDA rose 22% to £2.2 million as it benefited from a restructured, lower cost base. This improvement was despite a fall in non-operating income from the provision of transitional services to the disposed of MET Operations, which contributed around £250k of EBITDA benefit in the year, which will fall away in FY25.

Chief Executive's Review continued

Focus on growth

The newly restructured Group is now able to focus on its future growth plan. The Group's more than five years of experience in the field of Artificial Intelligence and Machine Learning and its expertise in data capture and analysis present the Group with exciting opportunities.

MD&T is already benefiting from investments made throughout FY23 and FY24 that will help accelerate the growth of the business. We have an expanded and reinvigorated sales and marketing team that is focused on the key verticals where we have experience and a track record.

MD&T is also benefiting from a clearer technology proposition and won £1.2 million of new business delivering data engineering solutions to both existing and new customers in the year. Whilst such projects have a shorter delivery period that the Group's long-term Data revenues, we are building a good pipeline of opportunities to mature this into a similarly recurring revenue segment.

Dods PI is benefiting from having a simpler business entirely focused on its core political intelligence service. Whilst the economic challenges facing companies are having an impact on its customer base, Dods PI is an essential service to many of its customers, and FY24 has been a period of preparation for elections in both its core territories - Westminster and the European parliament. The unit continues to mitigate the impacts of cost inflation with price increases on renewing contracts.

With a new government in the UK and a new parliament in Brussels, Dods PI is set for a busy year. The business has expanded is Sales & Marketing team with the appointment of a new Sales & Marketing Director and more recently a new Marketing manager. We have also restructured our consulting team and are looking to recruit specialist consultants in specific service areas where we see opportunity to grow market share.

People

My colleagues, in Europe and in India, have been key to delivering the growth reported in FY24, and their development will be key to our future success. We aim for every employee to have the tools, training and professional development to facilitate a healthy and fulfilling work environment for them to prosper professionally in a healthy working environment.

In FY24, we commenced an equipment refresh of new laptops and other IT equipment, together with the deployment of new AI software solutions, to ensure that people have the technology they need to carry out their roles. We are also investing more heavily than ever in training and development to give people the technical and personal skills they require in an ever-evolving global market.

Chief Executive's Review continued

Merit Data & Technology ("MD&T")

MD&T is an AI-driven technology business, specialising in data collection, enrichment and data engineering. We work for many of the world's leading information businesses, where we harvest large data sets from hundreds of sources and apply AI in order to transform diverse, raw data into actionable insight and intelligence. We provide a highly bespoke service for each client, combining tech solutions, AI and manual analysis. We help clients to source and manage data in multiple industries, including retail, shipping, construction, automotive, energy, healthcare and pharma.

The business has very long-standing client relationships, and many of our most significant clients have been working with us for over ten years. We are very focused on developing technology tools to manage and transform data in a scalable way, in addition to operational excellence and a level of customer service which helps us enjoy very high levels of customer satisfaction and recurring revenue.

Our model of servicing global clients with a highly skilled staff base located in India continues to be successful. With the advent of higher inflation, we continue to offer customers a technology-led and cost effective solution to their data intelligence needs.

With almost ten years' experience in applying machine learning techniques to data transformation, we have a proven capability to enable AI innovation amongst our clients, where data will be critical to the development of new models and AI-led solutions.

Alongside our data business, we provide strong technology solutions to multiple customers. Merit has been a trusted partner in digital transformation for some of the world's largest B2B information businesses for over 15 years. Our agile solutions are industry and platform agnostic, client centric and cover a wide range of project sizes and scope. We undertake large scale digital upgrades, cloud migration and data engineering projects and in addition to developing simpler systems for Data Engineering, Data Operations, Data Migration and AI-driven data products.

Leveraging years of data and digital expertise, MD&T's solutions help customers to build robust systems, uncover deep insights, drive automation and accelerate growth.

We have built a very distinct and attractive corporate culture with a progressive mix of Western and Indian best practices at our offices in India, where we employ over 850 people, 97% of whom are graduates. 32% of our employees have been with us for over 5 years.

Our employee value proposition is very strong with the right mix of learning & development and career growth opportunities. Our values and policies nurture, develop and engage employees to the highest level of their potential.

Chief Executive's Review continued

Dods Political Intelligence

Dods Political Intelligence (Dods PI) is a leading provider of a comprehensive subscription-based monitoring and analysis service covering political and policy developments across the UK and EU. We help our clients make informed decisions and develop effective strategies to deal with a fast-changing and complex political and policy environment. We also offer the leading database of stakeholders in the world of politics and policy, including Parliamentarians, Government officials and civil servants in both the UK and the EU.

Dods Political Intelligence delivers objective, relevant and contextual insights through a unique combination of expert consultants and innovative technologies. The political landscape in the EU and the UK generates lots of complex information; Dods PI acts as an expert guide. We draw on human connection, real-time analysis, and our deep understanding of people, parliaments and policy to bring our customers impartial insights that matter.

Our monitoring service is delivered through a market leading platform allowing customers greater control of the content and sectors that they wish to be informed about. Our technology allows us to monitor over 13,000 sources of information from 35 different sectors and provide customers with real time updates. Our premium offering gives customers access to advice from our specialist consultants and their dedicated research. In addition, Dods PI's stakeholder management tools enable our customers to identify and engage with key decision makers and influencers in their sector.

We provide political intelligence to more than 700 customers from a wide range of sectors: corporates, charities, NGOs and even Government departments. The main service covers both the EU and Westminster parliaments, and we also offer both French and German language monitoring. During the year we have won new mandates from, amongst others, European Savings Bank, Flint Global and Revolut.

Philip Machray

Chief Executive Officer and Chief Financial Officer

17 July 2024

Financial Review

The Group's financial results for the year ended 31 March 2024 and its financial position at that date are presented on pages 49 to 107.

	FY 2024	FY 2023
	£m	**£m**
Revenue from Continuing Operations	19.9	18.6
Gross profit from Continuing Operations	9.2	8.6
Gross margin %(1) from Continuing Operations	*46.1%*	*46.0%*
Adjusted EBITDA(2) from Continuing Operations	4.0	2.7
Statutory operating profit/(loss) from Continuing Operations	1.7	(3.7)
Statutory profit/(loss) before tax from Continuing Operations	0.9	(3.7)
Income tax (charge)/credit from Continuing Operations	(0.3)	0.1
Profit/(loss) for the year from Continuing Operations	0.5	(3.6)
Profit/(loss) for the year	0.2	(2.7)
Statutory EPS (pence per share)	*0.8p*	*(11.2p)*
Adjusted EPS (pence per share) (3)	*7.4p*	*(3.1p)*
Net debt(4)	(1.9)	(2.6)

(1) Gross margin is Gross profit as a percentage of Revenue

(2) Adjusted EBITDA is calculated as earnings before tax, depreciation, amortisation of intangible assets, share-based payments and non-recurring items

(3) Adjusted EPS is calculated based on the profit/(loss) for the year before amortisation of intangible assets, share-based payments and non-recurring items (see note 13).

(4) Net debt comprises the aggregate of gross debt, excluding IFRS16 lease liabilities, and cash and cash equivalents (see Note 22)

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including non-recurring items, depreciation and amortisation relating to investment activities, share-based payments and other separately reported items.

In addition, the Group also measures and presents performance in relation to various other non-GAAP measures including Adjusted EBITDA. Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

Revenue and operating results

The Group's revenue from Continuing Operations increased by 7.0% to £19.9 million (2023: £18.6 million) and gross profit increased by 7.2% to £9.2 million (2023: £8.6 million). Gross margin remained stable at 46.1% (2023: 46.0%).

Adjusted EBITDA from Continuing Operations increased to £4.0 million (2023: £2.7 million), exceeding pre-pandemic and pre-disposal levels. The Group's operating profit from Continuing Operations was £1.7 million (2023: operating loss of £3.7 million), after non-cash items including an amortisation charge of £0.6 million (2023: £0.6 million) for business combinations and an amortisation charge of £0.3 million (2023: £0.3 million) for intangible software assets. The depreciation charge for property, plant and equipment in the year decreased slightly to £0.2 million (2023: £0.6 million) and a right-of-use depreciation charge was £0.8 million (2023: £1.3 million), both reflecting the reduction in the size and cost of office accommodation in the year. Non-recurring costs, including profits and losses on disposals, people-related costs and other costs, were £0.3 million (2023: £3.4 million).

Financial Review continued

The profit before tax from Continuing Operations for the year was £0.9 million, compared to a loss before tax of £3.7 million in 2023, driven by the higher EBITDA and the much reduced level of non-recurring items. The profit for the year from Continuing Operations was £0.5 million, compared to a loss of £3.6 million in 2023.

Taxation

The Group has a tax charge on Continuing Operations of £0.3 million for the year resulting from the current year profit (2023: tax credit of £0.1 million).

Earnings per share

Earnings per share, both basic and diluted, in the year were 0.8 pence (2023: loss of 11.2 pence) and were based on the profit for the year of £0.2 million (2023: loss of £2.7 million) with a basic weighted average number of shares in issue during the year of 23,956,124 shares (2023: same).

Adjusted earnings per share in the year, both basic and diluted, were 7.4 pence (2023: loss of 3.1 pence) and were based on the Adjusted profit after tax for the year of £1.8 million (2023: loss of £0.8 million).

Dividend

No dividends have been paid or proposed in the year (2023: £nil).

Assets

Non-current assets of £37.3 million (2023: £37.7 million) comprise goodwill of £26.9 million (2023: £26.9 million), intangible assets of £7.3 million (2023: £7.9 million), property, plant and equipment of £0.6 million (2023: £0.3 million), IFRS16 right-of-use assets of £1.9 million (2023: £1.9 million), Investments of £0.4 million (2023: £0.5 million) and deferred tax assets of £0.3 million (2023: £0.2 million).

The amortisation of intangibles and right-of-use assets more than offset the addition of new software assets and IFRS16 leases in the year. Non-current asset Investments have decreased by £0.1 million during the year, reflecting the fair value movement in the Group's investment in DataWorks. Trade and other receivables, excluding deferred consideration receivable and deferred tax, have decreased by £0.8 million to £4.2 million (2023: £5.1 million).

Liabilities

Current liabilities fell by £1.9 million to £8.8 million (2023: £10.8 million) due to a reduction in Trade and other payables. Amounts payable under the bank facility decreased by £1.3 million to £2.1 million (2023: £3.4 million) in line with the bank loan repayment schedule at the year-end date, which requires £0.8 million of the term loans to be repaid within the next 12 months.

Non-current liabilities fell by £1.1 million to £1.7 million (2023: £2.8 million). Key changes in the year were a reduction in bank debt of £0.8 million and a reduction in lease liabilities of £0.3 million.

Financial Review continued

Capital and Reserves

Total equity increased by £0.1 million to £31.9 million (2023: £31.8 million), reflecting the total comprehensive profit for the year.

Liquidity and capital resources

At 31 March 2024, the Group had bank debt of £2.6 million (2023: £4.7 million), comprising amounts owed on term loans and amounts drawn down on a revolving credit facility (RCF).

The Group had a term loan with £0.7 million outstanding (2023: £0.9 million) taken out in July 2022 over a five-year period, with interest at 4.75% over Bank of England interest rate. A further £1.8 million term loan was taken out in March 2023 over an 18-month period, to part-fund disposal of the Shard lease. This loan has the same interest rates and covenants as the Group's existing term loan and £0.6 million was outstanding at 31 March 2024 (2023: £1.8 million).

In addition, the Group has a £2.0 million RCF of which £1.3 million was drawn and was outstanding at end of the financial year (2023: £2.0 million).

The Group had a cash and cash equivalents balance of £0.8 million (2023: £2.1 million) and a net debt position of £1.9 million (2023: net debt of £2.6 million).

Statement of Directors' Responsibilities

The directors are responsible for preparing the Audited Results Announcement in accordance with applicable laws and regulations. The responsibility statement below has been prepared in connection with the Company's full Annual Report for the year ended 31 March 2024. Certain points thereof are not included within this Audited Results Announcement.

The directors confirm to the best of their knowledge:

- the consolidated financial statements, which have been prepared in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted in the UK, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Audited Results Announcement includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces.

Financial Statements

Consolidated income statement

For the year ended 31 March 2024

Continuing Operations	Note	2024 £'000	2023 £'000
Revenue	3	**19,895**	18,585
Cost of sales		**(10,730)**	(10,033)
Gross profit		**9,165**	8,552
Administrative expenses		**(7,850)**	(12,628)
Other operating income	4	**346**	416
Operating profit/(loss) from Continuing Operations		**1,661**	(3,660)
Memorandum:			
Adjusted EBITDA(1)		**3,989**	2,652
Depreciation of property, plant and equipment	16	**(173)**	(620)
Depreciation of right-of-use assets	25	**(833)**	(1,313)
Amortisation of intangible assets acquired through business combinations	15	**(587)**	(587)
Amortisation of software intangible assets	15	**(345)**	(314)
Adjusted EBIT(2)		**2,051**	(182)
Share-based payments	26	**(63)**	(63)
Non-recurring items			
Loss on disposal of Investments in Associates	5	**-**	(303)
Loss on disposal of Shard lease	5	**-**	(2,927)
People-related costs	5	**(202)**	(123)
Fair value movement on Investments	5	**(125)**	-
Other non-recurring items	5	**-**	(62)
Operating profit/(loss) from Continuing Operations		**1,661**	(3,660)
Net finance expense	10,11	**(777)**	(249)
Share of profit of Associate	18	**-**	252
Profit/(loss) before tax from Continuing Operations	7	**884**	(3,657)
Income tax (charge)/credit	12	**(336)**	88
Profit/(loss) for the year from Continuing Operations		**548**	(3,569)

	Note	2024	2023
Profit/(loss) for the year from Continuing Operations		[illegible]	[illegible]
(Loss)/profit for the year from Discontinued Operations	6	**(354)**	884
Profit/(loss) for the year		**194**	(2,685)

(1) Adjusted EBITDA is defined as the operating loss after adding back depreciation, amortisation, share-based payments, and non-recurring items.

(2) Adjusted EBIT is defined as the operating loss after adding back share-based payments and non-recurring items.

100% of the loss is attributable to owners of the parent.

Earnings per share (pence)	**Note**	**2024 p per share**	2023 p per share
Basic from Continuing Operations	13	**2.29p**	**(14.90p)**
Diluted from Continuing Operations	13	**2.29p**	**(14.90p)**
Basic from Discontinued Operations	13	**(1.48p)**	**3.69p**
Diluted from Discontinued Operations	13	**(1.48p)**	**3.69p**
Basic	13	**0.81p**	**(11.21p)**
Diluted	13	**0.81p**	**(11.21p)**

The Notes to the consolidated financial statements form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Note	**2024**	2023
		£'000	£'000
Profit/(loss) for the year		**194**	(2,685)
Items that may be subsequently reclassified to Consolidated income:			
Foreign currency translation:			
Exchange differences on translation of foreign operations		**(138)**	(27)
Loss reclassified to Consolidated income on disposal of foreign operations		**-**	(48)
		(138)	(75)
Remeasurement of defined benefits obligations	27	**(15)**	45
Other comprehensive income for the year		**(153)**	(30)
Total comprehensive profit/(loss) for the year		**41**	(2,715)

The Notes to the consolidated financial statements form part of these financial statements.

Consolidated statement of financial position

As at 31 March 2024

	Note	**2024 £'000**	2023 £'000

Non-current assets			
Goodwill	14	**26,919**	26,919
Intangible assets	15	**7,300**	7,908
Property, plant and equipment	16	**584**	341
Right-of-use assets	25	**1,914**	1,874
Investments	18	**350**	450
Deferred tax assets	23	**277**	184
Total non-current assets		**37,344**	37,676
Current assets			
Trade and other receivables	20	**4,299**	5,502
Cash and cash equivalents	19,20	**782**	2,144
Total current assets		**5,081**	7,646
Total assets		**42,425**	45,322
Current liabilities			
Trade and other payables	21	**5,692**	6,648
Defined benefit pension obligation	27	**79**	76
Bank loan / RCF	19, 22	**2,091**	3,373
Lease liability	25	**977**	678
Total current liabilities		**8,839**	10,775
Non-current liabilities			
Defined benefit pension obligation	27	**283**	249
Bank Loan	19, 22	**552**	1,342
Lease liability	25	**893**	1,202
Total non-current liabilities		**1,728**	2,793
Capital and reserves			
Issued capital	24	**6,708**	6,708
Share premium		**1,067**	1,067
Retained profit		**10,541**	10,347
Capital redemption reserve		**13,680**	13,680
Translation reserve		**(262)**	(124)
Other reserves		**(12)**	3
Share option reserve		**136**	73
Total equity		**31,858**	31,754
Total equity and liabilities		**42,425**	45,322

The Notes to the consolidated financial statements form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2024

	Share capital £'000	Share Premium reserve(1) £'000	Retained earnings £'000	Capital redemption reserve(2) £'000	Translation reserve(3) £'000	Other reserves £'000	Sha optic reserve(£'0C
At 1 April 2022	**6,708**	**1,067**	**13,032**	**13,680**	**(49)**	**(42)**	1
Total comprehensive income							
Loss for the year	**-**	**-**	**(2,685)**	**-**	**-**	**-**	
Currency translation differences	**-**	**-**	**-**	**-**	**(75)**	**-**	
Remeasurement of defined benefit pension obligation	**-**	**-**	**-**	**-**	**-**	**45**	
Share-based payment	**-**	**-**	**-**	**-**	**-**	**-**	**6**
At 31 March 2023	**6,708**	**1,067**	**10,347**	**13,680**	**(124)**	**3**	**7**
At 1 April 2023	**6,708**	**1,067**	**10,347**	**13,680**	**(124)**	**3**	**7**
Total comprehensive income							
Profit for the year	**-**	**-**	**194**	**-**	**-**	**-**	

Profit for the year	-	-	194	-	-	-	
Currency translation differences	-	-	-	-	(138)	-	
Remeasurement of defined benefit pension obligation	-	-	-	-	-	(15)	
Share based payments	-	-	-	-	-	-	6
At 31 March 2024	**6,708**	**1,067**	**10,541**	**13,680**	**(262)**	**(12)**	**13**

1 The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.
2 The capital redemption reserve is a non-distributable reserve created on cancellation of deferred shares.
3 The translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.
4 The share option reserve represents the cumulative expense recognised in relation to equity-settled share-based payments.

The Notes to the consolidated financial statements form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) for the year		**194**	(2,685)
Depreciation of property, plant and equipment	16	**173**	678
Depreciation of right-of-use assets	25	**833**	1,338
Amortisation of intangible assets acquired through business combinations	15	**587**	770
Amortisation of other intangible assets	15	**345**	322
Share-based payments charge	26	**63**	63
Share of profit of Associate		**-**	(252)
Lease interest expense	25	**124**	298
Loss on disposal of fixed assets	7	**2**	-
Fair value movement on investments	5,18	**125**	-
Loss/(profit) on disposal of operations (before tax)	6	**354**	(2,074)
Loss on disposal of IFRS16 finance lease	5	**-**	2,927
Loss on disposal and impairment of investments in associates	5,18	**-**	303
Interest income	10	**(26)**	(77)
Interest expense	11	**407**	378
Foreign exchange charge on operating items		**6**	1
Income tax charge	12	**336**	638
Operating cash flows before movement in working capital		**3,523**	2,628
Increase in inventories		**-**	(16)
Decrease/(Increase) in trade and other receivables		**176**	(1,520)
(Decrease)/Increase in trade and other payables		**(1,412)**	233
Cash generated by operations		**2,287**	1,325
Taxation paid		**(426)**	(429)
Net cash generated from operating activities		**1,861**	896
Cash flows from investing activities			
Interest and similar income received	10	**26**	77
Additions to intangible assets	15	**(324)**	(175)
Additions to property, plant and equipment	16	**(418)**	(69)
Acquisition of investment	18	**(25)**	-
Proceeds from disposal of Associate		**-**	654
Proceeds from disposal of operations	6	**450**	3,846
Repayment of long-term loan by Associate	28	**-**	210
Net cash generated from/(used in) investing activities		**(291)**	4,543

Consolidated statement of cash flows continued

	Note	2024 £'000	2023 £'000
Cash flows from financing activities			

Interest and similar expenses paid		**(407)**	(378)
Payment of lease liabilities	25	**(1,003)**	(1,901)
Receipt/(Payment) on disposal of lease liabilities	25	**577**	(3,683)
Net drawdowns/(repayments) on bank loans	19	**(2,072)**	337
Net cash used in financing activities		**(2,905)**	(5,625)
Net decrease in cash and cash equivalents		**(1,335)**	(186)
Opening cash and cash equivalents		**2,144**	2,321
Effect of exchange rate fluctuations on cash held		**(27)**	9
Closing cash at bank		**782**	2,144
Comprised of:			
Cash and cash equivalents		**782**	2,144
Closing cash at bank	20	**782**	2,144

The Notes to the consolidated financial statements form part of these financial statements.

Notes to the consolidated financial statements

1. Statement of significant accounting policies and judgements

Merit Group plc is a public limited company incorporated in England and Wales. Its registered office is 9th Floor, The Shard, 32 London Bridge Street, London, SE1 9SG.

The consolidated financial statements of Merit Group plc have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with FRS 102; these are presented after the notes to the consolidated financial statements.

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The accounting policies set out below have, unless otherwise stated, or as outlined in the 'Standards adopted' section below, been applied consistently to all periods presented in these Group financial statements. The consolidated financial statements and the Parent Company financial statements are presented in Sterling (£) and are rounded to the nearest thousand pounds (unless stated otherwise).

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

Accounting developments
This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 March 2024 and is consistent with the policies applied in the previous financial year.

The following IFRS standards, amendments or interpretations became applicable during the year ended 31 March 2024 but have not had a material effect on the consolidated financial statements:

Standard		Effective Date*
IFRS 17	Insurance Contracts	1 Jan 2023
Amendments to IFRS 17	Disclosure of accounting policies	1 Jan 2023
Amendments to IAS 1	Disclosure of accounting policies	1 Jan 2023
Amendments to IAS 8	Definition of accounting estimates	1 Jan 2023
Amendments to IAS 12	Deferred tax relating to assets and liabilities arising from a single transaction; and International Tax Reform - Pillar Two Model Rules	1 Jan 2023

*Effective for accounting periods starting on or after this date

There are no other new standards, amendments and interpretations which are effective for periods beginning on or after 1 April 2023, which had any impact on the Group's accounting policies and disclosures in these financial statements.

1. Statement of significant accounting policies and judgements continued

New and revised accounting standards in issue but not yet effective
Accounting standards, amendments and interpretations issued, but not yet effective, up to the date of the issuance of the consolidated financial statements are disclosed below. The Group expects to adopt these standards, if applicable, in the accounting period in which they become effective.

Standard		**Effective Date***
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current; and Non-Current Liabilities with Covenants	1 Jan 2024
Amendments to IAS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan 2024

*Effective for accounting periods starting on or after this date

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, except for forward contracts (stated at fair value at year end) and defined benefit pension obligations (stated at the projected unit credit method in accordance with IAS 19 at year end).

In addition to statutory disclosures, the Group also measures and presents performance in relation to various other non-GAAP measures including Adjusted EBITDA. Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

Adjusted EBITDA is presented to provide a more comparable indication of the Group's core business performance by removing the impact of certain items, including non-recurring items, depreciation and amortisation relating to investment activities, share-based payments and other separately reported items.

1. Statement of significant accounting policies and judgements continued

Going Concern
The Directors have considered the implications for going concern below, for a period of at least twelve months from the signing of these accounts.

The Directors have prepared and approved monthly-phased projections for the 21 months from the balance sheet date. The Directors consider the projections to be reasonable. The Directors have assessed the future funding requirements of the Group within the projections, compared them with the level of available borrowing facilities, and assessed the impact of them on the Group's cash flow, facilities and headroom within its future banking covenants. In addition, the Directors have considered reasonable downside risks and their potential impact on the projections and headroom.

Based on this work, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

In the 12-month period from the balance sheet date, capital repayments of £0.8 million on Term Loans were due to the bank, with the remaining £0.6 million Term Loan due in subsequent periods. The Group's Revolving Credit Facility, of which £1.3 million was drawn and £0.7 million undrawn as at 31 March 2024, is available until July 2027.

Basis of consolidation
Subsidiaries are entities controlled by the Group. Control is achieved where the Group is exposed to, or has rights to, variable returns and has the ability to affect those returns. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date that control commences to the date that control ceases. Where necessary, adjustments are made to the results of the acquired subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Business combinations
Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

1. Statement of significant accounting policies and judgements continued

Revenue policy
Revenue is the total amount of income generated by the sale of goods or services relating to the Group's primary operations. The Group has multiple revenue streams, being revenue from Data, Software & Technology Resourcing, Political Intelligence, and Political Engagement (now Discontinued - see note 6).

Our Merit Data and Technology ("MD&T") business provides services within Data and Software & Technology Resourcing. Across each of these services, the performance obligation is the delivery of the service as agreed with the client in the contract. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group or via periodic delivery of data where that is the contractual requirement. Revenue is recognised either:

- in line with the hours used under the contract for services in line with our right to invoice for the actual hours used at a fixed contractual rate per hour; or
- on delivery of the data where this reflects the completion of the contractual deliverable;

in each case in accordance with IFRS15 and dependent upon the nature of the contractual arrangement.

Political Intelligence is a subscription-based service; the revenue is recognised on a straight-line basis over the life of the subscription. The performance obligation is the provision and availability of the subscription platform; the obligation is deemed to be satisfied as the client has ongoing access to the subscription platform. Where subscriptions are paid in advance, the contract balances for services not yet delivered are treated as deferred income.

Leases
A contract contains a lease if the contract gives a right to control the use of an asset for a period of time in exchange for consideration. Leases which meet the criteria of "short-term," for which the lease term is less than 12 months, or "low-value assets" are exempt from IFRS 16. Lease payments associated with "short-term" and "low-value assets" are expensed on a straight-line basis over the life of the lease.

For all other leases, at the lease commencement date, a right-of-use asset and corresponding lease liability are recognised in the Consolidated statement of financial position. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. Right-of-use assets are measured at the value of the associated lease liability plus any initial direct costs incurred, adjusted for any prepaid or accrued lease payments. The right-of-use asset is initially recognised at cost, and subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease liability is increased by the interest cost and decreased by the lease payments made.

Post-retirement benefits - defined contribution
The Group contributes to independent defined contribution pension schemes. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

1. Statement of significant accounting policies and judgements continued

Defined benefits pensions
The Group operates a defined benefit pension plan for eligible employees based in India. The assets of the scheme are held separately from those of the Group.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit credit method.

Past service cost and settlement gains are recognised immediately in the Consolidated income statement. Remeasurements comprising of actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefit liability/asset, are recognised in other comprehensive income (OCI), net of income taxes.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

Non-recurring items
Non-recurring items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included on the income statement on an independent line to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the Consolidated income statement.

Non-recurring items are not in accordance with any specific IFRS definition and therefore may be different to other companies' definition of non-recurring items.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit 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 assets and liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is 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 profit will be available against which temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax nor the accounting profit other than in a business combination.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

1. Statement of significant accounting policies and judgements continued

Taxation (continued)
The carrying amount of the deferred tax asset is reviewed at each balance sheet 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 enacted or that are expected to apply (substantively enacted) at the balance sheet dated when the liability is settled or the asset is realised. Deferred tax is charged or credited to 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.

Goodwill
Goodwill represents the difference between the cost of acquisition of a business and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Any impairment is recognised immediately in profit or loss.

Intangible assets
Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 Intangible Assets. Intangible assets are not revalued. The amortisation period and method are reviewed at each financial year end and are changed in accordance with IAS 8 Accounting Policies, "Changes in Accounting Estimates and Errors" if this is considered necessary. There were no changes from last year. The estimated useful lives are as follows:

Publishing rights and brands	20-75 years (one specific right is deemed to have a useful economic life of 75 years)
Customer relationships	1-8 years
Customer list	4-8 years
Other assets	1 year

Software which is not integral to a related item of hardware is included in intangible assets and amortised over its estimated useful lives of between 3-10 years. The salaries of staff employed in the development of new software relating to the Group's information services products and salaries of staff employed in building our digital platform architecture within the Group are capitalised into software.

1. Statement of significant accounting policies and judgements continued

Intangible assets - research and development
Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use;
- its intention to complete and its ability and intention to use the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins from the date development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is charged to the income statement. During the period of development, the asset is tested for impairment.

statement. During the period of development, the asset is tested for impairment.

The Directors assess the useful life of the completed capitalised projects to be 3-10 years from the date of when benefits begin to be realised and amortisation will begin at that time.

Intangible assets - Impairment
The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of possible impairment. If any such indication of possible impairment exists, then the asset's recoverable amount is estimated and compared with the asset's carrying value. For goodwill, the recoverable amount is estimated each year at each balance sheet date.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell.

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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Intangible assets - Impairment (continued)
An impairment loss in respect of goodwill is not reversed. In respect of other intangible assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	Over the shorter of the life of the asset or lease period
IT Equipment, fixtures & fittings	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Cash
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Foreign currencies
The individual financial statements of each Group Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Pounds Sterling, which is the presentation currency of the Group.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated but remain at the exchange rate at the date of the transaction.

Foreign currencies (continued)
Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of

non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period ended on the balance sheet date. Exchange rate differences arising, if any, are recognised directly in equity in the Group's translation reserve. Such translation differences are recognised as income or as expense in the income statement in the period in which the operation is disposed of.

Provisions
A provision is recognised on the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Financial Instruments
Financial assets
Financial assets are recognised on the Group's Consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments
All of the Group's derivatives and forward contracts are measured at their fair value at the end of each period. Derivatives and forward contracts that mature within one year are classified as current.

Financial assets
Financial Assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through income statement (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The Group's financial assets comprise of trade and other receivables and cash and cash equivalents.

Trade receivables
Trade receivables are measured at amortised costs and are carried at the original invoice amount less allowances for expected credit losses.

1. **Statement of significant accounting policies and judgements** continued

Trade receivables (continued)
Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying a historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue, and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key driver of the loss rates is the ageing of the debtor. When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any credit loss allowance available, and then to the income statement.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement. Long term receivables are discounted where the effect is material.

Financial Liabilities
The Group's financial liabilities consist of trade payables, loans and borrowings, and other financial liabilities. Trade payables are non-interest bearing. Trade payables are initially recognised at their fair value and subsequently measured at their amortised cost. Loans and borrowings and other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Interest expense is measured on an effective interest rate basis and recognised in the income statement over the relevant period.

Fixed asset investments
Investments in unlisted entities which are held for long term investment purposes are held at fair value through profit and loss ("FVTPL"). The carrying amount of the Group's fixed asset investments are reviewed at each reporting date with changes in fair value recognised in other gains/(losses) in the consolidated income statement.

Associated companies
Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above, but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Periodically management assesses whether there is any sign of impairment in the investment in Associate, management make judgement in regard to the investee's ability to fulfil financial obligations, significant adverse changes in the environment where the investee operate. If management judges that evidence of impairment exists, an impairment test will be conducted. The entire carrying amount of the investment is tested for impairment as a single asset by comparing its carrying amount to its recoverable amount. Recoverable amount is the higher of value in use and fair value less costs to sell. If the carrying amount of an investment in Associate is higher than its recoverable amount, an impairment charge is recognised in the Consolidated income statement.

1. Statement of significant accounting policies and judgements continued

Associated companies (continued)
In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in the income statement. Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Share based payments
Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income on a straight-line basis over the vesting period. Fair value is calculated using the Monte Carlo simulation model, details of which are given in Note 26.

Non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2. Critical accounting estimates and judgements and adopted IFRS not yet effective

The key assumptions concerning the future and other key sources of estimation and judgements at the balance sheet date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant Judgements and Estimates

a) Continuing and Discontinued Operations

   During the prior year, the Group completed the disposal of the Media, Events and Training operations of its Dods segment, including the trade and assets of Le Trombinoscope SAS, which together constituted the entire Media, Events and Training operations of the Group. Further details of the disposals are disclosed in Note 6. Whilst these operations were only part of the Dods CGU, they generated approximately 60% of the revenues of that CGU and 35% of total Group revenues. It was management's judgement that these operations represented separate major lines of business, were part of a single coordinated plan to dispose of that line of business, and given the scale of these operations, it was appropriate to consider the disposed activities as Discontinued Operations under IFRS 5. Accordingly, management adopted IFRS 5 disclosures in presenting the Consolidated Income Statement and supporting Notes on a Continuing Operations basis, including the results of the Discontinued Operations as a single line within the Consolidated Income Statement and restating the comparative figures accordingly.

b) Going concern

   Management applies judgement when determining to apply the going concern basis for preparation of the financial statements, through evaluation of financial performance and forecasts. See "Going concern" section on pages 41 to 42 for further details.

c) Non-recurring administrative expenses

   Due to the Group's significant restructuring and acquisition related activity in recent years, there are a number of items which require judgement to be applied in determining whether they are non-recurring in nature. In the current year these relate largely to disposals, restructuring and redundancy costs. See Note 5 for further details.

d) Impairment testing

   Where indicators of a possible impairment are identified, the Directors use the value in use or fair value less costs to sell to determine recoverable value.

In the current year, the Directors have used the value in use model. The key judgements and estimates required in this model are:

- the identification of cash-generating units (CGUs). The Directors have judged that the primary CGUs used for impairment testing should be MD&T and Dods;
- the assessment of value in use, which was derived from a discounted cashflow model using the expected post-tax earnings and cashflows of each CGU; and
- the estimated discount rate, which was based on management's estimate of the long-term cost of capital available to the Group to fund each CGU.

In the prior year, the Directors used the fair value less costs to sell model. The key judgements and estimates required in this model are:

2. Critical accounting estimates and judgements and adopted IFRS not yet effective continued

Significant Judgements and Estimates continued

d) Impairment testing (continued)

- the identification of cash-generating units (CGUs). The Directors have judged that the primary CGUs used for impairment testing should be MD&T and Dods;
- the assessment of fair value, which was assessed using the expected recurring earning of the CGUs and the average earnings multiples for a group of listed businesses which the Directors consider comparable to the MD&T and Dods CGUs and for which published information allowing a comparable assessment is available, with the key judgement being the identification of comparable entities for which the Directors used their own experience to identify entities that could be considered comparable;
- the estimate of costs to sell, which was based on management's knowledge and experience of costs incurred on transactions to buy and sell similar assets.

See Note 14 for further details.

e) Capitalisation of development costs

Management applies judgement when determining the value of development costs to be capitalised as an intangible asset in respect of its product development program. Judgement includes the technical feasibility, intention and availability of resources to complete the intangible asset so that the asset will be available for use and assessment of likely future economic benefits. Details of intangible assets capitalised are available in Note 15.

f) Recognition of deferred tax assets

Judgement is applied in the assessment of deferred tax assets in relation to losses to be recognised in the financial statements. 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. The carrying amount of deferred tax assets is reviewed at each reporting 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. See Note 23 for further details.

g) Investments

The Group takes into account the power over its investee, its exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of the investor's return to determine whether the investment is treated as an Associate or a controlling interest. See Note 18 for further details. Where a controlling interest exists, the investee is consolidated.

Adopted IFRS not yet applied

This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 March 2024 and is consistent with the policies applied in the previous financial year. There are no other new standards, amendments and interpretations which are effective for periods beginning on or after 1 April 2023, which had any impact on the Group's accounting policies and disclosures in these financial statements. None of the new standards, amendments and interpretations, which are effective for periods beginning after 1 April 2023 and which have not been adopted early, are expected to have a significant effect on the consolidated financial statements of the Group.

3. Segmental information

The basis on which operating results are reviewed and resources allocated is examined from both a business and geographic perspective by the senior management team.

Business segments

The Group considers that it has two operating business segments, Merit Data & Technology (MD&T) and Dods, plus a (non-revenue generating) central corporate segment.

- The Merit Data & Technology business segment focuses on the provision of data, data engineering and machine learning, and on the provision of software and technology resourcing.

- The Dods business segment concentrates on the provision of key information and insights into the political and public policy environments around the UK and the European Union.

- The central corporate segment contains the activities and costs associated with the Group's head office functions.

On 30 November 2022, the Group completed the disposal of the Media, Events and Trading operations (the 'MET operations') of its Dods segment. On 13 January 2023, the Group completed the disposal of the trade and assets of Le Trombinoscope from its Dods segment. Prior year figures are presented on a Continuing Operations basis, excluding the results of these disposed operations (the "Discontinued Operations"), as outlined in Note 6.

The following table provides an analysis of the Group's segment revenue by business segment.

Revenue by business segment - continuing operations(1)	**2024 £'000**	2023 £'000
Merit Data & Technology	**12,869**	11,644
Dods	**7,026**	6,941
	19,895	18,585

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

No client accounted for more than 10 percent of total revenue.

Revenue by stream - continuing operations(1)	**2024 £'000**	2023 £'000
Data	**6,760**	6,743
Software & Technology Resourcing	**6,109**	4,901
Political Intelligence	**7,026**	6,941
	19,895	18,585

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

3. **Segmental information** continued

2024 Profit/(loss) before tax by business segment **Continuing operations**	**MD&T 2024 £'000**	**Dods 2024 £'000**	**Central 2024 £'000**	**Total 2024 £'000**
Adjusted EBITDA	**2,761**	**2,249**	**(1,021)**	**3,989**
Depreciation of property, plant and equipment	(98)	(75)	-	**(173)**
Depreciation of right-of-use assets	(517)	(316)	-	**(833)**
Amortisation of intangible assets acquired through business combinations	(510)	(77)	-	**(587)**
Amortisation of software intangible assets	(61)	(284)	-	**(345)**
Share based payments	-	-	(63)	**(63)**
Non-recurring items				
Profits and losses on disposals	-	-	-	**-**
People-related costs	-	(27)	(175)	**(202)**
Other non-recurring items	-	-	(125)	**(125)**
Operating profit/(loss)	**1,575**	**1,470**	**(1,384)**	**1,661**
Net finance expense	(297)	(98)	(382)	**(777)**
Share of profit of Associate	-	-	-	**-**
Profit/(loss) before tax from continuing operations	**1,278**	**1,372**	**(1,766)**	**884**

2023 Profit/(loss) before tax by business segment **Continuing operations**(1)	**MD&T 2023 £'000**	**Dods 2023 £'000**	**Central 2023 £'000**	**Total 2023 £'000**
Adjusted EBITDA	**1,809**	**1,838**	**(995)**	**2,652**
Depreciation of property, plant and equipment	(252)	(368)	-	**(620)**
Depreciation of right-of-use assets	(552)	(517)	(244)	**(1,313)**
Amortisation of intangible assets acquired through business combinations	(510)	(77)	-	**(587)**
Amortisation of software intangible assets	-	(314)	-	**(314)**
Share based payments	-	-	(63)	**(63)**
Non-recurring items				
Profits and losses on disposals	-	-	(3,230)	**(3,230)**
People-related costs	(35)	10	(98)	**(123)**
Other non-recurring items	-	-	(62)	**(62)**
Operating profit/(loss)	**460**	**572**	**(4,692)**	**(3,660)**
Net finance expense	83	(226)	(106)	**(249)**
Share of profit of Associate	-	-	252	**252**
Profit/(loss) before tax from continuing operations	**543**	**346**	**(4,546)**	**(3,657)**

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

3. Segmental information continued

Geographical segments

The following table provides an analysis of the Group's segment revenue by geographical market. Segment revenue is based on the geographical location of customers.

Revenue by geographical segment - continuing operations(1)	2024 £'000	2023 £'000
UK	**15,811**	15,333
Belgium	**1,857**	1,707
USA	**619**	662
Germany	**475**	424
France	**322**	321
Rest of world	**811**	138
	19,895	18,585

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Non-current assets by geographical segment(2)	2024 £'000	2023 (restated *) £'000
UK	**34,928**	**35,136**
Goodwill	26,919	26,919
Intangible assets	7,267	7,873
Property, plant and equipment	61	76
Right-of-use asset	681	268
India	**1,789**	**1,906**
Intangible assets	33	35
Property, plant and equipment	523	265
Right-of-use asset	1,233	1,606
	36,717	**37,042**

(2) Excluding Investments held as non-current assets (see Note 18) and deferred tax assets (see Note 23).

* Prior period numbers have been restated to correctly disclose £35,000 of intangible assets held in India, which had previously been categorised as held within the UK.

3. Segmental information continued

Group Deferred revenue

The following table provides an analysis of the Group's deferred revenue:

Aggregate Deferred Revenue	2024 £'000	2023 £'000
Merit Date & Technology	**-**	10
Dods	**3,073**	3,132
	3,073	3,142

Of revenue deferred at the year-end date, the Group expects to recognise £2,830,000 over the next year ending 31 March 2025.

During the current year, the Group recognised £2,882,000 of deferred revenue from the prior period, based on the performance obligation being satisfied. The remaining £260,000 is yet to be recognised, and is expected to be recognised in the year ending 31 March 2025. This also forms part of the current year balance.

4. Other operating income

During the year and the prior year, the Group provided transitional services to the Political Holdings Limited group, the purchaser of the disposed Media, Events and Training operations, as part of the agreed disposal. These services included finance, IT and occupancy services, for which the costs are primarily incurred within the Dods segment. The fees of £346,000 arising in the year have been recognised within Other operating income (4 months to 31 March 2023: £416,000).

5. Non-recurring items

Continuing operations[(1)]	2024 £'000	2023 £'000
Fair value movement on Investments	**(125)**	-
People-related costs	**(202)**	(123)
Other: Professional services, consultancy and finance fees	**-**	(62)
Transaction-related non-recurring items:		
Loss on disposal of investments in Associates	**-**	(303)
Loss on disposal of Shard lease	**-**	(2,927)
	(327)	(3,415)

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Fair value movements on investments relate to the valuation of the Group's investment in unlisted entities (see Note 18).

People-related costs include redundancy costs reflecting the effect of Group initiatives to appropriately restructure the Board and the business.

Other non-recurring costs in the prior year relate to one-off professional fees in respect of the debt refinancing associated with the assignment of the former London lease. These costs are classified as non-recurring as they related to a one-off exercise, and are therefore highly unlikely to arise again.

6. Disposal

On 30 November 2022, the Group completed the disposal of the Media, Events and Training operations of its Dods segment (together, the "MET Operations") for a cash consideration of £4.5 million to Political Holdings Limited.

On 12 January 2023, the Group completed the disposal of the trade and assets of Le Trombinoscope SAS, the Paris-based activities of the Dods segment ("Le Trombinoscope") to Trombimedia Limited for £0.1 million cash consideration.

As a consequence of the disposals, the activities of the MET Operations and Le Trombinoscope were classified as Discontinued Operations in the Consolidated income statement.

6. Disposal continued

The results of Discontinued Operations for the year, which for 2023 includes the results of the MET operations for 8 months and Le Trombinoscope for 9.5 months, are as follows:

6(a) - Profit from Discontinued Operations

Discontinued Operations	2024 £'000	2023 £'000
Revenue	**-**	6,913
Cost of sales	**-**	(5,861)
Gross profit	**-**	1,052
Administrative expenses	**-**	(1,450)
Other operating income	**-**	-
Operating loss	**-**	(398)
Memorandum:		
Adjusted EBITDA	**-**	(69)
Depreciation of property, plant and equipment	**-**	(58)
Depreciation of right-of-use assets	**-**	(25)
Amortisation of intangible assets acquired through business combinations	**-**	(183)
Amortisation of software intangible assets	**-**	(8)
Non-recurring items - people-related costs	**-**	(55)
Operating loss	**-**	(398)
Net finance expense	**-**	(66)
Loss before tax	**-**	(464)
Income tax credit	**-**	58

Loss for the period from Discontinued Operations	**-**	(406)
(Loss)/profit on disposal of Discontinued Operations after tax (see note 6(c))	**(354)**	1,290
(Loss)/profit from Discontinued Operations for the period	**(354)**	884

6. **Disposal** continued

6(b) - Cashflows from Discontinued Operations

Cashflows generated by the Discontinued Operation for the period were as follows:

Discontinued Operations	**2024 £'000**	2023 £'000
Net cash outflow from operating activities	**-**	(1,621)
Net cash inflow from investing activities	**450**	3,846
Net cash outflow from financing activities	**-**	(95)
Net increase in cash, cash equivalents and bank overdrafts from Discontinued Operations	**450**	2,130

6(c) Disposal details

	2024 £'000	2023 £'000
Consideration received and receivable:		
Cash (net of transaction costs)	**-**	3,846
Deferred consideration	**-**	450
Total disposal consideration	**-**	4,296
Carrying amount of net assets sold	**354**	2,290
(Loss)/gain on disposal before tax and reclassification of foreign currency translation reserve	**(354)**	2,006
Reclassification of foreign currency translation reserve	**-**	68
Tax charge on disposal	**-**	(784)
(Loss)/profit on disposal of Discontinued Operations after tax	**(354)**	1,290

7. **Profit/(loss) before tax**

Profit/(loss) before tax from Continuing Operations[1] has been arrived at after charging / (crediting):

Continuing Operations[1]:	Note	**2024 £'000**	2023 £'000
Depreciation of property, plant and equipment	16	**173**	620
Depreciation of right-of-use assets	25	**833**	1,313
Amortisation of intangible assets acquired through business combinations	15	**587**	587
Amortisation of software intangible assets	15	**345**	314
Staff costs	9	**11,296**	11,991
Non-IFRS16 operating lease expense	25	**41**	40
Non-recurring items	5	**327**	3,415
Share of profit of Associate	18	**-**	252
Interest income	10	**(26)**	(77)
Interest expense	11	**531**	607
Net foreign exchange loss/(gain)	10	**250**	(297)
Loss on disposal of fixed assets	16	**2**	-

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Profit/(loss) before tax has been arrived at after charging:

Auditor's remuneration	2024 £'000	2023 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**50**	51
Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiaries, pursuant to legislation	**50**	137
- Non-audit services in relation to review of interim accounts	**-**	5
- Non-audit services in relation to review of ERS tax returns	**-**	4
	100	197

8. Directors' remuneration

The remuneration of the Directors of the Group for the years ended 31 March 2024 and 31 March 2023 is set out below:

		Salaries /fees £	Bonus £	Committee fees £	Pension Contrib'ns £	Other Benefits(8) £	Total £
Executive Directors							
Philip Machray(1)	**2024**	**212,083**	**28,500**	**-**	**8,483**	**2,284**	**251,350**
CEO and CFO	2023	197,900	25,000	-	658	2,071	225,629
Cornelius Conlon	**2024**	**151,372**	**-**	**-**	**3,375**	**33,532**	**188,279**
Managing Director	2023	153,459	-	-	3,375	270,708	427,542
David Beck(2)	**2024**	**189,583**	**-**	**-**	**7,583**	**150,977**	**348,143**
Former CEO	2023	227,820	25,000	-	-	2,379	255,199
Munira Ibrahim(3)	**2024**	**-**	**-**	**-**	**-**	**-**	**-**
Former Managing Director	2023	145,000	-	-	5,800	149,379	300,179
Non-Executive Directors							
Lord Ashcroft KCMG PC(4)	**2024**	**-**	**-**	**-**	**-**	**-**	**-**
Non-Executive Director	2023	-	-	-	-	-	-
Richard Boon(5)	**2024**	**2,083**	**-**	**417**	**-**	**-**	**2,500**
Non-Executive Director	2023	25,000	-	5,000	-	-	30,000
Angela Entwistle(6)	**2024**	**25,000**	**-**	**5,000**	**-**	**-**	**30,000**
Non-Executive Director	2023	25,000	-	5,000	-	-	30,000
Diane Lees	**2024**	**25,000**	**-**	**5,000**	**-**	**9,500**	**39,500**
Non-Executive Director	2023	25,000	-	5,000	-	-	30,000
Mark Smith	**2024**	**50,000**	**-**	**5,000**	**-**	**-**	**55,000**
Non-Executive Chairman	2023	50,000	-	5,000	-	-	55,000
Vijay Vaghela(5)	**2024**	**2,083**	**-**	**833**	**-**	**-**	**2,916**
Non-Executive Director	2023	25,000	-	10,000	-	-	35,000
Tim Briant(7)	**2024**	**2,276**	**-**	**455**	**-**	**-**	**2,731**
Non-Executive Director	2023	-	-	-	-	-	-
Total for 2024		**659,480**	**28,500**	**16,705**	**19,441**	**196,293**	**920,419**
Total for 2023		874,179	50,000	30,000	9,833	424,537	1,388,549

1 Chief Financial Officer additionally appointed as Chief Executive Officer from 26 January 2024.
2 Resigned as Chief Executive Officer on 26 January 2024.
3 Resigned as a Director on 30 November 2022.
4 Lord Ashcroft was appointed to the Board on 13 December 2022 and resigned on 26 April 2024. During the period he received £nil remuneration.
5 Resigned as a Director on 31 January 2023.
6 The £30,000 (2023: £30,000) paid for the services of Angela Entwistle as a Non-Executive Director is paid to Deacon Street Partners Limited. See also related party transactions - Note 28.
7 Appointed as a Director on 28 February 2024.
8 Other benefits are health insurance, overseas living allowance, and (i) deferred cash consideration on acquisition of Meritgroup Limited in respect of Cornelius Conlon, and (ii) redundancy and compensation for loss of office payments in respect of David Beck and Munira Ibrahim.

During FY24, the highest paid Director received remuneration of £348,143, which included pension contributions of £7,583. In 2023, the highest paid Director received remuneration of £427,542, which included pension contributions of £3,375.

During the year, three (2023: three) directors accrued benefits under money purchase pension schemes.

The current Directors and their interests in the share capital of the Company at 31 March 2024 are disclosed within the Directors' Report on page 26.

9. Staff costs

The average number of persons employed by the Group (including Executive Directors) during the year within each category was:

Continuing Operations(1)	**2024 Number**	2023 Number
Editorial and production staff	**41**	39
Sales and marketing staff	**30**	17
Managerial and administration staff	**100**	17
Technology and support staff	**788**	904
	959	977

Continuing Operations(1)	**2024 £'000**	2023 £'000
Wages and salaries	**10,319**	10,810
Social security costs	**783**	976
Pension and other costs	**131**	142
Share-based payment charge/(credit)	**63**	63
	11,296	11,991

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Staff costs do not include deferred cash consideration in relation to the Meritgroup Limited acquisition. This is treated as non-recurring (see Note 5) and is included in Directors' Remuneration (see Note 8).

10. Finance income

Continuing Operations(1)	**2024 £'000**	2023 £'000
Bank interest income	**26**	77
Pension finance credit	**3**	8
Net foreign exchange gain(2)	**-**	297
	29	382

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

(2) Net foreign exchange gain/(loss) includes £203k FX loss on derivatives (2023: £5k FX loss).

11. Finance expense

Continuing Operations(1)	**2024 £'000**	2023 £'000
Bank interest expense	**407**	313
Pension finance charge	**25**	24
Lease interest expense	**124**	294
Net foreign exchange loss(2)	**250**	-
	806	631

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

(2) Net foreign exchange gain/(loss) includes £203k FX loss on derivatives (2023: £5k FX loss).

(3)

12. Income tax credit

Continuing Operations(1)	**2024 £'000**	2023 £'000
Current tax		
Current tax on income for the year at 25% (2023: 19%)	**-**	32
Adjustments in respect of prior periods	**13**	10
	13	42
Overseas tax		
Current tax expense on income for the year	**424**	364
Total current tax expense	**437**	406
Deferred tax (see Note 23)		
Origination and reversal of temporary differences	**(120)**	(416)
Effect of change in tax rate	**-**	-
Adjustments in respect of prior periods	**19**	(78)
Total deferred tax income	**(101)**	(494)
Total income tax charge/(credit)	**336**	(88)

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

The tax charge for the year differs from the standard rate of corporation tax in the UK of 25% (2023: 19%). A reconciliation is provided in the table below:

Continuing Operations[1]	**2024 £'000**	2023 £'000
Profit/(loss) before tax	**884**	(3,657)
Notional tax charge/(credit) at standard rate of 25% (2023: 19%)	**221**	(695)
Effects of:		
Expenses not deductible for tax purposes	**63**	429
Non-qualifying depreciation	**7**	-
Adjustments to brought forward value	**19**	(78)
Non-taxable income	**(5)**	-
Deferred tax not recognised	**-**	32
Utilisation of losses not provided for	**(81)**	5
Tax losses carried forward	**56**	104
Adjustment to agree foreign tax charge	**42**	119
Other	**14**	(4)
Total income tax charge/(credit)	**336**	(88)

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

13. Earnings per share

Continuing Operations[1]	**2024 £'000**	2023 £'000
Profit/(loss) attributable to shareholders	**548**	(3,569)
Add: non-recurring items	**327**	3,415
Add: amortisation of intangible assets acquired through business combinations	**587**	587
Add: net exchange losses/(gains) (Note 11 / Note 10)	**250**	(297)
Add: share-based payment expense	**63**	63
Adjusted post-tax profit attributable to shareholders	**1,775**	199

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Discontinued Operations	**2024 £'000**	2023 £'000
(Loss)/profit attributable to shareholders	**(354)**	884
Add: non-recurring items	**354**	(2,019)
Add: amortisation of intangible assets acquired through business combinations	**-**	183
Adjusted post-tax profit/(loss) attributable to shareholders	**-**	(952)

	2024 Ordinary shares	2023 Ordinary shares
Weighted average number of shares		
In issue during the year - basic	23,956,124	23,956,124
Adjustment for share options	-	-
In issue during the year - diluted	23,956,124	23,956,124

Performance Share Plan (PSP) options over 1,420,791 Ordinary shares have not been included in the calculation of diluted EPS for the year ended 31 March 2024 because their exercise is contingent on the satisfaction of certain criteria that had not been met at that date.

13. Earnings per share continued

Continuing Operations[1]	**2024 Pence per share**	2023 Pence per share
Earnings per share - continuing operations		
Basic	**2.29**	(14.90)
Diluted	**2.29**	(14.90)

Diluted	**2.29**	(14.90)
Adjusted earnings per share - continuing operations		
Basic	**7.41**	0.83
Diluted	**7.41**	0.83

(1) Comparative figures for the year ended 31 March 2023 include Continuing Operations only, as outlined in Note 6.

Discontinued Operations	2024 Pence per share	2023 Pence per share
Earnings per share - discontinued operations		
Basic	**(1.48)**	3.69
Diluted	**(1.48)**	3.69
Adjusted earnings per share - discontinued operations		
Basic	**-**	(3.97)
Diluted	**-**	(3.97)

TOTAL	2024 Pence per share	2023 Pence per share
Earnings per share		
Basic	**0.81**	(11.21)
Diluted	**0.81**	(11.21)
Adjusted earnings per share		
Basic	**7.41**	(3.14)
Diluted	**7.41**	(3.14)

14. Goodwill

	2024 £'000	2023 £'000
Cost as at 1 April	**26,919**	28,911
Disposals in the year	**-**	(1,992)
Cost as at 31 March	**26,919**	26,919

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cashflows from other groups of assets. Management determined that the smallest level that they could reasonably allocate the group of assets to was MD&T CGU and Dods CGU.

Of the carrying value of goodwill, £15.6 million has been allocated to the MD&T CGU (2023: £15.6 million), and £11.3 million had been allocated to the Dods CGU (2023: £11.3 million).

Goodwill is not amortised but is tested annually for impairment.

In the prior year, the assessment for impairment was undertaken with the recoverable amount being determined as fair value less costs to sell, under Level 3 of the fair value hierarchy of IFRS 13, the key assumptions being the assessment of fair value and the estimate of costs to sell. The Group assessed fair value using the expected recurring earnings of the CGUs, based on the Board's approved projections, and the average earnings multiples for a group of listed businesses which the Directors considered comparable to the MD&T and Dods CGUs and for which published information allowing a comparable assessment was available. The estimate of costs to sell was based on management's knowledge and experience of costs incurred on transactions to buy and sell similar assets.

In the current year, the assessment for impairment has been undertaken with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts of income and costs. The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of the Group based on financial forecasts approved by management covering a five-year period, considering past performance, known developments and committed plans, and expectations for future business developments. Management selected a pre-tax discount rate (14.3%) reflective of the Group's estimated weighted average cost of capital and the cost of debt financing for the Group, which it considered reflected the market assessments of the time value of money and the risks specific to each separate business.

The Directors have changed the basis for assessment as they consider the value in use method to be more applicable to the Group's circumstances and strategy.

Based on the above assessments, the Directors concluded at each year-end that the recoverable amount for each CGU was in excess of their carrying value, including the value of goodwill, for both the MD&T and Dods CGUs. Therefore no impairment charge was recognised in the year (2023: £nil).

15. Intangible assets

	Assets acquired through business combinations[1]	Software	Under construction capitalised costs	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	28,042	6,074	-	34,116
Transferred from tangible fixed assets	-	-	70	70
Additions - internally generated	-	101	74	175
Disposals	(16,833)	(3,999)	-	(20,832)
At 31 March 2023	11,209	2,176	144	13,529
Additions - internally generated	-	22	302	324
Software brought into use	-	144	(144)	-
At 31 March 2024	**11,209**	**2,342**	**302**	**13,853**
Accumulated amortisation				
At 1 April 2022	20,145	4,145	-	24,290
Charge for the year	770	322	-	1,092
Disposals	(15,825)	(3,936)	-	(19,761)
At 31 March 2023	5,090	531	-	5,621
Charge for the year	587	345	-	932
At 31 March 2024	**5,677**	**876**	**-**	**6,553**
Net book value				
At 31 March 2023	6,119	1,645	144	7,908
At 31 March 2024	**5,532**	**1,466**	**302**	**7,300**

[1] Assets acquired through business combinations, summarised in the table below, comprise:

15. Intangible assets continued

Assets acquired through business combinations:	Publishing rights and brands	Brand names	Customer relationships and lists	Other assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2022	18,934	1,277	7,677	154	28,042
Disposals	(13,451)	(1,277)	(2,051)	(54)	(16,833)
At 31 March 2023	5,483	-	5,626	100	11,209
At 31 March 2024	**5,483**	**-**	**5,626**	**100**	**11,209**
Accumulated amortisation					
At 1 April 2022	13,742	1,277	4,972	154	20,145
Charge for the year	260	-	510	-	770
Disposals	(12,443)	(1,277)	(2,051)	(54)	(15,825)
At 31 March 2023	1,559	-	3,431	100	5,090
Charge for the year	76	-	511	-	587
At 31 March 2024	**1,635**	**-**	**3,942**	**100**	**5,677**

Net book value

At 31 March 2023	3,924	-	2,195	-	6,119
At 31 March 2024	**3,848**	**-**	**1,684**	**-**	**5,532**

The carrying value of publishing rights with a useful economic life of 75 years is £3.8 million (2023: £3.9 million).

Included within intangible assets are internally generated assets with a net book value of £1.9 million (2023: £1.8 million).

During the period there was an expense of £0.4 million to the Consolidated income statement for Research & Development (2023: £nil).

16. Property, plant and equipment

	Leasehold Improvements	IT Equipment and Fixtures and Fittings	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022	2,037	2,521	4,558
Transferred to intangible fixed assets	-	(70)	(70)
Additions	-	69	69
Foreign exchange differences	-	(1)	(1)
Disposals	(2,037)	(1,070)	(3,107)
At 31 March 2023	-	1,449	1,449
Additions	93	325	418
Disposals	-	(4)	(4)
At 31 March 2024	**93**	**1,770**	**1,863**
Accumulated depreciation			
At 1 April 2022	1,128	1,623	2,751
Charge for the year	209	469	678
Disposals	(1,337)	(984)	(2,321)
At 31 March 2023	-	1,108	1,108
Charge for the year	23	150	173
Disposals	-	(2)	(2)
At 31 March 2024	**23**	**1,256**	**1,279**
Net book value			
At 31 March 2023	-	341	341
At 31 March 2024	**70**	**514**	**584**

17. Subsidiaries

Company	Activity	% holding	Country of registration
Dods Group Limited[1]	Political monitoring	100	England and Wales
Le Trombinoscope SAS[2]	Political monitoring	100	France
Merit Data & Technology Limited[1]	Data and technology	100	England and Wales
Merit Data and Technology Private Limited[3]	Data and technology	99.99	India
European Parliamentary Communications Services SPRL[4]	Dormant	100	Belgium

1 Registered address: 9th Floor, The Shard, 32 London Bridge Street, London, SE1 9SG.
2 Registered address: Tour Voltaire, 1 place des Degrés - La Défense, 92800 Puteaux, Paris, France.
3 Registered address: SP 52, 3rd Street, Ambattur Industrial Estate, Chennai 600 058.
4 Registered address: Boulevard Charlemagne 1, 1041 Bruxelles, Belgium.

18. Investments

Investments are presented on the balance sheet as follows:

	2024 £'000	2023 £'000
Non-current asset investments		
Investments in Associates	**-**	-
Other Unlisted Investments	**350**	450
	350	450

The above balances are represented by:

	2024 £'000	2023 £'000
Investments in Associates	**-**	-
Other unlisted investments	**350**	450
	350	450

18. Investments continued

Investments in Associates

During the prior year, the Group disposed of its shareholdings in both of its former Associates, Sans Frontières Associates Ltd (SFA) and Social 360 Limited. The entities each had share capital consisting solely of ordinary shares, which were held directly by the Group prior to disposal. The Group accounted for both entities as equity-accounted Associates up to the date of disposal.

The total share of profit recognised from Associates during the prior year, which was based on the unaudited management accounts as 31 March 2023, was £220k. The Group recognised a loss on disposal of Associates of £303k during the prior year.

Other unlisted Investments

Fair value	2024 £'000	2023 £'000
At 01 April	**450**	450
Additions	**75**	51
Disposals	**(50)**	-
Unrealised losses recognised though profit and loss	**(125)**	(51)
At 31 March	**350**	450

In 2019, The Group acquired a 13.3% stake in Acolyte Resource Group Limited as part of the acquisition of Meritgroup Limited. Acolyte Resource Group Limited is an unlisted business registered in and operated from England & Wales and is engaged in the development and operation of an online recruitment platform. The Group's investment was written down to £nil on acquisition.

During the prior year, the Group participated in a fundraising round by Acolyte Resource Group Limited via a debt-for-equity swap and increased its shareholding to 13.5%. The £51k book cost of this investment was written off during the year.

During the current financial year, the Group consented to the conversion of £50,000 of trade debts owed to it from Acolyte Resources Group Limited into Convertible Loan Notes in that company. This was treated as an acquisition of investment with a cost equivalent to the fair value of those trade debts.

The Group subsequently sold its entire equity holding in Acolyte Resources Group Limited for deferred, contingent consideration, including the repayment of the Convertible Loan Note. The directors consider the fair value of this consideration at the date of disposal and at the balance sheet date to be £50,000. The consideration remains outstanding at the balance sheet date.

18. Investments continued

In 2022, the Group acquired a 9.2% stake in Web Data Works Limited ("DataWorks") for £450k.

DataWorks is an unlisted business registered in and operated from the Republic of Ireland, engaged in the development of e-commerce data management software and applications.

After taking into account the Group's voting rights, exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of investor's return, the Directors have concluded that the Group does not have a significant influence over DataWorks. The investment is therefore carried as a fixed asset investment at fair value through profit and loss.

The Directors' assessment of the fair value of other unlisted investments falls within Level 3 of the fair value hierarchy of IFRS 13. This assessment has been based on management's experience of investing in unlisted investments and the financial information, including financial projections, received from the investee companies. As such, the fair value can be subject to material change as the investee business develops and performs over time.

The Directors have determined that the fair value (FVTPL) of each investment is as follows:

Investee entity	**2024 £'000**	**2023 £'000**
Acolyte Resource Group Limited	**-**	-
Web Data Works Limited	**350**	450

A loss of £125,000 in respect of these investments has been recognised in the year (2023: loss of £51,000).

19. Financial instruments

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2024 £'000	2023 £'000
Financial assets		
Trade and other receivables (amortised cost)	**3,627**	4,342
Deferred consideration receivable (amortised cost)	**50**	450
Cash and cash equivalents (amortised cost)	**782**	2,144
	4,459	6,936
Financial liabilities		
Trade and other payables (amortised cost)	**(2,416)**	(3,501)
Derivative Contracts (FVTPL*)	**(203)**	(5)
Lease liabilities (amortised cost)	**(1,870)**	(1,880)
Bank loan & RCF (amortised cost)	**(2,643)**	(4,715)
	(7,132)	(10,101)
Net financial liabilities	**(2,673)**	(3,165)

*FVTPL stands for "Fair value through profit and loss".

The deferred consideration receivable at 31 March 2024 was due within the next 12 months and accrued no interest (2023: same). Its fair value was therefore the same as the booked value with no discounting of the outstanding amount.

Between 9 June 2023 and 5 March 2024, the Group signed forward contracts for a total value of approximately £7.2 million with maturity dates ranging from 25 April 2024 to 25 March 2025. The forward contracts are for currency pairing of GBP to INR.

The Group has exposure to several forms of risk through its use of financial instruments. Details of these risks and the Group's policies for managing these risks are included below.

19. Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are trade and other receivables, and cash.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the

Consolidated statement of financial position are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At 31 March 2024, £485,000 of the Group's trade receivables were exposed to risk in countries other than the United Kingdom (2023: £422,000).

The ageing of trade receivables at the reporting date was:

	Gross 2024 £'000	**Provided Loss Allowance 2024 £'000**	Gross 2023 £'000	Provided Loss Allowance 2023 £'000
Trade Receivables	**3,034**	**(82)**	3,682	(82)
	3,034	**(82)**	3,682	(82)

The maximum credit risk exposure for which the Group has made provision is £82,000 (2023: £82,000).

	Gross carrying amount £'000	**Default rate**	**Lifetime expected credit losses* £'000**
Current	1,817	2.8%	50
1-30 days past due	1,024	0.8%	8
31-60 days past due	92	5.4%	5
61-90 days past due	36	9.9%	4
More than 90 days past due	65	22.7%	15
	3,034		**82**

* Expected credit losses = Gross carrying amount x Default rate.

The movement in allowance for doubtful accounts in respect of trade receivables during the year was as follows:

	2024 £'000	2023 £'000
Balance at the beginning of the year	**82**	103
Charged in the year	**-**	-
Released in the year	**-**	(21)
Balance at the end of the year	**82**	82

19. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The contractual cash flows of each financial liability are materially the same as their carrying amount.

A reconciliation of the Group's liabilities arising from financing activities is disclosed below.

	Bank Loan and RCF £'000	**Lease Liabilities £'000**	**Total Financing Liabilities £'000**
At 31 March 2022	4,378	6,721	11,099
Cash movements:			
Repayment of 2019 Loan and RCF	(4,378)	-	(4,378)
Drawdown of 2022 Term Loan and RCF	5,000	-	5,000
Repayment and cancellation of 2022 Term Loan	(2,000)	-	(2,000)
Repayments of Term Loan principal	(85)	-	(85)
Drawdown of 2023 Property Term Loan	1,800	-	1,800
Lease payments	-	(1,897)	(1,897)
Non-cash movements:			
Lease disposals	-	(3,242)	(3,242)
Lease interest	-	298	298
At 31 March 2023	**4,715**	**1,880**	**6,595**
Cash movements:			
Repayment of Term Loan principal	(172)	-	(172)
Repayment of 2023 Property Term Loan	(1,200)	-	(1,200)
Repayment of RCF	(700)	-	(700)
Lease payments	-	(1,007)	(1,007)
Non-cash movements:			

Non-cash movements:			
New leases	-	873	873
Lease interest	-	124	124
At 31 March 2024	**2,643**	**1,870**	**4,513**

19. Financial instruments continued

Banking covenants
Under the Group's bank facilities (see Note 22), the Group is subject to selected covenant compliance tests on a rolling 12 month basis and at each quarter end date. These covenant compliance tests are as follows:

Covenant	**Compliance test**
Leverage ratio	Gross debt shall not be more than x Adjusted EBITDA
Profit Cover Ratio	Gross financing costs (capital & interest) shall not be less than x Adjusted EBITDA
Cashflow Cover Ratio	Gross financing costs (capital & interest) shall not be less than x cashflow before financing

Adjusted EBITDA: earnings before interest, tax, depreciation & amortisation adjusted for share based payments and non-recurring items.

Rolling 12 month basis, ending on:	Leverage Ratio	Profit Cover Ratio	Cashflow Cover Ratio
30 June 2024	1.5x	1.5x	n/a
30 September 2024	1.5x	1.5x	n/a
31 December 2024	1.5x	1.5x	n/a
31 March 2025	1.5x	3.0x	1.5x
30 June 2025	1.0x	3.0x	1.5x
30 September 2025	1.0x	3.0x	1.5x
31 December 2025 and thereafter	1.0x	3.0x	1.5x

The Directors have prepared and approved monthly-phased projections for the 21 months from the balance sheet date. The Directors consider the projections to be reasonable.

In agreeing to the above covenants, the projections were sensitised to ensure suitable headroom to enable compliance with the covenant tests.

Based on this work the Directors are satisfied that the Group is unlikely to breach any of the above covenants.

19. Financial instruments continued

Maturity of financial liabilities:
The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities as at 31 March 2024. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Due within 1 year £'000	**Due 2-5 years £'000**	**Due after 5 years £'000**	**Total £'000**
Trade and other payables	2,619	-	-	**2,619**
Derivative contracts	203	-	-	**203**
Bank loan/RCF	2,091	552	-	**2,643**
Lease liabilities	1,069	1,123	-	**2,192**

The Group has a long standing and supportive relationship with Barclays, having agreed secured loan facilities for a five-year period to 2027 in July 2022 and an additional 18-month facility to part fund the disposal of the Group's lease of premises in The Shard, London in March 2023. The Group has a five-year plan that has been shared with Barclays and formed the basis of the banking arrangements that have been put in place.

The Group has a strong track record on cash and working capital management and carefully monitors its aged debtors to ensure its cash receipts are as expected. The Group does not anticipate paying dividends to shareholders at this time.

Currency risk
The Group is exposed to currency risk on transactions denominated in Euros, US Dollars and Indian

Rupees; see Notes 20 and 21.

Share capital
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. For further details of share capital, see Note 24.

Sensitivity analysis
In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, changes in foreign exchange and interest rates would have an impact on consolidated earnings. The balances of the financial assets and liabilities exposed to these sensitivities are £478,000 Trade receivables, £448,000 Cash and cash equivalents and £193,000 Trade payables for the year.

At 31 March 2024, it is estimated that a general increase of one percentage point in interest rates would have decreased the Group's profit before tax by approximately £26,000 (2023: £47,000).

It is estimated that a general increase of one percentage point in the value of the Euro and Dollar against Sterling would have increased the Group's profit before tax by approximately £24,000 (2023: £23,000).

It is estimated that a general increase of one percentage point in the value of the Rupee against Sterling would have decreased the Group's profit before tax by approximately £90,000 (2023: £84,000).

19. Financial instruments continued

Fair values
The Directors consider that the fair value of financial instruments is materially the same as their carrying amounts.

Capital management
The Group manages its capital to ensure that all entities will be able to continue as a going concern while maximising return to stakeholders, as well as sustaining the future development of the business. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the owners of the parent, comprising issued share capital, other reserves and retained earnings.

Capital Management	**2024 £'000**	2023 £'000
Cash & cash equivalents	**782**	2,144
Share Capital	**6,708**	6,708
Other reserves	**14,610**	14,699
Retained Earnings	**10,586**	10,976
	32,686	34,527

20. Other financial assets

Trade and other receivables	**2024 £'000**	2023 £'000
Trade receivables	**2,952**	3,600
Other receivables	**675**	742
Deferred consideration receivable	**50**	450
Prepayments and accrued income	**622**	710
	4,299	5,502

Trade and other receivables denominated in currencies other than Sterling comprise £386,000 (2023: £137,000) denominated in Euros, £92,000 (2023: £24,000) denominated in USD and £nil (2023: £23,000) denominated in Indian Rupees.

The Group had a balance of £141,000 of accrued income relating to contract assets (2023: £56,000).

Cash related	**2024 £'000**	2023 £'000
Cash and cash equivalents	**782**	2,144
	782	2,144

Cash includes £101,000 (2023: £251,000) denominated in Euros, £20,000 (2023: £29,000) denominated in USD and £327,000 (2023: £541,000) denominated in Indian Rupees.

21. Trade and other payables

Current	**2024 £'000**	2023 £'000

Trade creditors	**679**	490
Other creditors including tax and social security	**873**	1,058
Accruals and deferred income	**4,140**	5,100
	5,692	6,648

Current liabilities denominated in currencies other than Sterling compromise £55,000 (2023: £21,000) denominated in Euros, £nil (2023: £7,000) denominated in USD and £138,000 (2023: £235,000) denominated in Indian Rupees.

The Group had a balance of £3,073,000 of deferred revenue relating to contract liabilities (2023: £3,142,000).

22. Net debt

	2024 £'000	2023 £'000
Bank loan / RCF due within one year	**2,091**	3,373
Bank loan due after more than one year	**552**	1,342
	2,643	4,715
Cash and cash equivalents	**(782)**	(2,144)
Net debt	**1,861**	2,571

Interest-bearing loans and borrowings

On 22 July 2022, the Company agreed new secured loan facilities with Barclays which include:

- Term Loan: a £3 million, five-year term loan, amortising on a straight-line basis at £150,000 per quarter;
- RCF: a £2 million non-amortising, revolving credit facility for the five-year duration of the Term Loan;
- Both the Term Loan and RCF accruing interest at 4.75% above Bank of England base rate.

On 1 December 2022, the Company repaid and cancelled £2 million of the Term Loan following receipt of the proceeds of disposals.

On 22 March 2023, the Company secured a further £1.8 million 18-month Term Loan, amortising on a straight-line basis at £300,000 per quarter, in order to fund the disposal of the Company's Shard lease.

22. Net debt continued

At 31 March 2024, the balances outstanding on the Company's loan and RCF facilities were as follows:

Facility	**Outstanding at 31 March 2024 £'000**	Outstanding at 31 March 2023 £'000
£1 million Term Loan:	**743**	915
£1.8 million Term Loan:	**600**	1,800
RCF	**1,300**	2,000
Total Term Loans and RCF	**2,643**	4,715

See Note 19 for the maturity analysis of the bank loan.

23. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group, and movements thereon during the current year and prior year:

	Liabilities	Assets			
	Intangible assets arising on consolidation £'000	Other timing differences £'000	Accelerated capital allowances £'000	Tax losses £'000	**Total £'000**
At 31 March 2022	(1,058)	86	62	1,325	**415**
(Charge)/credit in the year	165	(83)	119	352	**553**
Derecognised on disposal	252	-	-	(1,036)	**(784)**
At 31 March 2023	(641)	3	181	641	**184**

At 31 March 2023	(641)	3	181	641	184
(Charge)/credit in the year	144	1	74	(126)	93
At 31 March 2024	**(497)**	**4**	**255**	**515**	**277**

Deferred tax assets and liabilities have been offset in both the current year and preceding year as the current tax assets and liabilities can be legally offset against each other, and they relate to taxes levied by the same taxation authority or the Group intends to settle its current tax assets and liabilities on a net basis.

At the balance sheet date, the Group has total carried forward tax losses of £9.3 million (2023: £9.6 million) available to offset against future taxable profits. Of these, the Group has recognised deferred tax assets of £515,000 (2023: £641,000) in respect of carried forward tax losses of £2.1 million (2023: £2.2 million) as it is probable that these assets shall be recovered against the taxable profits over the foreseeable period. On the remaining £7.2 million (2023: £7.4 million) carried forward taxable losses, the Group has not recognised a deferred tax asset as it is less probable that the potential asset would be utilised.

24. Issued capital

	28p ordinary shares Number	**Total £'000**
Issued share capital as at 31 March 2023	23,956,124	6,708
Issued share capital as at 31 March 2024	**23,956,124**	**6,708**

25. Leases

The Group held leased assets accounted for under IFRS16 with the following net book value and associated lease liabilities:

	Right-of-use assets £'000	**Lease liabilities £'000**
As at 1 April 2022	5,660	(6,721)
Depreciation	(1,338)	-
Lease Interest	-	(298)
Lease payments	-	1,897
Disposals	(2,448)	3,242
As at 31 March 2023	**1,874**	**(1,880)**
Additions	**873**	**(873)**
Depreciation	**(833)**	**-**
Lease Interest	**-**	**(124)**
Lease payments	**-**	**1,007**
As at 31 March 2024	**1,914**	**(1,870)**
Current		**(977)**
Non-current		**(893)**

The right-of-use assets relate to office space in four locations and at the balance sheet date have remaining terms ranging up to 5 years.

Lease liabilities includes liabilities in respect of IT equipment with a cost of £77,000 (2023: £77,000). These assets are capitalised within IT equipment (see Note 16).

The Consolidated income statement includes the following amounts relating to leases:

	2024 £'000	**2023 £'000**
Depreciation charge of right-of-use assets	**833**	1,338
Interest expense (included in finance cost)	**124**	298

25. Leases continued

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability for the year was

£41,000 (2023: £40,000) and the minimum commitments under such leases at 31 March 2024 were:

Land and Buildings	2024 £'000	2023 £'000
Within one year	**31**	31
Between two and five years	**15**	40
	46	71

26. Share-based payments

Performance Share Plan (PSP)
In January 2022, the Company granted a conditional award to two executive Directors under a performance share plan as below. No awards were made in the current year.

Date of grant	Director	Outstanding Options at 1 April 2023	Granted during the year	Lapsed During the year	**Outstanding options at 31 March 2024**
28 January 2022	David Beck (former CEO)	762,376	-	-	**762,376**
28 January 2022	Philip Machray (CEO and CFO)	658,415	-	-	**658,415**
		1,420,791	-	-	**1,420,791**

On 30 April 2024, following the appointment of Philip Machray as Chief Executive Officer, the Company amended the terms of the above awards as follows:

Director	Outstanding Options at 31 March 2024	Original Performance Period	Amended Performance Period
David Beck (former CEO)	762,376	From 17 Nov 2021 to 17 Nov 2024	From 17 Nov 2021 to 31 Jan 2025
Philip Machray (CEO and CFO)	658,415	From 17 Nov 2021 to 17 Nov 2024	From 17 Nov 2021 to 17 Nov 2027
	1,420,791		

26. Share-based payments continued

A Monte Carlo Arithmetic Brownian Motion simulation model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period. The model assesses a number of factors in calculating the fair value. These include the market price on the day of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods. The inputs into the model were as follows:

Date of grant	Risk free rate	Share price volatility	Share price at date of grant
28 January 2022	2.3%	40.0%	50.5p

Expected volatility was determined by calculating the historical volatility of the Company's share price for three years prior to the date of grant. The expected life used in the model is the term of the options. The PSP share options outstanding during the year were as follows:

	Number of Ordinary shares	Weighted average exercise price (pence)
As at 31 March 2023	1,420,791	n/a
Granted during the year	-	n/a
As at 31 March 2024	**1,420,791**	**n/a**

The following options were outstanding under the Company's PSP scheme as at 31 March 2024:

Date of grant	Number of Ordinary shares	Exercise price per share (pence)	Exercise period
28 January 2022	1,420,791	nil	Nov 2024
	1,420,791		

The income statement charge in respect of the PSP for the year was £63,000 (2023: £63,000).

27. Pensions

Defined benefit pension

The Group operates a defined benefit pension scheme for qualifying employees based in India known as Gratuity Benefits which is classified as Post-Retirement Benefits under IAS19 (revised). Under the scheme, the eligible employees are entitled to a retirement benefit in cash based on final salary on attainment of retirement age (or earlier withdrawal/resignment or death) after 5 years of continual service. The assets of the scheme are held separately to the assets of the Group in a trustee administered fund.

The Group employed an independent actuary to update the Gratuity Benefits valuation to measure the scheme's liabilities.

The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The projected unit credit method is based on the plan's accrual formula and upon services as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

The scheme's costs are borne by the Group. Any surplus or deficits in the scheme may affect the Group through periodic adjustments to the Group's contribution rate as determined by the actuary.

The plan exposes the Group to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

- Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds.
- Investment risk - The entire plan assets at 31 March 2024 comprise an insurance policy. The value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases the present value of the asset is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the valuation period.
- Longevity risk - The Group is required to provide benefits for the members in the gratuity scheme. Increases in the continual tenure of employment will increase the defined benefit liability.
- Inflation risk - A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. High salary growths will lead to higher level of benefits to be paid by the Group.

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate, and the withdrawal rates. The assumptions used for the valuation of the defined benefits obligation are as follows in the table "Principal actuarial assumptions" on page 104.

27. Pensions continued

Funded status of the plan

	2024	2023
	£'000	£'000
Present value of defined benefit obligations	(419)	(374)
Fair value of plan assets	57	49
Present value of unfunded defined benefit obligations	**(362)**	**(325)**
Current	(79)	(76)
Non-current	(283)	(249)
Net Deficit	(362)	(325)
Net Liability	**(362)**	**(325)**

Movement in present value of obligation	**2024**	**2023**
	£'000	£'000
At 1 April	(374)	(392)
Current service cost	(75)	(83)
Interest cost	(25)	(24)
Remeasurement (gains)/losses (OCI)		
Due to changes in financial assumptions	(4)	41
Due to experience adjustments	(11)	28
Benefits paid from fund	57	50
Foreign exchange revaluation	13	6
At 31 March	**(419)**	**(374)**

Movement in fair value of plan assets	2024	2023
	£'000	£'000
At 1 April	49	110
Net interest Income	3	8
Return on plan assets	-	(24)
Contribution by employer	65	6
Benefits paid	(57)	(50)
Foreign exchange revaluation	(3)	(1)
At 31 March	**57**	**49**

The plan asset relates 100% to an insurance policy. The plan assets are all based geographically in India.

27. Pensions continued

The amounts included in the Consolidated income statement, Consolidated statement of other comprehensive income and Consolidated statement of financial position arising from the Group's obligations in respect of its defined benefit pension scheme are as follows:

Amounts recognised in Consolidated income statement	2024	2023
	£'000	£'000
Service cost	75	83
Interest cost	25	24
Interest income	(3)	(8)
Foreign exchange revaluation	(10)	(5)
Total expense recognised in Consolidated income statement	**87**	**94**

Amounts recognised in Consolidated statement of OCI	2024	2023
	£'000	£'000
Actuarial changes in financial assumptions	4	(41)
Actuarial experience adjustments	11	(28)
Return on plan assets	-	24
Total credit recognised in Consolidated statement of OCI	**15**	**(45)**

Movement in pension scheme net deficit	2024	2023
	£'000	£'000
Opening pension scheme net deficit	(325)	(282)
Contributions by employer	65	6
Consolidated income statement	(87)	(94)
Consolidated statement of OCI	(15)	45
Closing pension scheme net deficit	**(362)**	**(325)**

Principal actuarial assumptions (expressed as weighted averages) are as follows:

Principal Actuarial assumptions	2024	2023
	p.a.	p.a.
Discount rate	7.20%	7.35%
Salary growth rate	7.00%	7.00%
Withdrawal rates by age		
Below 35	25.00%	25.00%
35 to 45	15.00%	15.00%
Above 45	10.00%	10.00%
Rate of return on plan assets	7.20%	7.35%

27. Pensions continued

In valuing the liabilities of the pension fund, mortality assumptions have been made as indicated below.

Mortality rates

Mortality rates

Age (in years)	2024	2023
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

At 31 March 2024 the mortality rates were derived from the Indian Assured Lives Mortality (2012-2014) report.

The Group expects to contribute approximately £79,000 in the next financial year.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.22 years (2023: 6.15 years).

The calculation of the defined benefit obligation (DBO) is sensitive to the assumptions set out above. The following table summarises how the define benefit obligation at the end of the reporting period would have been because of a change in the respective assumptions.

Sensitivity to key assumptions	**2024**	**2023**
	£'000	£'000
	p.a.	p.a.
Discount rate		
Increase by 0.5%	408	364
Decrease by 0.5%	431	385
Salary growth rate		
Increase by 0.5%	429	383
Decrease by 0.5%	410	366
Withdrawal rate (W.R)		
W.R x 110%	417	373
W.R x 90%	421	375

28. Related party transactions

MET operations

On 30 November 2022, the Group completed the disposal of the Media, Events and Training operations of its Dods Political Engagement business (together, the "MET Operations") to Political Holdings Limited, a private company owned by Lord Ashcroft KCMG PC, a substantial shareholder in the Company as defined by the AIM Rules, and of which Angela Entwistle, a non-executive director of the Company, is a director. During the year, the remaining deferred consideration for the disposal of £450,000 was settled, £350,000 in cash and £100,000 offset against funds held on trust for Political Holdings Limited (see below).

As part of the disposal of the MET Operations, the Group agreed to provide transitional services to the Political Holdings Limited group of companies covering areas such as occupancy, IT systems and support and finance and accounting services. In total, the Group charged £346,000 (2023: £416,000) for these services during the year, which has been recognised as Other Operating Income within the Income Statement. At 31 March 2024, a balance of £72,799 (at 31 March 2023: £145,991) was outstanding in respect of invoicing for these services.

Since its acquisition of the MET operations, the Political Holdings Limited group has been a customer of MD&T and was billed £109,594 during the year (2023: £35,336) for marketing and data services. At 31 March 2024, there was a balance of £62,302 due (at 31 March 2023: £16,094).

Further, as part of the disposal, the Group has continued to act as agent for the political Holdings Limited group, invoicing customers, collecting book debts and paying for services under contracts which were pending legal novation to Political Holdings Limited group companies. During the year, revenue of £1,409,154 was invoiced (2023: £7,722,749), cash of £2,618,217 was collected (2023: £5,010,321), and payments for purchases and payroll amounting to £1,450,914 were made by the Group on behalf of Political Holdings Limited group companies (2023: £3,776,250). None of these revenues or costs, all of which arose post disposal, are recognised within the Income Statement of the Group. At 31 March 2024, £12,946 of funds were held on trust for Political Holdings Limited group companies (at 31 March 2023: £233,053).

Investments and Associates

During the prior year, the Group received a repayment of £210,000 of its interest free loan to its then Associate, Sans Frontières Associates (SFA), reducing the balance outstanding to £nil.

On 3 March 2023, the Company disposed of its 40% equity stake in SFA for cash consideration of £250,000 via a share repurchase by SFA.

28. Related party transactions continued

Investments and Associates *continued*

During the year, an amount of £nil (2023: £18,000) was billed in relation to recruitment services charged by Acolyte Resource Group Limited, a company in which the Group has a 13.5% investment, and of by Acolyte Resource Group Limited, a company in which the Group has a [illegible]% investment, and of which Cornelius Conlon was a Director until the Group disposed of its investment on 5 March 2024. At 5 March 2024 and at 31 March 2024, there was a balance of £nil (2023: £nil) outstanding.

Acolyte Resource Group Limited is also a customer of MD&T and was billed £164,395 (2023: £237,201) for Software and Technology Resourcing services. During the year, £50,000 of this trading debt was exchanged for convertible loan notes in Acolyte Resource Group Limited. In addition to the loan notes, at 31 March 2024 there was a balance of £52,514 (2023: £63,989) due.

Meritgroup Limited acquisition

Cornelius Conlon, a Director of the Company was entitled to shares and a cash consideration on the first 3 anniversaries of the Meritgroup Limited acquisition in 2019. During the year, Cornelius Conlon received cash consideration of £nil (2023: £220,000).

On acquisition of Meritgroup Limited, an arm's length non-repairing 7-year lease was entered into between a Merit subsidiary (Letrim Intelligence Services Private Limited) and Merit Software Services Private Limited. Cornelius Conlon, a Director of the Group, is the beneficial owner of Merit Software Services Private Limited. The lease relates to the Chennai office of MD&T. During the year, payments of £833,560 (2023: £726,000) were made to Merit Software Services Private Limited in relation to the lease and other property-related costs.

Other related party transactions

During the year, an amount of £136,374 (2023: £141,181) was billed for Software and Technology Resourcing services to System1 Group plc, a company of which Philip Machray is a Non-Executive Director and shareholder. At 31 March 2024, there was a balance of £16,800 (2023: £44,423) outstanding.

During the current and previous years, Deacon Street Partners Limited, a company related by virtue of Angela Entwistle, a Director of the Company also being a Director, invoiced £30,000 (2023: £30,000) to the Company for the services of Angela Entwistle as a Non-Executive Director. At 31 March 2024, the balance outstanding was £2,500 (2023: £2,500).

The Spouse of Cornelius Conlon, a Director of the Company, is employed by a subsidiary of the Company and received £51,273 remuneration in the year (2023: £44,873).

The Son of Cornelius Conlon, a Director of the Company, was temporarily engaged by a subsidiary of the Company and received £500 in fees in the year (2023: £nil).

The Executive Directors of the Group are considered key management personnel. See Note 8 for details of Directors' remuneration.

ENDS

END

FR GPUGWMUPCPGM