RNS Number : 5898E
Skillcast Group PLC
18 September 2024

The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

18 September 2024

Skillcast Group PLC
("**Skillcast**", the "**Group**" or the "**Company**")

Results for the six months ended 30 June 2024

Skillcast (AIM: SKL), the provider of SaaS compliance platforms and off-the-shelf e-learning courseware, is pleased to announce a continued growth in recurring subscription revenue and encouraging progress in its planned return to profitability in its unaudited results for the six months ended 30 June 2024 ("**H1 24**").

Highlights

	6 months to 30 June 2024 (unaudited) (H1 24)	**6 months to 30 June 2023 (unaudited) (H1 23)**	**12 Months to 31 December 2023 (audited)**	**Change (H1 24 v H1 23)**
Total revenue	£6.4m	£5.2m	£11.3m	+24%
Subscription revenue	£5.2m	£3.8m	£8.5m	+35%
Gross margin (%)	71.7%	66.5%	69.7%	+5.2pps
Annualised recurring revenue (ARR)*	£10.3m	£8.2m	£9.3m	+27%
EBITDA	£0.03m	-£0.75m	-£0.62m	N/A
Basic (loss)/EPS (pence)	-0.009p	-0.863p	-0.733p	N/A
Dividend per share (pence)	0.168p	0.168p	0.447p	0%
Cash in bank	£8.3m	£7.6m	£7.2m	+10%
Free cash flow *	£1.1m	-£0.1m	-£0.1m	N/A

- Revenue growth of 24% (H1 23: 23%) driven by a 35% increase in subscription revenues from new customers and upsells to existing customers.
  - Subscription revenues increased to 81% of total revenues (H1 23: 75%)
  - ARR* increased 27% YoY to £10.3m in June 2024 (June 23: £8.2m) and +11% year to date
- Gross margin grew 5.2 percentage points to 71.7% (H1 23: 66.5%) due to productivity gains and one-off cloud transitional costs in the prior year.
- EBITDA of £31k (H1 23: -£0.7m) reflects the operational gearing impact of the revenue growth. Overhead costs were up only 9% compared to 26% in H1 23. Average headcount increased by 5% over the past 12 months to 120 (June 23: 114). Key growth roles are now filled.
- Interim dividend declared of £150,000, in line with last year as per our stated policy. This represents 0.168 pence per share (H1 23: 0.168 pence per share).
- Cash in bank increased to £8.3m at 30 June 2024 (30 June 2023: £7.6m).
- Free cash flow* of £1.1m (H1 23: -£0.1m) reflecting upfront cash from growing subscription sales.

Current Trading and Outlook

ARR continues to grow in the second half of the year and drive subscription revenues in line with expectations.

Revenues from non-strategic professional services continue to be slower than last year. We have made decisions in H2 to reduce or redeploy headcount in this area though the impact will not occur until the next financial year.

We continue to control costs and, with the benefit of operational gearing, remain on track to grow profits in line with expectations.

Vivek Dodd, Chief Executive Officer, said:
"I am pleased with our continued ARR growth, which has been supported by upsells of our new Premium package and new client acquisitions. This has helped subscription revenues grow to 81% of total revenues (H1 23: 75%).

"I am delighted at our breakeven in the first half, a £0.8m EBITDA improvement on H1 23, as costs grew by 9% while revenues grew by 24%. Now that our core investment phase is complete, we are focused on ARR growth to drive profitability.

"We remain confident that we will be profitable in the second half of the year and beyond. Our cash position remains very strong, and we have declared an interim dividend of £150,000."

*Further details on the calculation of ARR and Free Cash Flow are set out in the Alternative Performance Measures section of the Financial Review below

Enquiries:

Skillcast Group plc +44 (0)20 7929 5000
Richard Amos, Chairman
Vivek Dodd, Chief Executive Officer
Richard Steele, Chief Financial Officer

Allenby Capital Limited (Nominated Adviser & Broker) +44 (0)20 3328 5656

James Reeve, Piers Shimwell (Corporate Finance)
Jos Pinnington, Tony Quirke (Sales and broking)

Background

Our Purpose

Skillcast enables businesses to build ethical and resilient workplaces. Our vision is to be a leading provider of compliance platform and digital training courseware for staff compliance.

Who we are

The Group is headquartered in the City of London, with an operations hub on the island of Malta. We develop content and technology to help companies with staff compliance. We have 120+ employees, many of whom have been with the Group for over a decade.

What we do

Skillcast provides time-saving and cost-effective "SaaS" (Software as a Service) solutions, including:

- 100+ off-the-shelf (OTS) e-learning courses that cover topics including Anti Money Laundering (AML); Bribery and Corruption; Diversity; Equality and Inclusion (DEI); Environmental, Social and Governance (ESG); GDPR; Health and Safety; Modern Slavery; Risk Management; and Senior Managers & Certification Regime (SMCR) for the financial services industry.
- Multi-format courses and tools to suit all learning requirements from comprehensive courses, shorter refresher courses to minimise time for knowledgeable users and bite-sized animated videos to embed learning at the point of need.
- A flexible learning management system (LMS) platform for clients to deliver and track compliance e-learning programmes that allow full corporate branding, integration to HR staff records, and dashboard reporting.
- Add on "RegTech" tools to manage all compliance needs, including declarations, registers, surveys, policies, offline training tracking (Training 360) and full SMCR management (SMCR 360)
- Bespoke content consultancy to further personalise, adapt or gamify to meet clients' requirements.
- Skillcast structures its offer into three plans to meet the different needs of organisations. Skillcast Basic is a low cost, self-serve e-commerce to organisations of up to 50 employees; Skillcast Standard is a flexible offer allowing organisations to add new products and services at any time; Skillcast Premium includes the full suite of our products and services to create comprehensive user learning journeys to achieve compliance objectives.
- Award-winning customer service to help employees obtain the optimum learning experience and provide companies with efficient and insightful learning management.

Our customers

Over 1,200 companies use Skillcast's SaaS products and consultancy services to support over 1.2 million employees to meet their compliance requirements. Originally targeting the financial services industry, 40% of revenues now come from other sectors, including retail, manufacturing, transport and real estate.

Returning to profitability

The corporate compliance market is large, resilient, fragmented and growing, and the directors believe Skillcast is well-positioned to thrive. The Group boosted its already strong balance sheet at the time of its AIM admission in December 2021 and has accelerated investment in its products, technology, commercial teams and organisational structure during 2022 and 2023. In 2024 and beyond it intends to return to profitability through continued subscription revenue growth and productivity improvements.

Strategic and operational progress

Our focus in 2024 remains on growing the subscription business, as measured by our ARR book, and on return to profitability after the completion of our post-IPO investment phase. We believe Skillcast has a tremendous growth opportunity as companies seek to digitise their staff compliance to reduce costs, improve employee experience and reduce the risk of breaches in the face of ever-growing regulations.

Our business model of recurring annual subscriptions provides a stable base we can build upon with product upsells and new customer acquisitions.

Our four strategic objectives for 2024 are:

1.Supporting new ARR growth with enhanced marketing initiatives

In January 2024, we appointed our first Head of Marketing. Following an audit of current procedures, a marketing plan has been developed aimed at improving traffic and sales leads. This includes a web redesign due to be completed in December 2024 and improvements to paid search.

In April 2024, we obtained Cyber Essentials Plus accreditation with the National Cyber Security Centre. This both reassures existing customers of our cyber security level and helps to attract new business, particularly in the public sector where it is often a requirement. In June 2024, we achieved SOC 2 Type 1 compliance and launched our Trust Centre (trust.skillcast.com) to further evidence our commitment to ensuring we operate in a robust environment. We expect to achieve SOC Type 2 accreditation by December 2024.

In June 2024, we appointed a Solutions Architect and released our Sandbox environment, which enables prospects to try out features in a live working environment to aid sales of our digital compliance solutions to clients.

2. Supporting net retention of existing subscription clients with enhanced customer success

In January 2024 we launched Skillcast Premium: an all-inclusive service bundle that includes e-learning and all our compliance management "regtech" products to support upsells. Customers on our Premium Plan accounted for 3% of our ARR by the end of H1.

In April 2024, we migrated our customer support to a new AI-based platform to enable us to provide faster response times, chat-based support and gain insights to drive further customer experience and productivity improvements.

In March 2024, we began to roll out new standard terms of service to our annual subscription contracts with automatic renewals. Approximately 95% of clients coming up for renewal so far have accepted our terms of service. This will be complete by March 2025.

3. Developing additional revenue streams

In December 2023, we released Skillcast Basic, our self-serve, cost-effective compliance e-learning solution for small businesses with up to 50 users. We started marketing this product in February 2024, and we are encouraged by performance in the period. Based on initial buyers' reactions, we believe that this product opens a significant serviceable market for Skillcast.

In June 2024, we appointed our first Partnership Manager. We believe there is potential to drive sales through referrals, other platform providers and resellers.

Our in-house technical department is developing the incorporation of AI-enabled enhancements to our courses and platform to enhance the user learning experience, which we expect to start testing in H2 2024 for launch in 2025.

4. Implementing infrastructure for scalable growth

In April 2024, we improved our employee benefits plan by adding private medical, life assurance and enhanced pension plans for all employees. This has been well received and will help us sustain our high employee retention rate.

In June 2024, we reviewed our professional services provision in light of lower market demand for such services which remains a lower strategic priority than the subscription business. We have reduced the size of the professional services team and implemented changes to refocus our offering on areas of our strengths such as adaptive content, diagnostics and user analytics.

We continue to monitor risks and enhance our risk management framework. We have developed and reviewed all our polices and used our Policy Hub tool to efficiently and effectively raise staff awareness.

Outlook

ARR continues to grow in the second half of the year and drive subscription revenues in line with expectations.

Revenues from non-strategic professional services continue to be slower than last year. We have made decisions in H2 to reduce or redeploy headcount in this area though the impact will not occur until the next financial year.

We continue to control costs and with the benefit of operational gearing remain on track to grow profits in line with expectations.

Financial Review

Revenue

Total revenues of £6.4 million were 24% up on the comparable period last year (H1 23: £5.2 million), driven by SaaS subscription revenues. Subscription revenues typically accrue from 12-month contracts, invoiced up front, for our library of compliance e-learning courses and associated compliance products. During H1 24, subscription revenue growth helped increase the proportion of revenues from subscriptions to 81% (H1 23: 76%) of total revenues. Total revenue-generating clients in H1 24 increased by 12% to 1,190 (H1 23: 1,059). The top 10 clients accounted for 16% of revenues in the period (H1 23: 22%).

SaaS revenues grew 35% to £5.2 million (H1 23: £3.8 million), driven by a 15% increase in new clients predominantly buying our standard compliance e-learning libraries and Learning Management System ("LMS") feature on our compliance platform.

Annual recurring revenue ("ARR"), our key performance indicator to measure subscription sales progress, grew by 27% to £10.3 million over the past 12 months (June 2023: £8.1 million) and by 11% since the start of the year (December 2023: £9.3 million). All of the net ARR growth in the period was derived from new clients. Average ARR per new account increased by 14% to £7,692 (H1 23: £6,740), supported by a 7% annual price rise. Net retention rate was 100% (H1 23: 104%) due predominantly to an increase in churn of 6% (H1 23: 3%).

Revenue from professional services was £1.2 million, 9% below the same period last year (H1 23: £1.3m).

Gross profit

Gross profit margin increased by 5.2 percentage points to 71.7% in H1 24 (H1 23: 66.5%), primarily due to greater productivity within the content and customer service teams, their costs on the year increasing by 11% compared to with revenues increasing 24%. In addition, the prior year included one-off transitional higher cloud computing costs incurred during the migration of all clients to Microsoft Azure, which was completed in March 2023.

Returning to profitability

Overheads growth rates continued to reduce, increasing by 9% or £0.4 million in the period (H1 23: 26% or £0.9 million) to £4.7 million (H1 23: £4.3 million). The majority of this investment was in people. All identified key growth roles are now in place.

In H1 24, total employment costs (including employees in operations included in the cost of sales), increased by £0.2 million or 5% to £4.6 million (H1 23: £4.4 million), and the average headcount increased by 5% to 120 (H1 23: 114). On 30 June 2024, our headcount was 121 (30 June 2023: 120).

Non-people-related overheads were £1.2 million and increased by £0.3 million or 31% on the same period last year (H1 23: £0.9 million) with marketing activity costs representing approximately half of this increase. Other increases were predominantly driven by increases in revenue, headcount or inflation.

EBITDA

The Group delivered a modest EBITDA of £31,208 in H1 24 and a significant £0.8m improvement on the same period last year (H1 23: LBITDA: £0.7 million).

Tax

The Group reported a profit before tax of £40,876 and a tax charge of £48,945.

No corporation tax was due on the small taxable profits generated in the period which were offset by unutilised tax losses carried forward of £0.6 million as of 31 December 2023. A corporation tax liability of £87,836 is recognised at 30 June 2024. £80,363 of this balance is due to prior year corporation tax falling due in Inmarkets ltd in 2021.

EPS

The basic loss per share was 0.009 pence on 89.5 million shares. (H1 23: 0.863 pence).

Dividend

With a business that is backed by recurring revenues that provide strong cash generation, the Board is committed to paying dividends. The Board, therefore, declared an interim dividend of £150,000 consistent with the previous year, or 0.168 pence per issued ordinary share. The interim dividend will be paid on 25 October 2024 to shareholders on the register on 4 October 2024.

It is the Board's stated policy to maintain the total aggregate annual dividend of at least £400,000, consistent with previous years, for the current year. The Board will review its dividend policy when the Company has returned to full annual profitability.

Balance sheet and cash flow

Despite modest profits the Group generated Free Cash Flow of £1.1m. The Group generally has a negative working capital cycle due to the upfront cash profile of subscription sales. £0.6m of this was generated from an increase in deferred revenue from cash receipts paid upfront from higher subscription sales. The Group had £8.3m cash at bank at 30 June 2024 (30 June 2023: £7.6m) and has no bank debt.

The Group does not capitalise any intellectual property on either the content or technology of its products. It has two right-of-use assets totalling £0.4 million at 30 June 2024, representing its leased offices in London and Malta.

Trade and other receivables at 30 June 2024 of £4.2 million were £0.5 million higher than 30 June 2023. Trade debtors of £2.8 million were £0.5 million or 23% higher than at 30 June 2023 in line with revenue growth. Debtor days increased from 63 at 30 June 2023 to 64 days at 30 June 2024. Other receivables of £1.4 million at 30 June 2024 are in line with 30 June 2023. £0.6 million of this balance relates to tax rebate due from the Maltese government. The rebate claim for £0.5m has been filed and is expected to be received before the end of the financial year.

Current liabilities of £7.3 million at 30 June 2024 were £1.5 million higher than at 30 June 2023 primarily due to a £0.9m increase in contractual liabilities relating to deferred income and a higher VAT liability. Deferred income of £5.1 million at 30 June 2024 was £0.9 million or 21% higher than 30 June 2023 due to SaaS contracts and work in progress professional services projects.

Net assets at 30 June 2024 were £5.7 million, with no movement since 31 December 2023 and £0.2 million less than at 30 June 2023 due to the retained profits accumulated and increases in the share option reserve, less dividends paid.

Alternative Performance Measures*

Annual Recurring Revenue (ARR)

ARR is also used to assess the performance and the trend of subscription revenue. ARR is calculated by multiplying the Monthly Recurring Revenue ("MRR") by twelve. MRR is defined as the subscription revenue that was recognised in a month, excluding any retrospective upward adjustments that arise at the end of the contract where there have been more subscribers than a client originally contracted for, less any contract losses (Churn), or downward adjustments arising on contract renewal. The Directors consider that the ARR, derived from software-as-a-service (SaaS) sales, is a key measure of the performance of the business. The ARR increased 27% to £10.3 million on the year (June 23: £8.2 million) and 11% since December 2023 (£9.3 million).

Free Cash Flow (FCF)

Free cash flow is defined as net cash inflows from operations less net cash used in investing activities less principal paid on lease liabilities and less interest paid.

Skillcast Group PLC

Consolidated statement of profit and loss and other comprehensive income

For the period ended 30 June 2024

	Note	Unaudited Six months to 30 June 2024 £	Unaudited Six months to 30 June 2023 £	Audited Twelve months to 31 December 2023 £
Revenue	4	**6,378,006**	**5,150,205**	**11,301,700**
Cost of sales		(1,806,943)	(1,722,934)	(3,429,372)
Gross profit		**4,571,063**	**3,427,271**	**7,872,328**
Administrative expenses		(4,665,253)	(4,294,662)	(8,759,363)
Operating loss		**(94,190)**	**(867,391)**	**(887,035)**
EBITDA/(LBITDA)	3	**31,208**	**(749,261)**	**(625,325)**
Finance income		154,417	106,169	258,752
Finance expense		(19,351)	(10,614)	(19,680)
Profit/(loss) before tax		**40,876**	**(771,836)**	**(647,963)**
Income tax		(48,945)	-	(7,473)
Profit/(loss) after tax and total comprehensive income		**(8,069)**	**(771,836)**	**(655,436)**

EPS basic	7	**-0.009p**	**-0.863p**	**-0.733p**

Skillcast Group plc
Consolidated statement of financial position
As at 30 June 2024

	Note	Unaudited as at 30 June 2024 £	Unaudited as at 30 June 2023 £	Audited as at 31 December 2023 £
Assets				
Non-current assets				
Property, plant and equipment		298,441	240,681	323,762
Right-of-use assets		384,559	540,268	459,923
Deferred tax assets		30,853	11,999	11,999
		713,853	792,948	795,684
Current assets				
Trade and other receivables		4,194,790	3,734,275	4,239,768
Cash and cash equivalents		8,349,304	7,622,847	7,221,681
		12,544,094	11,357,122	11,461,449
TOTAL ASSETS		**13,257,947**	**12,150,070**	**12,257,133**
Issued capital and reserves attributable to owners				
Share capital	5	89,459	89,459	89,459
Share Option Reserve		386,711	291,175	355,029
Share Premium Paid		3,490,541	3,490,541	3,490,541
Retained earnings		1,749,307	2,040,860	1,757,376
		5,716,018	5,912,035	5,692,405
Liabilities				
Current liabilities				
Trade and other payables		1,935,518	1,433,235	1,570,820
Contract liability		5,115,863	4,229,174	4,501,025
Current lease liabilities		140,114	100,483	118,674
Income tax payable		87,836	16,321	23,794
		7,279,331	5,779,213	6,214,313
Non-current liabilities				
Long-term lease liabilities		262,598	458,822	350,415
		262,598	458,822	350,415
Total liabilities		**7,541,929**	**6,238,035**	**6,564,728**
TOTAL EQUITY AND LIABILITIES		**13,257,947**	**12,150,070**	**12,257,133**

Skillcast Group PLC

Consolidated statement of changes in equity

	Share capital £	Share Premium Paid £	Share Option Reserve £	Retained earnings £	Total equity £
01 January 2023	**89,459**	**3,490,541**	**223,331**	**2,812,695**	**6,616,026**
Comprehensive Income for the					

period					
Profit/(Loss)				(771,836)	(771,836)
Total comprehensive Income for the year	-	-	-	(771,836)	(771,836)
Total contributions by and distributions to owners					
Share Option Reserve			67,844		67,844
Dividends					
Total contributions by and distributions to owners	-	-	67,844	-	67,844
30 June 2023	**89,459**	**3,490,541**	**291,175**	**2,040,859**	**5,912,034**
Comprehensive Income for the period					
Profit/(Loss)				116,400	116,400
Total comprehensive Income for the period	-	-	-	116,400	116,400
Total contributions by and distributions to owners					
Share Option Reserve			63,854		63,854
Dividends - Prior Year				(249,591)	(249,591)
Dividends - Current Year				(150,292)	(150,292)
Total contributions by and distributions to owners	-	- -	63,854	- (399,883)	- (336,029)
31 December 2023	**89,459**	**3,490,541**	**355,029**	**1,757,376**	**5,692,405**
01 January 2024	**89,459**	**3,490,541**	**355,029**	**1,757,376**	**5,692,405**
Comprehensive Income for the period					
Profit/(Loss)				(8,069)	(8,069)
Total comprehensive Income for the year	-	-	-	(8,069)	(8,069)
Total contributions by and distributions to owners					
Share Option Reserve			31,682		31,682
Dividends					
Total contributions by and distributions to owners	-	-	31,682	-	31,682
30 June 2024	**89,459**	**3,490,541**	**386,711**	**1,749,307**	**5,716,018**

Skillcast Group PLC

Consolidated statement of cash flows

	Unaudited as at 30 June 2024	**Unaudited as at 30 June 2023**	**Audited as at 31 December 2023**
	£	**£**	**£**
Cash flows from operating activities			
Profit before tax	40,876	(771,836)	(647,963)
Adjustments for:			
Depreciation of property, plant and equipment	43,510	42,374	105,609
Amortisation of right-of-use assets	81,888	75,756	156,101
Finance income	(154,417)	(106,169)	(258,752)
Share based payment	31,682	67,844	131,698
Finance expense	19,351	10,614	19,680
	62,890	(681,417)	(493,627)
(Increase)/ decrease in trade and other receivables	44,978	(403,701)	(909,194)
Increase in trade and other payables	979,536	1,025,275	1,434,714
Cash generated from operations	**1,087,404**	**(59,843)**	**31,893**
Income taxes paid	(3,757)	2	-
Net cash flows from operating activities	**1,083,647**	**(59,841)**	**31,893**

Investing activities			
Purchases of property, plant and equipment	(24,713)	(28,767)	(175,084)
Interest received	154,417	106,169	258,752
Net cash used in investing activities	**129,704**	**77,402**	**83,668**
Financing activities			
Principal paid on lease liabilities	(66,377)	(88,103)	(178,319)
Dividends paid	-	-	(399,884)
Interest paid	(19,351)	(10,614)	(19,680)
Net cash used in financing activities	**(85,728)**	**(98,717)**	**(597,883)**
Net increase in cash and cash equivalents	**1,127,623**	**(81,156)**	**(482,322)**
Cash and cash equivalents at beginning of period	7,221,681	7,704,003	7,704,003
Cash and cash equivalents at end of period	**8,349,304**	**7,622,847**	**7,221,681**
Free cash flow	**1,127,623**	**(81,156)**	**(82,438)**

Notes to the consolidated financial statements

For the period ended 30 June 2024

1 GENERAL INFORMATION

Skillcast Group PLC ('Company') is registered in the United Kingdom with registration number 12305914 and is limited by shares and registered on the London AIM stock exchange. Its registered office is at 80 Leadenhall Street, London, England, EC3A 3DH. The Company is the ultimate parent of Inmarkets Ltd, Inmarkets Group Ltd, Inmarkets International Ltd.

This report and financial statements reflect the consolidated activities and transactions of the Company and other group companies ('Group') and is non-statutory. It is prepared to present the mid-year trading performance and position.

The Company is primarily involved in providing management services to other entities in the group. The Group provides software and content subscriptions and related professional services to enable companies to transform their staff compliance. Operating from its two bases, in London and Malta, the Group helps companies across a broad spectrum of industry sectors in the UK, EU and in the rest of the world, to train their staff and demonstrate compliance with various laws, regulations, and standards that are relevant for their business.

The accounting year end of the Company and Group is 31 December. This unaudited interim report and financial statements presents activities and transactions for the six months to 30 June 2024.

2 Basis of preparation and statement of compliance

The condensed interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Accounting Standards in conformity with the Companies Act 2006. The unaudited interim financial information does not constitute statutory accounts within the meaning of the Companies Act 2006. This interim report, which has neither been audited nor reviewed by independent auditors, was approved by the Board of Directors on September 17, 2024.

Statutory accounts for the year ended 31 December 2023 were approved by the Board of Directors on 24 April 2024 and delivered to the Registrar of Companies.

The Group's forecast and projections and strong cash balance support the preparation of the interim financial statements on a going concern basis under historical cost convention.

The interim financial statements have been presented in pounds sterling.

The accounting policies used in preparing the interim statements are the same as those applied to the latest audited annual financial statements.

3 EBITDA

EBITDA is not defined or recognised under IAS. EBITDA is defined by the Group as 'earning before interest, tax, depreciation and amortisation'. EBITDA is presented below as 'operating profit' plus all depreciation added back.

	Unaudited as at 30 June 2024 £	Unaudited as at 30 June 2023 £	Audited as at 31 December 2023 £
Operating loss	(94,190)	(867,391)	(887,035)
Depreciation	43,510	42,374	105,609
Amortisation	81,888	75,756	156,101
EBITDA (LBITDA)	31,208	(749,261)	(625,325)

Due to nature of calculation of EBITDA the reported figures may not be comparable to other companies with similar measures.

4 Revenue

	Unaudited as at 30 June 2024 £	Unaudited as at 30 June 2023 £	Audited as at 31 December 2023 £
Major product lines			
Software as a Service (SaaS) subscriptions (i)	5,197,164	3,847,301	8,547,389
Professional services (ii)	1,180,842	1,302,904	2,754,311
	6,378,006	**5,150,205**	**11,301,700**

(i) SaaS subscriptions - The Group provides right of access of subscriptions to its content and technology products to the customer over time for the subscription periods that are typically twelve months. The revenue is recognised evenly over the period of subscription. This revenue includes subscriptions to: (a) Skillcast Portal - the Group's integrated compliance management application that comes with a broad range of tools, namely LMS, Policy Hub, Compliance Declarations, Surveys, Compliance Registers, Training 360, Events Management and SMCR 360; and (b) the Skillcast OTS course libraries, namely Essentials, FCA Compliance, Insurance Compliance and Risk.

(ii) Professional services - The Group provides customised and standard content to its clients provided under fixed-price contracts. This non-recurring revenue includes: (a) bespoke e-learning development projects for large corporates; (b) translations of those bespoke courses; (c) customisation of OTS courses for subscription clients; and (d) other content and technology consultancy.

	Unaudited as at 30 June 2024 £	Unaudited as at 30 June 2023 £	Audited as at 31 December 2023 £
Geographic split			
UK	5,055,834	4,102,369	8,913,470
Europe	646,231	599,722	942,870
Rest of world	675,941	448,114	1,445,360
Total revenue	**6,378,006**	**5,150,205**	**11,301,700**

5 Equity - issued capital

	Unaudited as at 30 June 2024	Unaudited as at 30 June 2023	Audited as at 31 December 2023
Number	89,459,460	89,459,460	89,459,460
Par value per share (GBP)	0.10p	0.10p	0.10p
Total (GBP)	89,459	89,459	89,459

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of, and amounts paid, on the shares held. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

6 Related party transactions

Monad IKE	Limited liability company registered in Greece. Company registration number is 153449133000 Provides services to the Group. Morten Damsleth is both a director of Monad IKE and a member of the key management personnel of the Group.
PsyPotential Ltd.	Limited liability company registered in Malta. Company registration number is C 86668 Provides services to the Group. Sharon Mulligan is both a director of PsyPotential and a member of the key management personnel of the Group.
Thruvision Ltd.	Limited liability company registered in England and Wales. Company registration number is 10940081. Purchased services from the Group. Richard Amos is both a Non-Executive director of Thruvision Ltd. and a Non-Executive Director of the Group.

	Unaudited as at 30 June 2024 £	Unaudited as at 30 June 2023 £	Audited as at 31 December 2023 £
Group expenditure with Monad IKE	84,318	82,013	136,834
Group expenditure with PsyPotential Ltd.	13,068	0	27,585
Group revenue with Thruvision Ltd.	13,586	2,486	2,486

7 Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of the dilutive potential ordinary shares as calculated using the treasury stock method (arising from the Company's share option scheme and warrants) into ordinary shares has been added to the denominator.

	Unaudited as at 30 June 2024	Unaudited as at 30 June 2023	Audited as at 31 December 2023
	£	£	£
Profit (Loss) before tax	40,876	(771,836)	(647,963)
Tax	(48,945)	-	(7,473)
Profit (Loss) after tax	(8,069)	(771,836)	(655,436)
Non-recurring expenditure	-	-	-
Adjusted earnings	(8,069)	(771,836)	(655,436)
Weighted average number of ordinary shares	89,459,460	89,459,460	89,459,460
Earnings per share:			
Basic	-0.009p	-0.863p	-0.733p

Basic and diluted earnings per share of -0.009p (30/06/2023: -0.863p) has been impacted by interest, tax, depreciation, amortisation, non-core operating expenses.

8 Dividends

	Unaudited as at 30 June 2024		Unaudited as at 30 June 2023		Audited as at 31 December 2023	
	Pence per share	£	Pence per share	£	Pence per share	£
Dividend declared - Final 2022					0.279p	249,592
Dividend declared - Interim 2023					0.168p	150,292

During the period under review, the Group generated a profit before tax of £40,876. The Group's policy is to at least maintain dividend payments at historic levels.

The Shareholders passed a resolution at the AGM on 25 June 2024 for a final dividend of 0.279p per share to be paid on 25 July 2024 to shareholders on the register at the close of business on 30 June 2024. In combination with the interim dividend paid during 2023 this represented a total dividend for the year 2023 of £399,884 or 0.447p per share based upon the number of shares currently in issue.

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