ELIXIRR | Annual Report

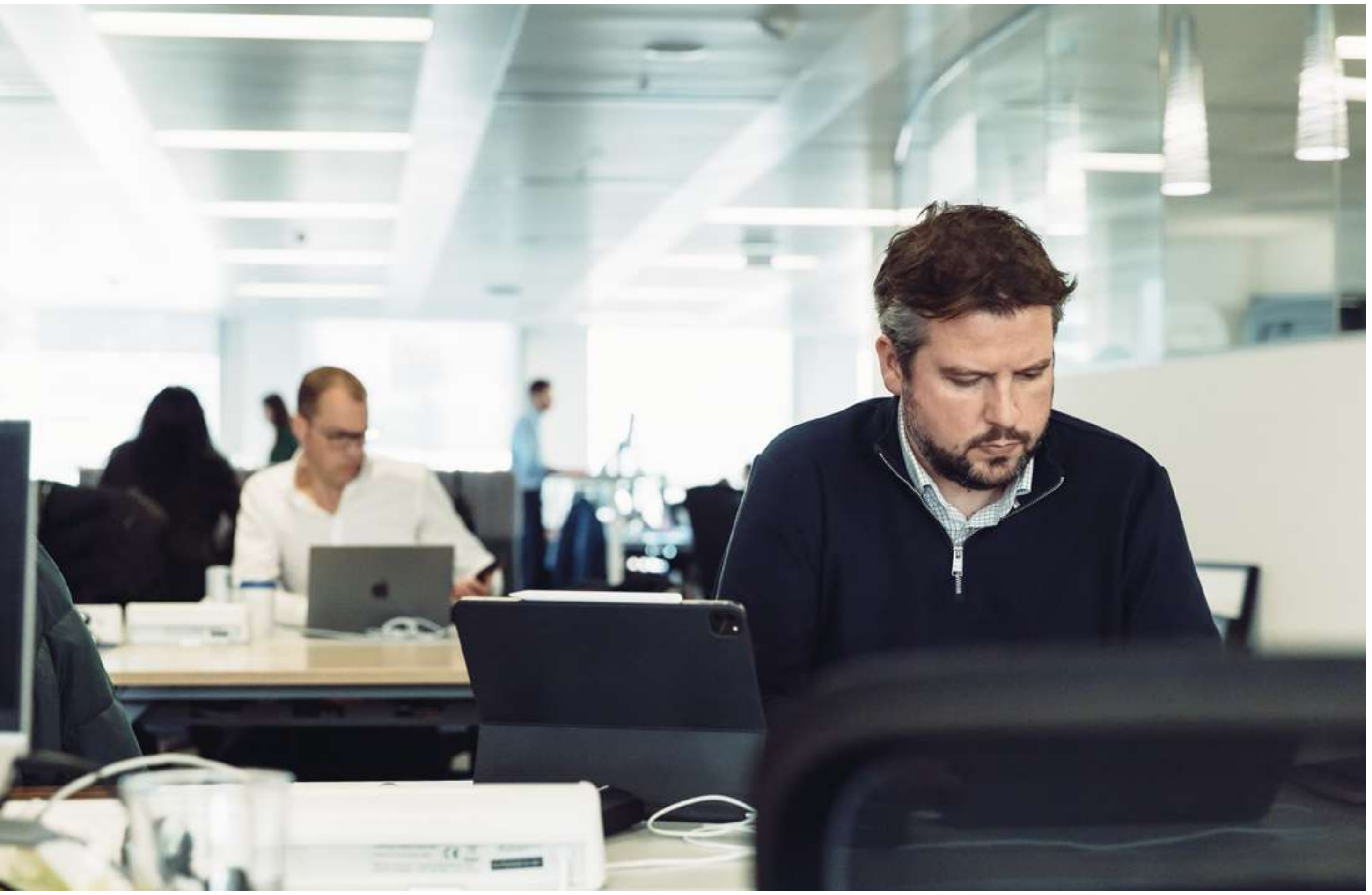
2023

The Challenger Consultancy

ELIXIRR,
100 CHEAPSIDE,
LONDON EC2V 6DT

ELIXIRR.COM/INVESTORS

Welcome to Elixirr's 2023 Annual Report and Accounts



Elixirr International plc, headquartered in the UK and quoted on the AIM market of the London Stock Exchange, is an established, global, award-winning challenger consultancy. We are pleased to report our annual results for the year ended 31 December 2023.

For more information, please see our website:

www.elixirr.com/investors

Contents

Financial Highlights

£85.9m
Total revenue
FY 22: £71.7m **+20%**

£29.3m
Gross profit
FY 22: £23.2m **+26%**

£25.4m
Adjusted EBITDA
FY 22: £20.5m **+24%**

37.2p
Adjusted diluted EPS
FY 22: 30.5p **+22%**

£16.1m
Free cash flow
FY 22: £14.6m **+11%**

30%
Adjusted EBITDA margin
FY 22: **29%**

£22.1m
Profit before tax
FY 22: £15.7m **+40%**

14.8p
Dividend per share
FY 22: 10.8p **+37%**

£18.1m
Net cash
FY 22: £20.4m

Introducing Elixirr

Elixirr is an established, global, award-winning management consultancy. We are never satisfied with the status quo. We set new benchmarks. We set our clients apart... and we are driven by a purpose:

To be the **best** digital, data and AI consulting firm in the **world,** centred around the **technology of tomorrow.**

2009
Founded

530+
Team members based across the globe

200+
Active clients

1

We are all owners of our business, and are accountable for the results we deliver.

2

We don't hide behind hierarchy, and know that our clients' long-term success drives ours.

3

We embrace innovation and take the right route, not the easy route, to pioneer change on a global scale.

Our Story

2009
Established

14
Years of growth

Experienced management team and Board driving a four-pillar growth strategy

20+
Capabilities

530+
Global employees

200+
Active clients

6
Acquisitions to date

- **2009** Elix-IRR founded
- **2010** First US client
- **2011** First South African client
- **2012** Retail business launches
- **2013** 150% growth on prior year's revenue
- **2014** Named 'Best New Consultancy'
- **2015** Elix-IRR rebrands as Elixirr
- **2016** US business launches
- **2017** Den Creative becomes an Elixirr company, initiating our acquisition strategy
- **2018** Elixirr named as one of the UK's leading management consultants
- **2019** Den Creative reaches c.200% revenue increase since acquisition, Airtime launches
- **2020** Elixirr IPO on AIM market of the London Stock Exchange, Coast Digital joins our Group
- **2021** Retearn joins the Group, Stephen Newton named a Global Leader in Consulting
- **2022** iOLAP joins the Group, a specialist technology and data consultancy, marking our first US acquisition and largest acquisition to date

2023
Responsum, a generative AI company, and Insigniam, pioneers in organisational change and transformation, join the Group

responsum | Insigniam Catalyzing Breakthrough Results

IAOP GLOBAL OUTSOURCING 100 2023

TOP CONSULTING FIRM 2023 United Kingdom

FT FINANCIAL TIMES statista UK'S LEADING MANAGEMENT CONSULTANTS 2023

Awards 2023 FINALIST

ALM CONSULTING MAGAZINE TOP CONSULTANTS 2023

Our Locations

530+

Entrepreneurial team members working with a global client base

United Kingdom
France
Croatia
South Africa
United States
Mexico

Team based
Projects delivered

Our Work

A selection of our clients

DIAGEO	Allianz	Bloomberg
MARS	absa	Schroders personalwealth
zumiez	WILLSCOT	OLDMUTUAL
TACO BELL	LVMH	Google
DELTA DENTAL	mastercard foundation	Hitachi Energy
MAYO CLINIC	HSBC	USTA
ABB	iRobot	Johnson&Johnson

"The Elixirr team's drive and intensity enabled us to achieve a cost saving of over $7M per year, which was $2M over our initial target for this program. Our IT teams now have a solid foundation from which to foster a truly strategic partnership with our new service delivery partners."

CTO
Fortune 200 Financial Services Company

A Diverse Client Base

We focus on building long-term, trusted relationships with our diverse client base, spanning multiple industries, geographies and capabilities.

200+
Active clients in FY 23

+12%
Increase in gold clients

FY 23 Top 10 clients

#	Industry	Location	Driving transformation	Creating breakthrough performance	Defining the C-suite agenda	Length of relationship (years)	Gold client (>£1m)
1	Insurance	UK / Europe	✓	✓	✓	6	✓
2	Manufacturing	UK / Europe	✓	✓	✓	7	✓
3	Financial services	US	✓	✓	✓	5	✓
4	Professional services	US	✓	✓		3	✓
5	Insurance	UK / Europe	✓	✓	✓	1	✓
6	Professional Services	UK / Europe	✓	✓	✓	2	✓
7	Energy	US	✓	✓		7	✓
8	Robotics	US	✓	✓		7	✓
9	Retail	US	✓	✓		3	✓
10	Financial Services	UK / Europe	✓	✓	✓	1	✓

*'Gold' accounts – accounts with annual revenue of over £1 million

Non-Executive Chairman's Report

"Elixirr's strong performance in FY 23 proves that our growth strategy continues to have value. The Group has achieved impressive growth even in challenging market conditions, and the results are testament to the strength of our leadership and the talent of our people."

Gavin Patterson
Non-Executive Chairman

OVERVIEW

I am pleased to introduce Elixirr's 2023 Annual Results, a year which highlighted the strength and resilience of the Group. Through its broad and diversified service offering, the Group has continued to deliver exceptional results.

Elixirr solved a variety of complex client challenges during 2023, facilitated by its broad service offering and foundation in data, technology, and innovation. The Group performed particularly well in scaling its existing client base, and its strong level of client retention demonstrates how in demand its expertise continues to be.

The Group grew both organically and inorganically in 2023, benefiting from its positioning in the market and increasing market awareness of the brand. The Group's acquisition of the Artificial Intelligence firm, Responsum, in September 2023 has positioned the firm at the forefront of cutting-edge technology, whilst its acquisition of organisational change and transformation firm, Insigniam, in December 2023 enables the firm to support clients innovate and drive large-scale change. These acquisitions are highly complementary to the Group's existing offering, having driven further expansion into the US – a key growth market for the Group – and position the firm well to help clients address current and future disruptive market trends.

STRATEGY

The Board continues to have confidence in the Group's four-pillar growth strategy which has further demonstrated its value in FY 23. Through driving both organic and inorganic growth, the strategy has again proven highly successful despite challenging market conditions.

The Group's incentivisation model encourages the Partner team to act like entrepreneurs, with the team motivated to achieve growth for the Group, rather than solely at an individual level. As such, emphasis has been placed on selling services across the Elixirr Group, increasing client penetration, breadth of service and longevity of relationship as a result. Through future organic and inorganic growth, we expect to increase the breadth of services offered to clients even further.

We remain confident that the four-pillar growth strategy will drive future growth for the Group, as we have a team that is highly incentivised to achieve organic growth, together with a strong pipeline of new acquisition targets.

DIVIDEND

Given the continued growth of the business and in line with comparable companies, the Board has decided to declare two dividends per year, with an interim dividend payable shortly after the end of the financial year and a final dividend payable in August. As a result of the strong performance in FY 23 and the year-end cash position, the Company paid an interim Ordinary share dividend of 5.3p per share on 15 February 2024.

The Board is pleased to recommend a final Ordinary share dividend for FY 23 of 9.5p per share, making a total dividend of 14.8p for the FY 23 financial year, a 37% increase on the FY 22 dividend.

The final dividend will be recommended to shareholders at the AGM in June 2024. The FY 23 final dividend will have a total cash cost of £4.5 million, which will be funded from the Group's existing cash reserves.

GOVERNANCE

The Board operates within a robust governance framework and throughout FY 23, has ensured that the Group complies with the corporate governance code of the Quoted Companies Alliance (QCA). This includes ensuring that the Group has a balance of diverse skills and experience to deliver our strategy and growth objectives. The Board and its subcommittees include independent non-executive members with varying backgrounds and experience. The Board continues to monitor this on a regular basis.

OUTLOOK

The Board is optimistic about the outlook for FY 24, given the Group's track record of achieving its ambitions and its commitment to further growth. The growth of the business to date, underpinned by the support of our shareholders, clients and people, positions Elixirr well to continue its strong performance.

Gavin Patterson
Non-Executive Chairman
19 April 2024

Chief Executive Officer's Report

"2023 highlighted Elixirr's ability to thrive, outperforming both competitors and the global Consulting market. Our continued growth is a testament to the quality of our team, and the value we deliver to our clients. This year we continued to invest in our four-pillar growth strategy, further diversifying our offering and enabling us to solve new and interesting challenges for our clients. Our equity incentive model continues to disrupt the market, solidifying our reputation as the Challenger Consultancy and setting us up for continued success."

Stephen Newton
Chief Executive Officer

OVERVIEW

Elixirr's performance in FY 23 has again highlighted the firm's ability to grow profitably in both bull and bear markets. As always, our firm's key differentiator is the quality of our people, and I would like to thank our growing teams across the globe for their continued dedication and commitment.

Elixirr continued to perform well in FY 23, with revenue growing at a CAGR of 37% from 2019 to 2023. This sustained growth can be attributed to the increasing breadth of our services and a truly differentiated proposition, centred around the technology of tomorrow, which ensures that we continue to outperform the global consulting market (2019 to 2022 CAGR of 8.4%, source: Statista).

Our four-pillar growth strategy continues to provide the foundation for Elixirr's performance, ensuring a balance of both organic and inorganic growth. The acquisitions of Insigniam and Responsum brought new in-demand capabilities to the Group in FY 23, and enhanced Elixirr's presence in additive industries and geographies. Such acquisitions diversify our existing offering, increasing our resilience in all market conditions, and enable us to solve new and exciting challenges for our clients.

FY 23 PERFORMANCE

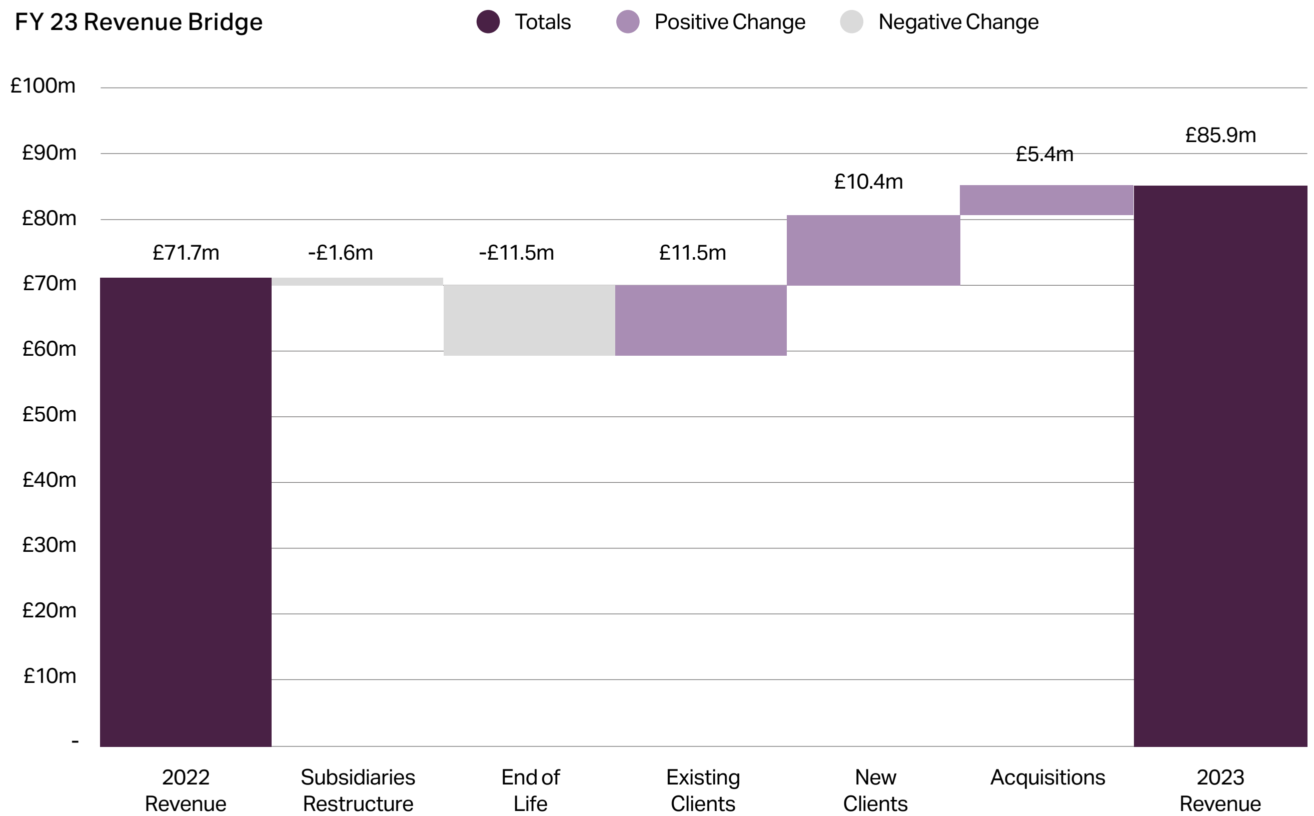
In FY 23, the business generated revenue of £85.9 million – a 20% increase from the prior year (£71.7 million). We focused on both winning new clients across the Group and deepening existing client relationships. This resulted in a 12% increase in the number of 'gold' client accounts – clients with which we receive annual revenue of over £1 million.

Throughout FY 23, Elixirr delivered a diverse range of solutions to our clients, across numerous industries and geographies. As a result of our continued growth, the firm now has a presence in six key geographies with eight offices across the globe, and diversification of revenue across nine core industries. Due to our broad service offering and deep knowledge of emerging technologies, we continue to be well placed to support clients with a wide range of business-critical challenges.

The revenue bridge below shows the elements of the growth in revenue from £71.7 million in FY 22 to £85.9 million in FY 23.

Underlying organic revenue growth was 15% year on year (net +£10.4 million revenue), with £11.5 million growth from existing clients and £10.4 million growth from new clients. This was partially offset by end-of-life projects which accounted for £11.5 million of lost revenue, including the impact of one very large 5-year change programme successfully coming to an end.

The acquisition of Insigniam in December 2023 and iOLAP's revenue from the early part of the year (2.5 months in Q1) added £5.4 million to revenue overall in FY 23. In order to protect the overall profitability of the Group, management exited legacy lower margin revenue in acquired companies (-£1.6 million).



Elixirr achieved Adjusted EBITDA of £25.4 million in FY 23 – an increase in absolute terms of 24% from FY 22 (£20.5 million). This FY 23 Adjusted EBITDA represented 30% of revenue (FY 22: 29%), highlighting our ability to maintain market-leading levels of profitability and validating our position as a high value, high returns business.

We have been able to maintain this high level of profitability, despite acquiring businesses with historically lower margins, through increasing the value we deliver to our clients alongside removing inefficiencies. For the first time, both Elixirr Digital and iOLAP achieved margins similar to the core Consulting business in FY 23.

DELIVERING OUR FOUR-PILLAR GROWTH STRATEGY

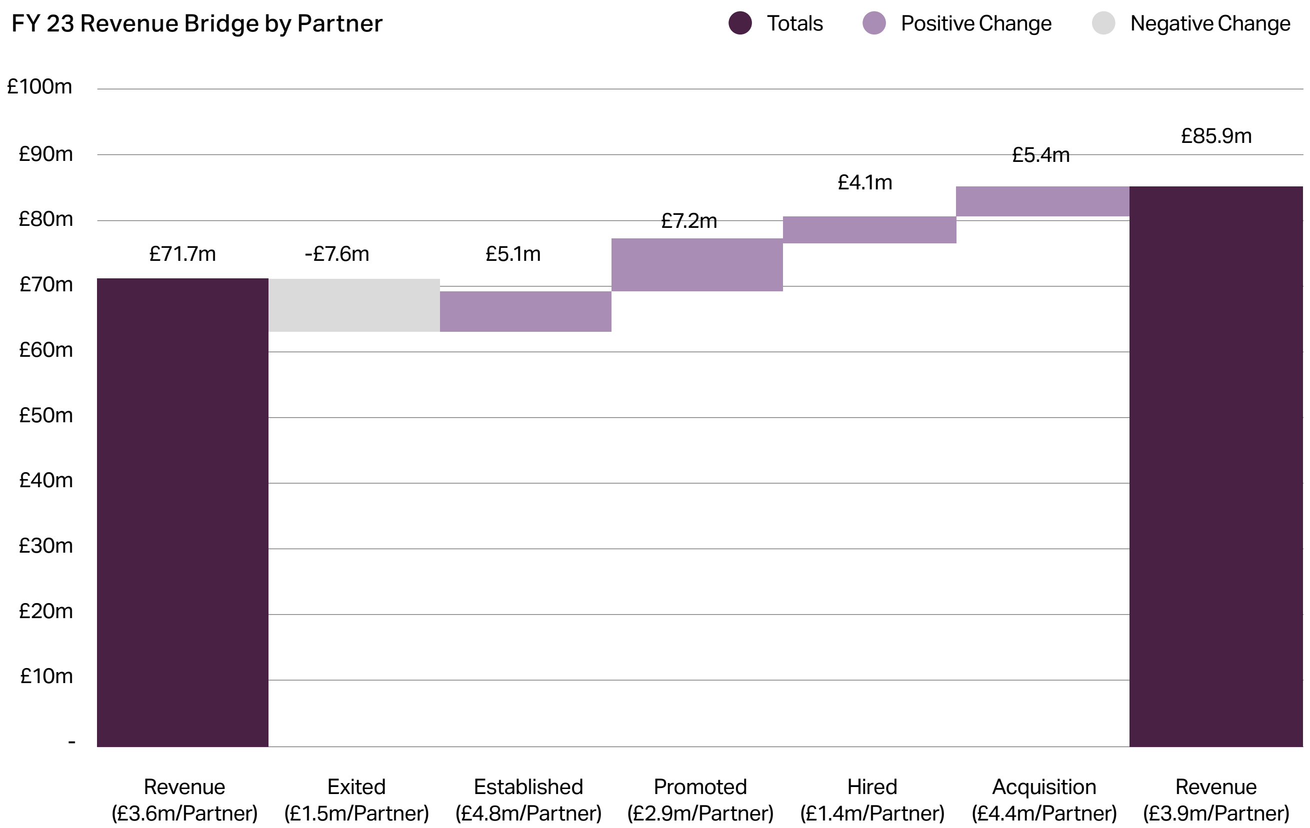
Our aim is to become the best digital, data and AI consultancy in the world, and we have a clear and focussed four-pillar growth strategy that will enable us to achieve this goal. Progress has been made in each area of this strategy, including organic growth delivered by a collaborative Partner team that is heavily invested in Elixirr's growth journey, and inorganic growth resulting from the firm's mature acquisition strategy, process and pipeline.

In FY 23, revenue per Partner increased by 7% from £3.6 million in FY 22 to £3.9 million in FY 23, as set out in the Partner revenue bridge below. This continues the growth in this metric in each year since listing.

STRETCHING EXISTING PARTNERS

A key component of our growth strategy is ensuring that established Partners maintain and improve their revenue contributions to the Elixirr Group. In FY 23, the established Partners in our firm generated average revenue of £4.8 million each – this was a 17% increase on the £4.1m achieved in FY 22.

FY 23 Revenue Bridge by Partner



Elixirr Partners are heavily incentivised to grow revenue and maintain margins and have been supported in doing so by an internal reorganisation into an industry vertical model. This makes us even more client-focussed. The senior members of the Partner team are accountable for growing specific industries, geographies, and capabilities, which will facilitate continued progress in this organic growth pillar.

We have also increased Partner revenue targets for FY 24, reflecting our expectations for further growth in this metric.

HIRING NEW PARTNERS

Hiring external Partners with existing networks and consulting industry expertise is a key part of our growth strategy – bringing in individuals who expand the Group's presence in key markets and geographies. We successfully hired three new Partners in FY 23: a career consultant with experience founding a boutique consulting firm, a former managing director at Boston Consulting Group, and a former South African rugby captain turned entrepreneur. These candidates came through the network of the existing Partner team, and their respective backgrounds help to ensure that diversity of thought is maintained throughout the Partner grade.

In order to maintain the quality bar for which we are known, underperforming Partners were exited, with their equity positions forfeited. Management continues to take decisive action to protect the overall business and quality of our earnings.

In January 2024, we welcomed a new Partner to the team who brings award-winning expertise in growing and scaling companies and orchestrating successful exits. She will focus on driving growth for our clients, particularly in the technology and cybersecurity space, as well as generating new business development opportunities for the Group. We continually progress a warm pipeline of potential Partner candidates.

PROMOTING PARTNERS FROM WITHIN

Growing talent from within ensures that we retain our culture and quality as we scale, and we have embraced 'growing our own timber' since the day we were founded. Our strategy of giving promoted Partners a 'runway' to develop their Partner-level experience continued to pay off, with the promoted Partner team achieving £7.2 million revenue in FY 23.

In January 2023, Danielle Croucher and Ben Gower joined the Partner team, followed by Dan Coral and Rory Farquharson in October 2023. Each promoted Partner has been instrumental in our continued growth, both in the UK and US, and we have confidence that they will continue contributing to the Group's success worldwide as we scale.

In January 2024, Nick Larsen joined the Partner team. Nick is a longstanding member of the iOLAP team and is our first promotion to Partner in one of our acquired businesses. This is a significant milestone in our acquisition strategy, reflecting the successful integration of iOLAP within the Elixirr Group.

ACQUIRING NEW BUSINESSES

Buying new businesses in key growth markets with additive capabilities to Elixirr's existing offering remains a key part of our growth strategy. In 2023, the acquisitions of Responsum and Insigniam opened doors to new clients, markets, and capabilities, and have generated significant growth potential.

In September 2023, Elixirr completed the acquisition of Responsum - a US-headquartered firm which has developed proprietary Artificial Intelligence (AI) software. This acquisition brought specialist services in emerging technology, large language model and generative AI into the Group, complementing our existing service offering and iOLAP's data and analytics capabilities. This is a compelling opportunity for the Group, given that the global AI market is forecast to grow from US$208 billion in 2023 to US$1.8 trillion by 2030 (source: Statista).

Consequently, we are well-positioned to capitalise upon the growing demand from clients for support in understanding how to implement and benefit from AI. Since the acquisition of Responsum was announced in September, several joint client engagements have been won and delivered, with most looking likely to extend, and multiple other active conversations are being closed out.

In December 2023, Elixirr completed the acquisition of Insigniam – a US and France headquartered consultancy firm, specialising in supporting clients and executives to define and navigate large scale change and transformation. This acquisition brought specialist services in transformation, leadership alignment, cultural change and executive coaching to Elixirr, complementing the Group's existing service offerings. Insigniam also has deep expertise in additive industries for Elixirr and has built a reputation as a market leader within the healthcare, biopharmaceuticals and life sciences industries. Insigniam's top clients include Fortune 500 companies and household brands, providing significant opportunities for the cross sell of services across the Elixirr Group.

We have a dedicated internal M&A team that continues to generate a pipeline of strong prospects based on strict criteria, focused on bringing in additional capabilities that will help us to support clients with key boardroom issues. They remain focused on bringing in high-quality businesses that will maximise the growth opportunity for the Group.

OUR FIRM

I am truly proud of our team of bold entrepreneurs who have consistently delivered high-calibre work and value for our clients throughout the year.

The equity schemes offered by Elixirr instil a culture of entrepreneurship in our people, with everyone working together for, and able to benefit from, the growth of the Group. Our Employee Share Purchase Plan ("ESPP") had high levels of participation again for the new financial year – over 45% for the Group and over 75% for the consulting business for FY 24, highlighting the commitment that our teams have to the Elixirr growth story. We are particularly pleased that 70% of Insigniam employees elected to participate in the ESPP in the first year following the acquisition, indicating how strongly this proposition resonates for all employees across the Elixirr Group.

Our team continues to be diverse in skillset and experience, sourced from the world's best universities, industry roles and start-ups. We pride ourselves on the diversity of thought present within the Group, with more than 120 distinct University degrees studied within the Consulting team alone.

Elixirr's focus on cutting edge technologies differentiates us from traditional incumbents in the Consulting industry. Our broad range of capabilities and platform model offers our talent the opportunity to develop different capabilities across multiple industries, geographies and service lines. In FY 23, we received over 10,000 job applications across the Elixirr Group, evidencing the strength of our employee proposition.

In 2023 we were pleased to receive multiple accolades including being named in the Financial Times' 2023 'UK Leading Management Consultants' list, earning a place on the Global Outsourcing 100® by the International Association of Outsourcing Professionals, being recognised as a Top Consulting Firm by Consultancy.UK and being shortlisted for the In-house Recruitment Awards 2023. These awards highlight our unwavering commitment to delivering value for our clients in addition to the quality of our internal functions.

OUTLOOK

Elixirr's continued growth in FY 23, despite challenging market conditions, once again highlights the resilience of our firm, talent of our people, and strength of our model.

As we look to the future, it is clear that emerging technology will have a significant impact on the Consulting industry and the evolution of services that clients will demand in the future. Given our focus on the technology of tomorrow, this provides a huge growth opportunity for Elixirr's core service offering, and our investments in this space to date position us well for future success.

Momentum has continued into FY 24, with three record revenue months in Q1 2024. We expect this momentum to continue over the rest of the year and, therefore, are targeting FY 24 revenue in the range of £104-110 million. After factoring in the impact of Insigniam's lower margins at acquisition, we expect our Adjusted EBITDA margin to be in the range of 27-29%.

Stephen Newton
Founder & Chief Executive Officer
19 April 2024

"Elixirr bring a refreshingly different perspective. They aren't afraid to take on the big boardroom issues, helping me cut through the noise and find the right solution, quickly."

Leading Financial Services Provider
CEO

Section 172 Statement

FOR THE YEAR ENDED 31 DECEMBER 2023

As required by Section 172 of the Companies Act, a Director of a Company must act in the way he or she considers, in good faith, would likely promote the success of the Company for the benefit of the shareholders. In doing so, the Director must have regard, amongst other matters, to the following issues:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers/customers and others;
- impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

The Directors remain committed to engaging with the Group's stakeholders and considering their interests when making key strategic decisions. The Board considers its key stakeholders to be its shareholders, its employees, its clients, its suppliers and the communities in which the Group operates.

Culture

The culture of Elixirr is upheld through our core values: 'Entrepreneurial', 'Collaboration', 'Creating a Legacy' and 'Beyond Expectations'. These values, alongside our leadership behaviours form the cornerstone of our culture to ensure that through good governance, our conduct and decision making we do the right thing for the business and our stakeholders. The Board aims to achieve a balance between short-term success and longer-term prosperity.

KEY PRIORITIES

- Maintaining the quality of the team
- Maintaining our core values as we scale
- Deep understanding of our mission and growth goals across our employees

FORM OF ENGAGEMENT

- Partner mentoring for every employee
- Two-day cultural immersion event for all new joiners
- Monthly informal business updates involving all brands
- Formal business updates from the CEO
- Global travel and secondment opportunities to work alongside team members in different locations and in different capabilities
- Cultural assessments of potential acquisitions to assess suitability

Shareholders

All Directors and Partners hold equity interests in the Company to ensure strong alignment of interests with shareholders. For the same reason, we have a share option scheme and optional ESPP scheme for all employees. The primary mechanism for engaging with our shareholders is through the Company's AGM and also through the publication of the Group's financial results for the half year and full year. The Board is dedicated to fostering strong, transparent, and consistent communication with shareholders.

KEY PRIORITIES

- Sustainable financial performance
- Governance and transparency
- Confidence and trust in the Board
- Dividends for shareholders

FORM OF ENGAGEMENT

- Dedicated area of the Company's website
- Half yearly reporting
- AGM, where we encourage our shareholders to ask questions, and engage in a dialogue with the Directors
- Regular investor communications
- Investor feedback via NOMAD, retail platforms and directly
- Meetings with external investors

" Working at Elixirr has enabled me to gain knowledge and experience in multiple industries, having worked on a range of global projects. The opportunities here are truly endless, and the experience I have gained in the first two years of my career is invaluable. The cherry on the cake is that everyone is super friendly and willing to offer support and guidance at the drop of a hat! "

Analyst
Elixirr

Clients

Understanding our clients and their different challenges is key to the success of Elixirr. The Group's agility enables us to move with the market and provide tailored innovative solutions which meet the specific needs of our clients, covering a broad range of strategy, design, operational, transformation, data, creative and marketing capabilities. Elixirr focuses on building long term, trusted relationships with clients and providing a service that is both bespoke, and of exceptional quality.

KEY PRIORITIES

- High quality services
- Exceptional delivery
- Evolving capabilities and expertise to meet client's changing needs
- Emphasis on building deep, long-term relationships with clients

FORM OF ENGAGEMENT

- Senior level management on every engagement
- Project monitoring and reviews with client feedback
- Staying at the forefront of relevant industry news and insights
- Rigorous hiring assessment of all new hires
- Acquiring new companies with new capabilities
- Continuous client satisfaction monitoring

Employees

A key to the Group's continual success has been the quality of its teams across the globe. Elixirr aims to attract, retain and develop the very best talent, to ensure the quality bar of the Company is continually raised. The Directors, alongside our Management team, work hard to provide a collaborative and empowering working environment – we invest in our employees from the outset, working with them to achieve their ambitions and to grow within the firm.

KEY PRIORITIES

- Retaining and developing talent
- Career growth opportunities for the team
- Maintaining a safe and collaborative environment
- Health and safety for all employees

FORM OF ENGAGEMENT

- Dedicated Partner coaches for individuals
- Formal performance monitoring and mentoring
- Peer to peer mentoring
- Competitive equity incentives and schemes
- Partner-led forums by grade
- Knowledge sharing and learning sessions

Community, social and the environment

Creating a real and sustainable impact is what matters to us. We promote the Elixirr Foundation which seeks to enrich the quality of life of the communities we operate in by giving our time, money and services. We strive to empower, providing our consulting services to the charity and not-for-profit sector, offering business support and strategic advice to charities and organisations where our services and advice have the greatest impact.

KEY PRIORITIES

- Creating positive sustainability outcomes at material scale for our clients
- Supporting local businesses, including budding entrepreneurs
- Charitable initiatives aligned to our core values
- Supporting the growth of talent from underprivileged backgrounds

FORM OF ENGAGEMENT

- Dedicated internal Elixirr Foundation team
- Partnerships with charities across our key geographies
- Strategic partnerships to train charities in key business acumen
- Volunteer days for each team member
- Not-for-profit services through our consulting services
- Partnership with Harris Westminster who provide top level education to students from all socio-economic backgrounds

Suppliers

We have long-standing relationships with suppliers and treat all suppliers fairly. We ensure that our contractual commitments to suppliers are met within a timely manner.

KEY PRIORITIES

- Maintaining strong and fair relationships
- Supporting sustainability with buying decisions

FORM OF ENGAGEMENT

- Prompt communication and consistent payment processes
- Regular supplier reviews

Streamlined Energy and Carbon Report ('SECR')

Greenhouse gas emissions are reported using the following parameters to determine what is included within the reporting boundaries:

Scope 1

Direct UK energy emissions, of which the Group does not have any to report at this time;

Scope 2

Indirect UK energy emissions, which includes purchased electricity and heat; and

Scope 3

Other indirect energy emissions that occur in the UK through business travel and transportation.

The Group has used the UK Government GHG Conversion Factors for the Company Reporting to convert activity data such as kWh consumption and distance travelled into total CO_2e emissions.

SCOPE	ACTIVITY	FY 23 tCO_2e	FY 22 tCO_2e
2	Purchased Heat & Electricity	30.97	26.18
3	Business Travel & Commuting	10.01	5.21
TOTAL		**40.98**	**31.39**

SCOPE	ACTIVITY	FY 23 mWh	FY 22 mWh
2	Purchased Heat & Electricity	154.53	139.20
3	Business Travel & Commuting	n/a	n/a
TOTAL		**154.53**	**139.20**

INTENSITY METRIC	FY 23	FY 22
£m revenue	32.07	23.84
tCO_2e per £m revenue	**1.28**	**1.32**

Financial Review

	FY 23	FY 22	% CHANGE
Revenue	**£85.9m**	£71.7m	+20%
Gross profit	**£29.3m**	£23.2m	+26%
Adjusted EBITDA*	**£25.4m**	£20.5m	+24%
Adjusted EBITDA margin*	**30%**	29%	+1PP
Profit before tax	**£22.1m**	£15.7m	+40%
Adjusted diluted earnings per share*	**37.2p**	30.5p	+22%
Dividend per share	**14.8p**	10.8p	+37%
Free cash flow	**£16.1m**	£14.6m	+11%
Net cash	**£18.1m**	£20.4m	-11%

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

GROUP RESULTS

The Board is pleased to report another strong year of growth for the Group, both organically and as a result of the FY 23 acquisitions of Responsum and Insigniam and the FY22 acquisition of iOLAP. The Group achieved double-digit growth in both revenue and profits and this is testament to the continued effectiveness of our four-pillar growth strategy.

Our broad service offering and deep knowledge of emerging technologies meant we continued to be well placed to support an expanding client base with a wide range of business-critical challenges. During FY 23 we delivered a diverse range of solutions to our clients, across numerous industries and geographies, and successfully acquired Responsum and Insigniam, integrating their service offerings and teams into the Group. The acquisitions opened doors to new clients, markets, and capabilities, and have generated significant growth potential for future years.

The Group delivered healthy, industry-leading margins and strong cash generation, closing out the year in a financially sound position. In FY 23 the Group delivered revenue of £85.9 million (FY 22: £71.7 million), with profitability continuing to be strong. Adjusted EBITDA was £25.4 million, reflecting a 30% margin (FY 22: £20.5 million at a 29% margin).

REVENUE

Revenue increased by 20% to £85.9 million in FY 23 compared with £71.7 million in FY 22, with five record months of revenue achieved during the year. Revenue growth was driven by both underlying organic revenue growth of 15% and the impact of the acquisitions.

Double-digit revenue growth was achieved across all geographic regions (UK, USA and Rest of World) in which the Group operates, having increased our US footprint further following the acquisitions of Responsum and Insigniam. US revenue continues to account for 44% of Group revenue (FY 22: 44%). We are also pleased to report that revenue per client-facing Partner grew by 7% during the year, with established Partners having increased by 17%. This reflects the quality and resilience of our Partner team and how the growing suite of capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients.

The sustained increase in the Group's revenue highlights persistent high demand for its current service portfolio, coupled with the strategic integration of new service capabilities acquired through acquisitions. The Responsum and Insigniam businesses have complemented Elixirr's core consulting services, offering a range of additional solutions that meet client needs.

GROUP PROFITABILITY

The Group's revenue growth was accompanied by robust profit expansion. Group gross profit reached £29.3 million in the year, marking a notable £6.1 million increase or 26% growth compared to the previous year's £23.2 million. The gross profit margin increased to 34% from 32% in FY 22. These enhanced margins were evident in the growth in revenue per client-facing Partner and underscore our efficacy in increasing the profitability of acquired businesses.

Administrative expenses increased by 26% to £8.6 million, principally reflecting the inclusion of iOLAP for a full year and the non-cash acquired intangible asset amortisation from iOLAP and Insigniam.

Group Adjusted EBITDA grew 24% and was delivered at a 30% margin (FY 22: 29%). The enhanced Adjusted EBITDA margin reflects the improvement in gross profit margin, partially offset by the increase in administrative expenses referred to above.

Group profit before tax grew by 40% to £22.1 million (FY 22: £15.7 million) and was driven by the increase in Adjusted EBITDA and the £2.0 million M&A-related net credit for adjustments to contingent consideration associated with the acquisition of iOLAP.

NET FINANCE EXPENSE

Net finance expense of £0.5 million for FY 23 includes the finance cost of contingent consideration (£0.6 million) and the Group office leases liability (£0.3 million). The decrease in net finance expense was principally driven by finance income on short-term deposits given the rising interest rate environment experienced during FY 23. As at 31 December 2023, the Group has no interest rate risk exposure.

TAXATION

The Group's tax charge for FY 23 was £4.7 million, reflecting a higher effective tax rate of 22% compared with 18% in FY 22. The increase was largely driven by an increase in the UK corporate tax rate from 19% to 25% (effective April 2023 onwards). For further detail on taxation see notes 7 and 8 of the Group and Company Financial Statements. Adjusted profit after tax, used in calculating adjusted EPS, is shown after adjustments for the applicable tax on adjusting items as set out in note 3.

EARNINGS PER SHARE

Adjusted diluted EPS increased by 22% to 37.2p. This was the result of the 18% increase in Adjusted profit after tax, plus a reduction in the weighted average number of shares used as the denominator (due to the settlement of the FY 22 iOLAP earn-out without any dilution of shareholders and FY 23 share price performance). Adjusting items and their tax impacts are set out in note 3 of the Group and Company Financial Statements.

CASH FLOW

The Group's net cash position decreased to £18.1 million (FY 22: £20.4 million), as a result of the Responsum and Insigniam acquisitions, and earn-out payments for iOLAP and Coast Digital.

The Group continued to benefit from strong cash generation with increased net cash flow generated from operations of £16.8 million in FY 23 (FY 22: £15.7 million). The increase in operating cash flow compared to FY 22 was less than the increase in EBITDA due to the increase in tax paid (as explained above) and working capital timing differences (which reversed in January 2024).

Net cash utilised for acquisitions reflects a total of £15.1 million, which is comprised of £7.3m initial cash consideration for the acquisition of Insigniam (net of cash of £1.1 million acquired on acquisition), £1.3 million initial cash consideration for the acquisition of Responsum, £6.4 million iOLAP earn-out satisfied through shares sold from the EBT in order to minimise dilution plus the final contingent consideration payment of £0.2 million for Coast Digital.

Net cash utilised in financing activities of £4.1 million represents a dividend payment of £4.9 million, net Partner loans (including associated section 455 tax) of £2.0 million, repayment of Responsum debt on acquisition of £0.7 million, office lease payments of £1.0 million, partially offset by net sales of shares from the EBT of £4.6 million.

STATEMENT OF FINANCIAL POSITION

Net assets as at 31 December 2023 totalled £119.6 million (FY 22: £95.9 million). The increase in net assets is as a result of a £4.3m increase in share premium for share issues for Responsum, Insigniam and the sale of shares at market price to promoted Partners, net of loss on sale of shares by EBT, retained profit for the year of £15.4 million, net EBT share sales of £5.4 million and foreign currency translation losses of £1.5m.

DIVIDENDS

The Company paid a final Ordinary share dividend in respect of FY 22 of 10.8 pence per Ordinary share on 18 August 2023.

An interim Ordinary share dividend in respect of FY 23 of 5.3 pence per Ordinary share was paid on 15 February 2024. The Board is pleased to recommend a final dividend for FY 23 of 9.5 pence per Ordinary share, making a total dividend of 14.8p for the FY 23 financial year, a 37% increase on the FY 22 dividend.

The final dividend will be recommended to shareholders at the AGM in June 2024. The FY 23 final dividend will have a total cash cost of £4.5 million, which will be funded from the Group's existing cash reserves.

Our Key Performance Indicators ('KPIs')

The Directors are of the opinion that the Group's KPIs are revenue, gross profit, adjusted EBITDA, profit before tax, free cash flow and adjusted diluted EPS. These KPIs are linked to the Group's growth strategy and used to monitor the performance of the business. Further information on the KPIs is available in these Financial Statements and summarised on the financial highlights section earlier in this report. The Board monitors progress against plan on a regular basis.

Principal Risks and Uncertainties

The Board has the primary responsibility for identifying the major risks facing the Group and developing appropriate policies to manage those risks. The Board has assessed the Group's emerging and principal risks and how they are being managed or mitigated. The risk assessment has been completed in the context of the overall strategic objectives of the Group and the table below outlines the principal risks and uncertainties that have been identified. These are not the only risks that may affect the Group, however they are the principal risks that the Board considers would potentially have the most significant impact if they were to occur. There may possibly be further risks that materialise over time that the Group has not yet identified or deemed to have a potentially material adverse impact on the Group.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
Demand for services in markets and sectors in which the Group operates	The Group operates in multiple geographies and industry sectors and demand for its services can be affected by global, regional, industry specific or national macro-economic conditions. The Group operates in a competitive environment, where other consulting firms seek to provide similar services. Changes in demand for the Group's services can significantly impact revenues and profits.	• The entrepreneurial culture and focus on helping clients build businesses, new products and customer experiences are key differentiators of the Group's service offering. • Elixirr is considered 'The Challenger Consultancy', offering an alternative to the traditional consulting models. • The consulting market is resilient in bull and bear markets, and we offer a range of services relevant to different market conditions. We operate a flexible model and can deploy staff to areas of higher demand to optimise utilisation. • The consulting market has continued to grow despite macro-economic challenges in the last 12 months and this has resulted in continued strong client demand. • The Group's inorganic growth strategy, acquiring new businesses and their respective capabilities contributes to continued diversification in different markets and sectors.
Professional reputation, key client relationships and contractual terms	The success of the Group's business depends on the preservation of good client relationships and its reputation for providing high-quality consulting services. Failure of the Group to develop and retain client relationships could result in a reduction in revenues. Potential unforeseen contractual liabilities and loss of client relationships may arise from client engagements that are not completed satisfactorily.	• The Group has relentless focus on customer service and exceeding client expectations. This combined with our bespoke solutions frequently embed us within our clients over the long term. • Every project is overseen by one or more Partners, whose responsibilities include monitoring client satisfaction and ensuring exceptional quality. • Employee options vest only for high performance. This incentivises our people to perform at a high level to the benefit of our clients. • Individual performance is monitored quarterly with each team member rated on a yearly basis. This supports the Group's ability to ensure that clients consistently receive high quality service. • Every contractual agreement is reviewed by an experienced legal team led by the General Counsel to ensure that the risk profile is acceptable.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
Recruitment and retention of talented employees	The Group's performance is dependent on the recruitment and retention of key personnel to develop and maintain relationships with clients and to deliver high quality services.	• The Group has remuneration policies and structures that reward excellent performance. For most employees, an element of total remuneration is variable and linked to financial and other performance measures. • Our equity incentive model incentivises key people to remain with the Group, with the returns from the ESPP and share option schemes having 4-6 year vesting terms to incentivise retention. • The Group's Partner model of single count and double count Partners ensures that client relationships are not limited to one individual – mitigating the impact of the loss of any one person. • There are contractual notice periods for all key staff, with longer periods for senior team members. • Staffing levels are monitored weekly in accordance with revenue, and additional resource with appropriate expertise and experience recruited as required. • All employees are assigned a Partner coach to help their progression in the business.
Utilisation and profitability	Employee utilisation rates drive Group profitability and may be adversely impacted by an unexpected decline in client projects or misalignment on the timing of headcount growth.	• Utilisation targets are set annually and monitored monthly. • Allocation of employees to projects and available capacity is reviewed weekly. • Project profitability is tracked against approved target margins, with an element of Partner remuneration based on achieving profitability targets. • The profitability of each business unit is reviewed regularly by the Finance Director and the COO.
M&A and integration	The Group could acquire the wrong business or fail to integrate an acquisition successfully, leading to adverse impact on performance.	• A dedicated internal acquisition team is responsible for identifying opportunities and bringing targets through the pipeline. • Due diligence and risk assessment is performed on all potential acquisitions, including ensuring strategic and cultural fit and validating the business case. We have entered due diligence with a number of businesses, and subsequently decided not to proceed given issues identified during diligence. Any risks identified are mitigated through the deal structure or other mitigating actions or controls.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
M&A and integration *(cont.)*		• A proportion of acquisition consideration is typically deferred and contingent on performance. This aligns acquisition Partners with the wider Partner team, as performance earns more equity. In addition, the earn out structure mitigates the financial impact of any poor performance. • The performance of an acquired company post-acquisition is regularly reviewed to ensure it is on track and aligned with the wider Group, including the achievement of cross sell synergies.

The Group's and Company's exposure to financial risks (credit risk, liquidity risk, interest rate risk and foreign currency risk) is set out in the notes to the financial statements.

MAIN CONTROL PROCEDURES

Management establishes control policies and procedures in response to each of the key financial and operating risks identified. Control procedures are in place to ensure the integrity of the Group's Financial Statements and are designed to meet the Group's requirements. Control procedures are documented and reviewed by management and the Board on an ongoing basis to ensure control weaknesses are mitigated.

The Group operates a comprehensive annual planning and budgeting system. The annual plans and budgets are approved by the Board. Management reviews the management accounts on a monthly basis where performance against budget is monitored and any significant deviations are identified, and appropriate action is taken.

Graham Busby
Founder & Chief Financial Officer
19 April 2024

The Strategic Report comprises the Non-Executive Chairman's Report, the CEO's Report, the Section 172 Statement, the Financial Review and Our Key Performance Indicators ('KPIs'). The Strategic Report was approved by the Board of Directors for issuance on 19 April 2024.

Stephen Newton
Founder & Chief Executive Officer
19 April 2024

Corporate Governance Report

CORPORATE GOVERNANCE

The Board of the Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining investors' trust in the Company. For the year ended 31 December 2023, and up to the date of this report, the Company has applied the main principles of the Quoted Companies Alliance (QCA) Code and complied with its detailed provisions throughout the period under review.

Full details of our approach to governance are set out below and, as a Board, we continue to be committed to good standards in governance practices and will continue to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made. The key governance principles and practices are described in the statement below, together with the Audit and Risk and Remuneration Committees' reports and the Directors' Report.

Board of Directors

Gavin Patterson

Independent Non-Executive Chairman

Chair of the Remuneration Committee

Gavin joined Elixirr as Non-Executive Chairman in November 2019. Gavin held the position of President and Chief Revenue Officer of Salesforce until January 2023 and prior to this was the Chief Executive at BT Group plc from 2013-2019. He has also worked at Virgin Media and Procter & Gamble. He brings extensive experience in public companies and from the media, advertising, consumer goods, telecoms and technology sectors. Gavin is currently a senior advisor at Octopus Energy, chairs the board of Kahoot! and chairs the charity 'Business in the Community'.

Stephen Newton

Chief Executive Officer

Stephen is CEO and Co-Founder of Elixirr and has over 30 years' experience in transformational change and strategy. Prior to founding Elixirr, Stephen was a Managing Partner at Accenture and was previously a Financial Services Partner at IBM. Stephen is a chartered accountant, having qualified at KPMG. Over his career, Stephen has advised boards of some of the world's leading companies across multiple industries. He was honoured by Consulting Magazine for Lifetime Achievement in the Top Consultant 2023 Awards, having previously been listed as a Global Leader in Consulting 2022 by US Consulting Magazine, recognised for 'Excellence in Execution'.

Board of Directors

Graham Busby

Chief Financial Officer

Graham is CFO and Co-Founder of Elixirr. He was previously Marketing and Sales Director for Elixirr before moving to his current role in 2019. Graham leads Elixirr's strategic growth plan with a particular focus on leading the inorganic acquisition strategy. Before Elixirr, Graham worked in both Accenture's strategy team and their outsourcing sales team, shaping and selling multi-functional sourcing deals worth over $500m.

Ian Ferguson

General Counsel

Ian is General Counsel and Co-Founder of Elixirr and has over 40 years' experience advising on commercial transactions across numerous sectors and geographies. Ian has previously been a Partner at Olswang Asia and Pillsbury Winthrop Shaw Pittman, and a senior Partner with Allen & Overy, where he was Global Head of the communications media technology group and co-head of the international outsourcing practice.

Charlotte Stranner

Independent Non-Executive Director

Chair of the Audit and Risk Committee

Member of the Remuneration Committee

Charlotte was appointed as an Independent Non-Executive Director in July 2020, having been a consultant to the Company since April 2020. Charlotte is currently CFO of AIM listed adtech company, Dianomi plc. Charlotte was previously a Partner at formerly AIM-quoted MXC Capital, a technology, media and telecoms investor and adviser. Prior to MXC Capital, Charlotte was a Corporate Finance Director at finnCap Limited. She is a chartered accountant, having qualified at Moore Stephens.

Simon Retter

Independent Non-Executive Director

Member of the Remuneration Committee

Member of the Audit and Risk Committee

Simon joined Elixirr in December 2019 as a corporate finance consultant and was appointed to the Board in July 2020. He has over 15 years' experience working with public companies, particularly AIM quoted companies. Simon has previously acted as Finance Director for a number of small cap companies, assisting in a number of listings on AIM. Simon started his career at Deloitte where he qualified as a chartered accountant.

COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board is comprised of three Executive Directors and three Non-Executive Directors, including the Independent Non-Executive Chairman. The Board is of the opinion that its composition continues to represent an appropriate balance between executive and non-executive directors, given the Group's size and operations.

Gavin Patterson has extensive experience as a senior executive and non-executive in other organisations. He is considered independent as he is not involved in the day-to-day running of the business and does not earn any performance-related remuneration.

Simon Retter and Charlotte Stranner both have diverse experience in independent advisory roles, particularly in relation to AIM-quoted companies. They are both considered independent as they are not involved in the day-to-day running of the business and do not earn any performance-related remuneration.

Collectively the Board Members have skills and expertise covering a range of areas including general management, finance, sales, marketing, innovation and M&A. Members have relevant consulting and industry experience. We intend to carry out periodic reviews of the composition of the Board to ensure that its skillset and experience are appropriate for the effective leadership and long-term success of the business as it develops.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The Board takes decisions regarding the appointment of new Directors following the recommendations of its Remuneration Committee. The task of searching for appropriate candidates and assessing potential candidates' skills and suitability for the role has been delegated to the Remuneration Committee. The Company's Articles of Association require that Directors hold office only until the first annual general meeting of the Company following such appointment and in accordance with best practice in corporate governance, all the Directors will offer themselves for re-election.

DIVISION OF RESPONSIBILITIES

The Board is responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. While the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of major corporate transactions, transactions with related parties and approval of the annual and interim accounts.

The Board meet regularly to review performance. The roles of Chairman and Chief Executive Officer are separate and clearly defined, in line with the recommendations of the QCA Corporate Governance Code. Responsibility for overseeing the Board is the responsibility of the Chairman and the Chief Executive Officer is responsible for overseeing the implementation of the Company's strategy and its operational performance.

EXECUTIVE DIRECTORS

The Executive Directors are encouraged to use their independent judgement and strong knowledge of the Group in the discharging of their duties. They are responsible for the day-to-day management of the business, including its trading, financial and operational performance and the Group's legal undertakings. Issues and progress made are reported to the Board by the Chief Executive Officer.

Executive Directors are full-time employees of the Company and have entered into service agreements with the Company. Directors' contracts are available for inspection at the Company's Head Office.

NON-EXECUTIVE DIRECTORS

The Board considers the Non-Executive Directors to be sufficiently competent and to function effectively as a unit and in their respective Committees. They provide objectivity and substantial input to the activities of the Board, from their various areas of expertise.

HOW THE BOARD OPERATES

The Board retains control of certain key decisions through the Schedule of Matters reserved for the Board. The Board is responsible for:

- Overall management of the business and monitoring performance against objectives;
- Developing the Company's strategy and risk management;
- Major investment and divestment decisions;
- Setting business values, standards and culture;
- Membership and chairmanship of the Board and Board Committees;
- Relationships with shareholders and other stakeholders;
- The Company's compliance with relevant legislations and regulations; and
- Appointment and reappointment of the Company's auditors.

The Board held four scheduled meetings over the course of the year. All Directors were present at each meeting, other than one meeting where Simon Retter was absent. In addition, other matters reserved for the Board were dealt with through ad hoc Board meetings.

THE MAIN ACTIVITIES OF THE BOARD DURING THE YEAR

Key Board activities during the year included:

- Evaluating the financial performance of the Group's business;
- Reviewing progress across all the elements of the Group's four pillar growth strategy;
- Reviewing promotions to Partner and new Partner hires;
- Reviewing the status of potential acquisitions;
- Approving the acquisition of generative AI acceleration platform business, Responsum;
- Approving the acquisition of US and French consultancy, Insigniam.

THE BOARD COMMITTEES

The Board delegates authority to two Committees: the Audit and Risk Committee and the Remuneration Committee, to assist in meeting its business objectives. The Committees meet independently of Board meetings.

Each Committee has Terms of Reference setting out their responsibilities, which were reviewed and approved by the Board during the year. The Terms of Reference of each Committee can be found on the Company's corporate website at www.elixirr.com/investors.

The Audit and Risk Committee comprises two Independent Non-Executive Directors. In addition, the CFO, Finance Director and General Counsel attend meetings of the Committee by invitation. The external auditors are invited to attend the Audit and Risk Committee at relevant times of the year and also have direct access to the Chair of the Audit and Risk Committee. The Committee met three times during 2023.

The members of the Remuneration Committee are the three Non-Executive Directors, including the Chairman. Other individuals such as the Chief Executive Officer, may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The Company Secretary acts as the secretary of the Committee. The Committee is responsible for establishing and reporting to the Board, procedures for determining policy on executive remuneration and also the performance-related elements of remuneration, which align the interest of the Directors with those of shareholders. Its remit also includes matters of nomination and succession planning for Directors and senior key executives, with the final approval for appointments resting with the Board. The Committee met in March 2023 and after the year end in March 2024.

EXTERNAL ADVISORS

The Board makes use of the expertise of external advisors where necessary, to enhance knowledge or gain access to particular skills or capabilities. Areas where external advisors are used include and are not limited to legal advice, corporate finance advice, tax advice and recruitment.

DIRECTORS' INDUCTION, DEVELOPMENT, INFORMATION AND SUPPORT

The Board considers all Directors to be effective and committed to their roles. All Directors receive regular and timely information on the Group's operational and financial performance. Ahead of the Board and Committee meetings, papers are circulated to all Directors to ensure that they are fully informed and can participate fully in discussions. Directors keep their skillset up to date through a combination of attendance at industry events, individual professional development and experience gained from other Board roles.

The Board is regularly briefed on AIM Rules by its Nominated Advisors, Cavendish Capital Markets Limited. Directors are also able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Directors also have direct access to the advice and services of the Company Secretary. The Company Secretary supports the Chairman in ensuring that the Board receives the information and support it needs to carry out its roles.

CONFLICTS OF INTEREST

Outside interests and commitments of Directors, and changes to these commitments are reported to and agreed by the Board. To the date of this report there are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties they may have.

PERFORMANCE EVALUATION

The Chairman considers the operation of the Board and performance of the Directors on an ongoing basis as part of his duties and will bring any areas of improvement he considers are needed to the attention of the Board. The effectiveness of the Board, its Committees and Directors will be reviewed on an annual basis.

ACCOUNTABILITY

Although the Board delegates authority to its Committees and also the day-to-day management of the business to the Executive Directors, it is accountable for the overall leadership, strategy and control of the business in order to achieve its strategic aims in accordance with good corporate governance principles.

RISK MANAGEMENT AND INTERNAL CONTROL

Mitigating the risks that a Company faces as it seeks to create long-term value for its shareholders is the positive by-product of applying good corporate governance. At Elixirr, all Partners are responsible for identifying and monitoring risks across their areas. However, the Board sets the overall risk strategy for the business and is ultimately accountable.

FINANCIAL AND BUSINESS REPORTING

In our interim, final and any other ad hoc reports and other information provided by the Company, the Board seeks to present a fair, balanced and understandable assessment of the Group's position and prospects. The Board receives a number of reports to enable it to monitor and clearly understand the Group's financial position. The Board considers that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

SHAREHOLDERS

The Board values the views of our shareholders and recognises their interest in our strategy and performance. We endeavour to update shareholders on the Board's expectations for the outlook of the business as and when this changes. As much as possible, we try to provide information that is relevant to our shareholders on our corporate website; in our Annual Report and Accounts; and through regulatory news announcements throughout the year. We also believe in knowing and understanding our shareholders. We welcome questions from our shareholders at our Annual General Meetings (AGMs).

Audit and Risk Committee Report

As Chair of the Audit and Risk Committee ("the Committee"), I am pleased to present our Audit and Risk Committee Report for the year ended 31 December 2023.

MEMBERSHIP

The Audit and Risk Committee comprises two members, Simon Retter and myself, Charlotte Stranner. Simon Retter and I are Independent Non-Executive Directors of the Company. As Chair of the Committee with a background as a chartered accountant I have significant, recent and relevant financial experience. The Committee's biographies are set out in the Corporate Governance Report.

MEETINGS AND ATTENDANCE

The Committee met three times during the year ended 31 December 2023 and twice prior to the date of this report during 2024. All members of the Committee at the time of each meeting were present. Graham Busby (Executive Director and CFO), Nick Willott (Finance Director and Company Secretary) and Ian Ferguson (Executive Director and General Counsel) also attend meetings by invitation. The external auditor attended the first meeting of 2023 at which the annual audit for 2022 was reviewed, and also the first meeting of 2024 at which the annual audit for 2023 was reviewed.

DUTIES

The full list of the Committee's responsibilities is set out in its Terms of Reference, which is available on the Company's website, and is summarised below as follows:

- External audit (including assessing the independence of the external auditor);
- Financial reporting;
- Internal control and risk management; and
- Reporting on activities of the Committee.

The main items of business considered by the Committee during the year (and at its meetings in 2024 in relation to the 2023 audit and Annual Report and Financial Statements) included:

- Consideration of the 2022 financial statements of the Group and Company, the external audit report and management representation letter;
- Review and update of the Group's risk register;
- Review and approval of the 2023 interim financial statements;
- A review of the year-end 2023 audit plan, consideration of the scope of the audit, the risks identified by the external auditor and the external auditor's fees; and
- Consideration of the 2023 financial statements of the Group and Company, the external audit report and management representation letter.

EXTERNAL AUDITOR

The Committee has the primary responsibility for recommending the appointment of the external auditor and reviewing the findings of the auditor's work. The external auditor has direct access to me and other members of the Committee.

The Company's external auditor is Crowe U.K. LLP, who were appointed with effect from the period ended 31 December 2019. Having reviewed the auditor's independence and performance to date, the Committee recommended to the Board that they be reappointed for the Company's 2023 audit.

The term of the previous audit Partner at Crowe U.K. LLP completed at the conclusion of the 2022 audit and a new audit Partner was put in place by Crowe U.K. LLP for the 2023 audit. Crowe U.K. LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditor will be proposed at the next annual general meeting.

POLICIES FOR NON-AUDIT SERVICES

Crowe U.K. LLP were not appointed to provide any non-audit services in the year ending 31 December 2023.

AUDIT PROCESS

The external auditor prepares and audit plan setting out how the auditor will audit the full-year financial statements. The audit plan is reviewed by the Committee and includes the proposed scope of the work, the approach to be taken with the audit and also describes the auditor's assessment of the principal risks facing the business. Prior to approval of the financial statements, the external auditor presents its findings to the Committee, highlighting areas of significant financial judgement for discussion.

INTERNAL AUDIT

The Audit and Risk Committee has considered the need for an internal audit function during the year and is of the view that, given the size and nature of the Company's operations and finance team, there is no current requirement to establish a separate internal audit function.

RISK MANAGEMENT AND INTERNAL CONTROLS

The principal risks facing the Group are summarised in the Principal Risks and Uncertainties section of this Annual Report. The Committee carries out an annual risk assessment and review of mitigating controls.

Charlotte Stranner
Chair of the Audit and Risk Committee
19 April 2024

Remuneration Committee Report

As Chair of the Remuneration Committee ("the Committee"), I am pleased to present our report for the year ended 31 December 2023 which sets out details of the composition and activities of the Committee. Details of the remuneration paid to Directors during the year is set out in the Directors' Report.

MEMBERSHIP

The Committee currently comprises three independent Non-Executive Directors, Charlotte Stranner, Simon Retter and myself, Gavin Patterson, whose biographies are set out in the Corporate Governance Report.

MEETINGS AND ATTENDANCE

The Committee meets as is necessary to discharge its duties. Other individuals such as the Chief Executive Officer, Stephen Newton, may be invited to attend for all or part of meetings as appropriate and necessary. Nick Willott, Company Secretary, acts as the Secretary of the Committee.

The Committee met on 28 March 2023 and 19 March 2024. All members of the Committee were present at both meetings.

DUTIES

The Committee considers remuneration policy for the Executive Directors and succession plans for future Board roles. The main duties of the Committee are set out in its Terms of Reference, which are available on the Company's website. They include the following key responsibilities:

- Setting remuneration levels and remuneration policy for all Executive Directors;
- Approving the design of, and determine targets for, any performance-related pay schemes for the Executive Directors; and
- Reviewing the design of share incentive plans for the Executive Directors.

PRINCIPAL ACTIVITIES

The main items of business considered by the Committee at its meeting on 28 March 2023 included:

- Review of the Executive Directors' performance in the year ended 31 December 2022, which included the delivery of a strong set of financial results, an increase in revenue per Partner, the acquisition of iOLAP in March 2022, as well as continued progress across all four strategic growth pillars;
- Cash bonuses payable to the Executive Directors in relation to their performance in the year ended 31 December 2022, as set out in the Directors' Report;
- Granting of share options to the Executive Directors in relation to their performance in the year ended 31 December 2022. The share options to have an exercise price equal to market price on the day prior to grant and to vest over five years at 20% per annum. The number of share options granted to be equivalent to the following value of shares:
    - CEO: £767,000
    - CFO: £298,000
    - GC: £298,000
- Notional vesting of 23,500 share options held by the Chief Financial Officer and 3,900 share options held by the General Counsel during the year ended 31 December 2022. These share options were granted in May 2020 and have an exercise price of £0.43. Despite the notional vesting, these share options are not exercisable until July 2024; and
- Vesting of 28,100 share options held by the Chief Financial Officer and 11,900 share options held by the General Counsel during the year ended 31 December 2022. These share options were granted in April 2021 and have an exercise price of £5.45;
- A 5% increase in the base salaries of the Executive Directors with effect from 1 January 2023.

The main items of business considered by the Committee at its meeting on 19 March 2024 included:

- Review of the Executive Directors' performance in the year ended 31 December 2023, which included the delivery of a strong set of financial results, an increase in revenue per Partner, the acquisition of Responsum in September 2023, the acquisition of Insigniam in December 2023, as well as continued progress across all four strategic growth pillars;
- Cash bonuses payable to the Executive Directors in relation to their performance in the year ended 31 December 2023, as set out in the Directors' Report;
- Granting of share options to the Executive Directors in relation to their performance in the year ended 31 December 2023. The share options to have an exercise price equal to market price on the day prior to grant and to vest over five years at 20% per annum. The number of share options granted to be equivalent to the following value of shares:
    - CEO: £959,000
    - CFO: £373,000
    - GC: £373,000
- Notional vesting of 23,500 share options held by the Chief Financial Officer and 3,900 share options held

by the General Counsel during the year ended 31 December 2023. These share options were granted in May 2020 and have an exercise price of £0.43. Despite the notional vesting, these share options are not exercisable until July 2024;

- Vesting of 28,100 share options held by the Chief Financial Officer and 11,900 share options held by the General Counsel during the year ended 31 December 2023. These share options were granted in April 2021 and have an exercise price of £5.45;
- Vesting of 8,000 share options held by the Chief Financial Officer and 6,000 share options held by the General Counsel during the year ended 31 December 2023. These share options were granted in April 2022 and have an exercise price of £7.375; and
- A 5% increase in the base salaries of the Executive Directors with effect from 1 January 2024.

DIVERSITY

It is the Board's view that recruitment, promotion and any other selection exercises are conducted on the basis of merit against objective criteria that avoid discrimination on any criteria. The Board recognises the benefits of diversity, including gender diversity, on the Board, and believes that all appointments should be made on merit, whilst ensuring there is an appropriate balance of skills and experience within the Board. The Board currently consists of 17% (one) female and 83% (five) male Board members. The Board's age demographic ranges from 41 to 64.

REMUNERATION POLICY

The objective of the remuneration policy is to promote the long-term success of the Company, giving due regard to the views of shareholders and stakeholders. In formulating remuneration policy for the Executive Directors, the Committee:

- Considers Directors' experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains Directors of the highest quality;
- Considers pay and employment conditions within the Company relative to comparable businesses in similar industries and that are performing at a similar level to the Group; and
- Considers Directors' personal performance, and links individual remuneration packages to the Group's long-term performance and continued success of the business through the award of annual bonuses and share-based incentive schemes.

EXECUTIVE DIRECTORS

Base salary

Executive Directors' base salaries are reviewed annually by the Committee, taking into account the responsibilities, skills and experience of each individual, pay and employment conditions within the Company and the salary levels within comparable businesses.

Annual bonus

Executive Directors receive discretionary performance-related annual cash bonuses. The amounts are set out in the Directors' Report.

Share options

Share options may be granted for exceptional performance and to align executives' incentives with those of other shareholders. The amounts of shares options granted to Executive Directors for exceptional performance are set out above.

Other benefits

Policies concerning benefits are reviewed annually. Currently taxable benefits comprise private health cover, and life and income protection insurance. A defined contribution pension scheme is also available and statutory minimum contributions are made for directors unless they opt out of the scheme. No changes were made to benefits during the year.

Service agreements

Details of the Executive Directors' service agreements are set out below.

Director	Date of contract	Unexpired term	Notice period by the Company	Notice period by the Director
Stephen Newton	01 July 2020	Rolling contract	6 months	6 months
Graham Busby	01 July 2020	Rolling contract	3 months	3 months
Ian Ferguson	01 July 2020	Rolling contract	3 months	3 months

NON-EXECUTIVE DIRECTORS

The remuneration payable to Non-Executive Directors (other than the Non-Executive Chairman) is decided by the Chairman and Executive Directors. The remuneration payable to the Non-Executive Chairman is decided by the other Board members. Fees are designed to ensure the Company attracts and retains high calibre individuals. They are reviewed on an annual basis and account is taken of the level of fees paid by other companies of a similar size and complexity.

During the year ended 31 December 2023, the annual fee payable to the Chairman was £86,625 per annum and the annual fees payable to the other Non-Executive Directors were £46,200 per annum.

Non-Executive Directors do not participate in any annual bonus, share options or pension arrangements. The Company repays the reasonable expenses that Non-Executive Directors incur in carrying out their duties as Directors.

Terms of appointment

Each of the Non-Executive Directors signed a letter of appointment on 3 July 2020 which can be terminated by either party giving to the other prior written notice of three months.

Gavin Patterson
Chair of the Remuneration Committee
19 April 2024

Directors and Corporate Information

DIRECTORS

Gavin Patterson
Independent Non-Executive Chairman

Stephen Newton
Chief Executive Officer

Graham Busby
Chief Financial Officer

Ian Ferguson
General Counsel

Charlotte Stranner
Independent Non-Executive Director

Simon Retter
Independent Non-Executive Director

CORPORATE

Company Secretary
Nicholas Willott

Company Registered Number
Registered in England Number: 11723404

Registered Office
12 Helmet Row, London, EC1V 3QJ

Head Office
Elixirr, 100 Cheapside, London, EC2V 6DT

Legal Advisors
Osborne Clarke LLP, One London Wall,
London, EC2Y 5EB

Penningtons Manches Cooper LLP,
31 Chertsey Street, Guildford, Surrey, GU1 4HD

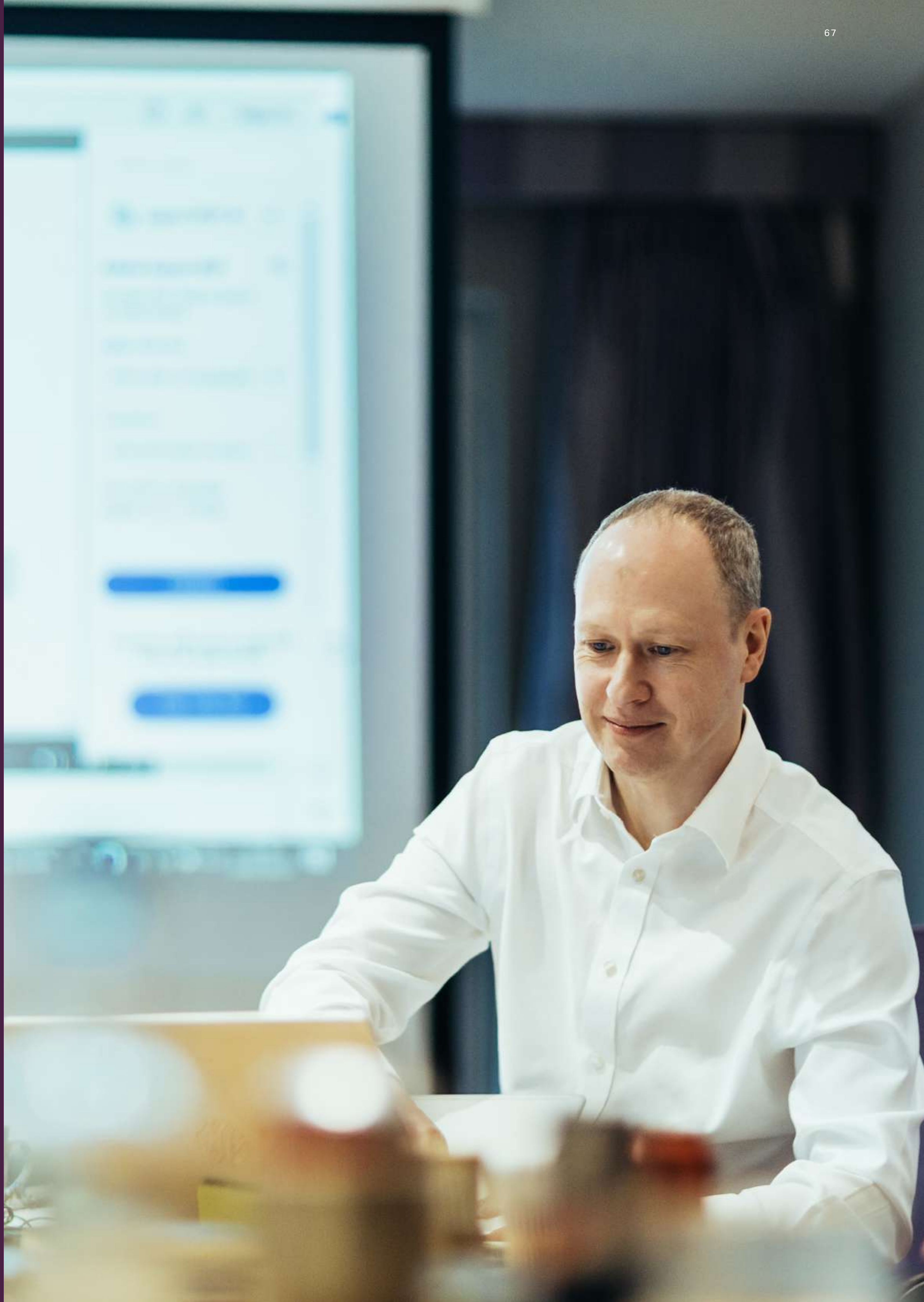
Auditor
Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Nominated Advisor
Cavendish Capital Markets Limited, 1 Bartholomew Close, London, EC1A 7BL

Joint Brokers
Cavendish Capital Markets Limited, 1 Bartholomew Close, London, EC1A 7BL

Investec Bank plc, 30 Gresham Street, London, EC2V 7QP

Registrars
Neville Registrars Limited, Neville House,
Steelpark Road, Halesowen, B62 8HD



Directors' Report

The Directors present their Annual Report together with the audited consolidated and Company Financial Statements for the year ended 31 December 2023.

The Group's business review along with future developments and the principal risks and uncertainties facing the Group are outlined in the Strategic Report which comprises the Non-Executive Chairman's Report, the CEO's Report, the Director's Section 172 Statement, the Streamlined Energy and Carbon Report, the Financial Review and Our Key Performance Indicators ('KPIs').

PRINCIPAL ACTIVITIES

Elixirr International plc is a public limited company which is quoted on AIM, the market of that name operated by the London Stock Exchange. The Company is a holding company, limited by shares, registered (and domiciled) in England registered number 11723404. The Company has four operating subsidiaries in the United Kingdom: Elixirr Consulting Limited, Elixirr Digital Limited, Den Creative Limited and The Retearn Group Limited. It has three operating subsidiaries in the United States (Elixirr LLC, iOLAP Inc. and Insigniam LLC) as well as operating subsidiaries or branches in South Africa, France, Jersey and Croatia.

The Group is principally engaged in the provision of consulting services, delivering innovative and bespoke solutions to a globally-recognised client base, including digital, data, AI and transformation services.

RESULTS

The results for the year ended 31 December 2023 are set out in the Group Statement of Comprehensive Income. Revenue for the year was £85.9 million, a 20% increase from £71.7 million in the year ended 31 December 2022. The financial position of the Group and Company is set out in the Group and Company Statements of Financial Position. Future developments are set out in the CEO's Report.

DIRECTORS' INDEMNITIES

The Company maintained liability insurance for its Directors and officers during the financial year and up to the date of approval of the Annual Report and Accounts. The Company has also provided an indemnity for its Directors and the Company Secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

SUBSTANTIAL SHAREHOLDINGS

The Company has been notified that at close of business on 31 March 2024 the following parties were interested in 3% or more of the Company's Ordinary share capital:

Shareholder	Number of Ordinary shares held	% Held
Stephen Alexander Newton	13,239,895	28.0%
Rathbone Investment Management	4,142,000	8.8%
Slater Investments	3,561,203	7.5%
Ian James Anthony Ferguson	2,594,082	5.5%
Gresham House Asset Management	2,587,573	5.5%

GOING CONCERN

At the date of these financial statements, the Group continues to be profitable and cash-generative. The Group is well capitalised and held £18.1m of cash at 31 December 2023, with no debt other than office leases capitalised under IFRS 16.

The Directors have prepared cash flow forecasts for the Group from the date of approval of these financial statements to 31 December 2026. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance.

Having considered these forecasts, the Directors remain confident in the long-term future prospects for the Company and the Group, and their ability to continue as going concerns for the foreseeable future. They therefore adopt the going concern basis in preparing the financial statements of the Group and Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK-adopted international standards have been followed subject to any material departures disclosed and explained in the Financial Statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash, and various items, such as trade receivables, trade payables, etc. that arise directly from its operations.
The Group does not enter into derivatives transactions or otherwise speculatively trade in financial instruments.

FINANCIAL RISK MANAGEMENT

Financial risk is managed by the Group and more information on this can be found within the notes to the Financial Statements.

PERSONNEL POLICIES

Elixirr is committed to eliminating discrimination and encouraging diversity amongst our workforce. The purpose of personnel policies is to provide equality and fairness for all in our employment and not to discriminate on grounds of sexual orientation, marital or civil partner status, gender reassignment, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or maternity (together the Protected Characteristics) or trade union membership or the fact that they are a part-time worker or a fixed-term employee. We oppose all forms of unlawful and unfair discrimination. All employees have personal responsibility for the practical application of our Equal Opportunities Policy. All employees, whether part time, full time or temporary, are treated fairly and with respect. We are committed to ensuring that our employees and applicants for employment shall not be disadvantaged by any policies or conditions of service which cannot be justified as necessary for operational purposes. We will appoint, train, develop, reward and promote on the basis of merit and ability.

Our commitments are:

- Every employee is entitled to a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment is tolerated;
- Equality in the workplace is good management practice and makes sound business sense;
- To regularly review all our employment practices and procedures to ensure fairness;
- Breaches of our equality policy are regarded as misconduct and may lead to disciplinary proceedings;
- These policies will be monitored and reviewed on a regular basis.

The Group places importance on the contributions made by all employees to the progress of the Group and aims to keep them informed via regular formal and informal meetings.

ARTICLES OF ASSOCIATION

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders.

SHARE CAPITAL

The share capital of the Company comprises Ordinary shares of 0.005p each and Redeemable Preference shares of £1 each. The issued share capital of the Company, together with movements in the Company's issued share capital, is shown in the notes to the Financial Statements.

Each Ordinary share carries the right to one vote at general meetings of the Company. Ordinary shareholders are entitled to receive notice and to attend and speak at general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representatives) has, on a show of hands, one vote. On a poll, each shareholder present in person or by proxy has one vote for each share held. Other than the general provisions of the Articles (and prevailing legislation) there are no specific restrictions of the size of a holding or on the transfer of the Ordinary shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

The Redeemable Preference shares are entitled to dividends at a rate of 1% per annum of paid up nominal value. The shares have preferential right, before any other class of share, to a return of capital on winding-up or reduction of capital or otherwise of the Company. The Redeemable Preference shares are redeemable 100 years from the date of issue or at any time prior at the option of the Company.

CHANGE OF CONTROL – SIGNIFICANT AGREEMENTS

There are a number of agreements that may take effect, alter or terminate on a change of control of the Company. None of these are considered to be significant in their likely impact on the business as a whole.

POLITICAL DONATIONS

The Company has made no political donations during the year.

INDEPENDENT AUDITORS

A resolution to reappoint the auditors, Crowe U.K. LLP, will be proposed at the forthcoming Annual General Meeting.

DIVIDENDS

The Company paid an Ordinary share dividend in respect of FY 22 of 10.8p per share on 18 August 2023.

The Company paid an interim Ordinary share dividend in respect of FY 23 of 5.3p per share on 15 February 2024.

The Board is pleased to recommend a final Ordinary share dividend of 9.5p per share, making a total dividend of 14.8p for the FY 23 financial year, a 37% increase on the FY 22 dividend. The final dividend will be recommended to shareholders at the AGM in June 2024. The FY 23 final dividend will have a total cash cost of £4.5 million, which will be funded from the Group's existing cash reserves.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting will be sent out to shareholders separately to this Annual Report and Accounts.

DIRECTORS' REMUNERATION

The following table summarises the Directors' remuneration for the year ended 31 December 2023 and the year ended 31 December 2022, in line with the Companies Act 2006 requirement:

		SALARY	BONUS	BENEFITS	PENSION	TOTAL
	NAME	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
FY 23						
	Gavin Patterson	87	-	-	-	87
	Stephen Newton	315	1,276	11	1	1,603
	Graham Busby	263	496	7	1	767
	Ian Ferguson	263	496	12	-	771
	Charlotte Stranner	46	-	-	-	46
	Simon Retter	46	-	-	-	46
	TOTAL	**1,020**	**2,268**	**30**	**2**	**3,320**
FY 22						
	Gavin Patterson	63	-	-	-	63
	Stephen Newton	300	1,123	8	1	1,432
	Graham Busby	250	437	5	1	693
	Ian Ferguson	250	437	8	-	695
	Charlotte Stranner	43	-	-	-	43
	Simon Retter	43	-	-	-	43
	TOTAL	**949**	**1,997**	**21**	**2**	**2,969**

Benefits comprise private health cover, and life, income protection and critical illness insurances. A defined contribution pension scheme is also available and statutory minimum contributions are made for Directors unless they opt out of the scheme.

There were no payments to former Directors made during the year.

DIRECTORS' INTERESTS

Interests of the Directors in the shares of the Company and share option awards outstanding as at 31 December 2023 and 31 December 2022, together with share options granted during the year were as follows:

	FY 23		FY 22		FY 23	
NAME	**Number of Ordinary shares held**	**Number of share options held**	Number of Ordinary shares held	Number of share options held	**Number of share options awarded**	**Exercise price of FY 23 grant (p)**
Gavin Patterson	616,670	-	616,670	-	-	-
Stephen Newton	13,239,895	153,400	13,239,895	-	153,400	500
Graham Busby	1,374,800	334,104	1,374,800	274,504	59,600	500
Ian Ferguson	2,594,082	164,704	2,594,082	105,104	59,600	500
Charlotte Stranner	370,005	-	370,005	-	-	-
Simon Retter	376,733	-	368,833	-	-	-
TOTAL	**18,572,185**	**652,208**	**18,564,285**	**379,608**	**272,600**	**-**

No share awards made to Directors were exercised during the current or prior years. All the interests detailed above are beneficial. Apart from the interests disclosed above no Directors were interested at any time in the year in the share capital of any other Group Company.

On 25 January 2024 Charlotte Stranner sold 69,566 Ordinary shares at a price of £5.75 per Ordinary share. Following the sale, Charlotte Stranner's shareholding is 300,439 Ordinary shares. There were no other changes in the Directors' interests in shares between 31 December 2023 and 19 April 2024.

On behalf of the Board

Stephen Newton
Founder & Chief Executive Officer

100 Cheapside, London, EC2V 6DT
19 April 2024

Independent Auditors' Report to the Members of Elixirr International plc

OPINION

We have audited the financial statements of Elixirr International plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2023;
- the Group and Parent Company statements of financial position as at 31 December 2023;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained and reviewed management's cash flow forecast to 31 December 2026. In addition to the testing of the arithmetical accuracy, we also discussed and challenged the key assumptions with management and ensured they are reasonable with our understanding of the business and the sector.
- We reviewed the Board minutes and discussed with management any matters not documented in the minutes.
- We enquired with management whether there are any significant subsequent events that may impact on our going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW OF OUR AUDIT APPROACH

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement at the planning stage, we determined overall materiality for the Group financial statements as a whole to be £970,000 (2022:

£800,000), based on 5% of the draft profit before tax. We reviewed whether this was still appropriate based on final profit before tax and concluded no revisions to this figure were required. Materiality for the Parent Company financial statements as a whole was set at £500,000 (2022: £500,000) based on net assets and restricted to reflect group considerations.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £679,000 (2022: £560,000) for the group and £350,000 (2022: £350,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £29,000 (2022: £25,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of Elixirr International Plc and its UK subsidiaries. The overseas subsidiaries were audited remotely by Crowe U.K. LLP using a component materiality for the purposes of the consolidation only. No separate audit opinion will be issued on these entities.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Acquisition accounting (note 13)	
During the year, the group acquired the entire share capital of Responsum Inc, Insigniam LLC and Insigniam SAS. There is a risk that the acquisition has not been accounted for in accordance with IFRS 3 "Business Combinations" and / or adequate disclosures have not been made. Specifically, there is judgement applied in the valuation of intangibles generated upon acquisition and recognition of contingent consideration which elevates the risk due to potential management bias.	We have obtained a copy of the share purchase agreement and have ensured that the acquisition has been correctly accounted for in accordance with IFRS 3 in the financial statements. At the group level we have audited goodwill and intangibles that arise from the acquisition. All assumptions made have been audited using our knowledge of the group, similar clients and the wider sector. We have discussed and challenged management on the assumptions used for their calculations and identification of intangible assets and have agreed the underlying numbers to supporting evidence. For deferred or contingent consideration we have reviewed expected future revenues and adjusted EBITDA margins to determine whether management have recognised sufficient consideration. We have reviewed the accuracy of management's calculations and that any changes in the estimates have been appropriately reflected within the financial statements. We have completed our testing in conjunction with our internal valuations specialists, utilising their specialised expertise. We have ensured that the disclosures required by IFRS 3 have been made completely and accurately.
Carrying value of goodwill (note 12)	
The Group has a high level of goodwill from previous acquisitions and the acquisitions that occurred during the period. There is a risk that goodwill may be impaired.	For goodwill we have audited the impairment review prepared by management. We have examined in detail the basis of the impairment model including reviewing management's assessment of the various cash generating units and the associated carrying values upon which the headroom is considered. We reviewed the inputs used in management's model to ensure that the amounts included are consistent with our knowledge of the business and the sector it operates in with reference to the treatment used by other similar entities. We reviewed the arithmetical accuracy of the forecasts and the resulting net present value of the resulting future cash flows. For any new goodwill that has been recognised, as a result of acquisitions in the period, we analysed the initial goodwill calculations and referred to our internal valuations and tax specialists, utilising their specialised expertise to assess the enterprise value calculated and the resulting goodwill figure. We have reviewed the disclosures within the financial statements to ensure they are complete and accurately stated in line with appropriate accounting standards.

OTHER INFORMATION

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement set out on page 70 to 71, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focussing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatement in the financial statements, even though we have properly planned and performed out audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass (Senior Statutory Auditor)
for and on behalf of

Crowe U.K. LLP
Statutory Auditor
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

19 April 2024

Group and Company Financial Statements

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	NOTE	YEAR ENDED 31 DECEMBER 2023 £'000s	YEAR ENDED 31 DECEMBER 2022 £'000s
Revenue	4	85,885	71,745
Cost of sales	4	(56,621)	(48,589)
Gross profit		**29,264**	**23,156**
Administrative expenses		(8,607)	(6,852)
Operating profit before M&A-related items	5	**20,657**	**16,304**
Depreciation		1,140	1,061
Amortisation of intangible assets		1,652	2,004
Share-based payments		1,967	1,159
Adjusted EBITDA	3	**25,416**	**20,528**
M&A-related items	5	1,966	600
Operating profit	5	**22,623**	**16,904**
Finance income		365	54
Finance costs		(889)	(1,213)
Net finance expense	6	**(524)**	**(1,159)**
Profit before taxation	5	**22,099**	**15,745**
Taxation	7	(4,861)	(2,876)
Profit for the period		**17,238**	**12,869**
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Currency translation on foreign currency net investments		(1,500)	1,827
Other comprehensive income, net of tax		**(1,500)**	1,827
Total comprehensive income		**15,738**	**14,696**
Basic earnings per Ordinary share (p)	10	37.53	27.86
Diluted earnings per Ordinary share (p)	10	34.16	24.78

All results relate to continuing operations.

The notes on pages 89 to 129 form part of these accounts.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		GROUP		COMPANY	
		31 DECEMBER 2023	31 DECEMBER 2022	**31 DECEMBER 2023**	31 DECEMBER 2022
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Assets					
Non-current assets					
Intangible assets	12	100,905	83,581	-	-
Property, plant and equipment	14	5,612	5,662	-	-
Investments	15	-	-	95,287	85,426
Other receivables	16	1,985	1,293	1,520	876
Loans to shareholders	16	7,604	4,734	7,604	4,723
Deferred tax asset	8	3,477	1,719	-	-
Total non-current assets		**119,583**	**96,989**	**104,411**	**91,025**
Current assets					
Trade and other receivables	16	16,686	11,234	261	403
Cash and cash equivalents	17	18,130	20,433	6,659	6,340
Total current assets		**34,816**	**31,667**	**6,920**	**6,743**
Total assets		**154,399**	**128,656**	**111,331**	**97,768**
Liabilities					
Current liabilities					
Trade and other payables	18	19,056	13,304	6,909	7,215
Lease liabilities	19	1,150	750	-	-
Corporation tax		268	381	3	-
Other creditors	20	1,144	6,765	-	203
Total current liabilities		**21,618**	**21,200**	**6,912**	**7,418**
Net current assets		**13,198**	**10,467**	**8**	**(675)**
Non-current liabilities					
Lease liabilities	19	4,214	4,393	-	-
Deferred tax liability	8	2,000	1,435	-	-
Other non-current liabilities	20	7,005	5,713	-	-
Total non-current liabilities		**13,219**	**11,541**	**-**	**-**
Total liabilities		**34,837**	**32,741**	**6,912**	**7,418**
Net assets		**119,562**	**95,915**	**104,419**	**90,350**

		GROUP		COMPANY	
		31 DECEMBER 2023	31 DECEMBER 2022	**31 DECEMBER 2023**	31 DECEMBER 2022
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Equity					
Share capital	21	52	52	52	52
Share premium	21	29,922	25,599	29,922	25,599
Capital redemption reserve		2	2	2	2
EBT share reserve	22	(1,745)	(7,147)	(1,745)	(7,147)
Merger relief reserve	21	46,870	46,870	46,870	46,870
Foreign currency translation reserve		378	1,878	-	-
Retained earnings		44,083	28,661	29,318	24,974
Total shareholders' equity		**119,562**	**95,915**	**104,419**	**90,350**

As permitted by section 408 of the Companies Act 2006, a separate statement of comprehensive income of the parent Company has not been presented. The Company's profit for the year was £7.6 million (FY 22: £13.1 million).

The notes on pages 89 to 129 form part of these accounts.
The Financial Statements on pages 82 to 129 were approved by the Board of Directors on 19 April 2024 and were signed on its behalf by:

Stephen Newton
Director

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

GROUP	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Foreign currency translation reserve £'000s	Retained earnings £'000s	TOTAL £'000s
As at 31 December 2021 and 01 January 2022	**52**	**24,952**	**2**	**(2,193)**	**46,870**	**51**	**16,307**	**86,041**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	12,869	12,869
Other comprehensive income	-	-	-	-	-	1,827	-	1,827
Transactions with owners								
Dividends	-	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	-	975	975
Deferred tax recognised in equity	-	-	-	-	-	-	365	365
Sale of Ordinary shares	-	647	-	9,743	-	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	-	(14,697)
As at 31 December 2022 and 01 January 2023	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**1,878**	**28,661**	**95,915**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	17,238	17,238
Other comprehensive income	-	-	-	-	-	(1,500)	-	(1,500)
Transactions with owners								
Ordinary share issues	-	5,417	-	-	-	-	-	5,417
Dividends	-	-	-	-	-	-	(4,940)	(4,940)
Share-based payments	-	-	-	-	-	-	1,694	1,694
Deferred tax recognised in equity	-	-	-	-	-	-	1,430	1,430
Sale of Ordinary shares	-	(1,094)	-	9,322	-	-	-	8,228
Acquisition of Ordinaryshares		-	-	(3,920)	-	-	-	(3,920)
As at 31 December 2023	**52**	**29,922**	**2**	**(1,745)**	**46,870**	**378**	**44,083**	**119,562**

The notes on pages 89 to 129 form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

COMPANY	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Retained earnings £'000s	TOTAL £'000s
As at 31 December 2021 and 01 January 2022	**52**	**24,952**	**2**	**(2,193)**	**46,870**	**12,772**	**82,455**
Comprehensive income							
Profit for the period	-	-	-	-	-	13,082	13,082
Transactions with owners							
Dividends	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	975	975
Sale of Ordinary shares	-	647	-	9,743	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	(14,697)
As at 31 December 2022 and 01 January 2023	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**24,974**	**90,350**
Comprehensive income							
Profit for the period	-	-	-	-	-	7,590	7,590
Transactions with owners							
Ordinary share issues	-	5,417	-	-	-	-	5,417
Dividends	-	-	-	-	-	(4,940)	(4,940)
Share-based payments	-	-	-	-	-	1,694	1,694
Sale of Ordinary shares	-	(1,094)	-	9,322	-	-	8,228
Acquisition of Ordinary shares	-	-	-	(3,920)	-	-	(3,920)
As at 31 December 2023	**52**	**29,922**	**2**	**(1,745)**	**46,870**	**29,318**	**104,419**

The notes on pages 89 to 129 form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

GROUP AND COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2023

		GROUP		COMPANY	
		31 DECEMBER 2023	31 DECEMBER 2022	**31 DECEMBER 2023**	31 DECEMBER 2022
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Cash flows from operating activities:					
Cash generated from operations	24	21,988	19,583	7,080	20,364
Taxation paid		(5,195)	(3,855)	(22)	(18)
Net cash generated from operating activities		**16,793**	**15,728**	**7,058**	**20,346**
Cash flows from investing activities:					
Purchase of property, plant and equipment		(62)	(329)	-	-
Software development costs		(65)	-	-	-
Payment for acquisition of subsidiary, net of cash acquired		(15,063)	(18,276)	-	(203)
Investment in subsidiary		-	-	(4,621)	(20,643)
Interest received		365	71	253	59
Net cash utilised in investing activities		**(14,825)**	**(18,534)**	**(4,368)**	**(20,787)**
Cash flows from financing activities:					
EBT Ordinary share purchases		(3,773)	(14,697)	(3,773)	(14,697)
EBT Ordinary share sales		8,356	10,257	8,356	10,257
Loans to shareholders		(2,500)	(3,011)	(2,500)	(3,000)
Loans repaid by shareholders		1,130	2,268	1,130	2,268
s455 tax refunded/(paid) re loans to shareholders		(644)	245	(644)	232
Repayment of borrowings		(687)	(1,143)	-	-
Lease liability payments		(770)	(651)	-	-
Interest paid		(236)	(262)	-	-
Ordinary share dividends paid to shareholders		(4,940)	(1,855)	(4,940)	(1,855)
Net cash utilised in financing activities		**(4,064)**	**(8,849)**	**(2,371)**	**(6,795)**
Net (decrease)/increase in cash and cash equivalents		**(2,096)**	**(11,655)**	**319**	**(7,236)**
Cash and cash equivalents at beginning of the period		20,433	31,795	6,340	13,576
Effects of exchange rate changes on cash and cash equivalents		(207)	293	-	-
Cash and cash equivalents at the end of the period		**18,130**	**20,433**	**6,659**	**6,340**

The notes on pages 89 to 129 form part of these accounts.

Notes to the financial statements

1. BASIS OF PREPARATION

1.1. General information

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

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

1.2. Basis of preparation

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

1.3. Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings as at 31 December 2023.

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

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

1.4. Measurement convention

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

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

1.5. Going concern

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

2. MATERIAL ACCOUNTING POLICIES

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

2.1. Judgements and key sources of estimation uncertainty

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

In the process of applying the Group's accounting policies, the Directors have made no judgements (excluding those involving estimations and recognition of intangibles on acquisitions), which are considered to have a significant effect on the amounts recognised in the financial statements for the year ending 31 December 2023.

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

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations are accrued based on estimation of the cost expected to crystallise on vacating leased premises.
- In determining the fair value of intangible assets arising on business combinations, management is required to estimate the timing and amount of future cash flows applicable to the intangible assets being acquired.
- Management has estimated the share-based payments expense under IFRS 2. In determining the fair value of share-based payments, management has considered several internal and external factors in order to judge the probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating a number of future performance and other factors.
- The Responsum and Insigniam contingent consideration calculations under IFRS 3 contain estimation uncertainty, as the earn-out potentially payable in each case is linked to the future performance of the acquiree. In estimating the fair value of the contingent consideration, at both the acquisition date and financial year end, management has estimated the potential future cash flows of the acquirees and assessed the likelihood of an earn-out payment being made. These estimates could potentially change as a result of events over the coming years.

2.2. Revenue recognition

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

This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance or performance-related elements completed to date.
- Fixed-fee contracts are recognised over time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.

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

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

Fees are normally billed on a monthly basis. If the revenue recognised by the Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Unbilled revenue is recognised at the fair value of consultancy services provided at the reporting date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

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

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

2.3. Business combinations, goodwill and consideration

Business combinations

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

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

Goodwill

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

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

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

In accordance with IAS 36, the Group has tested goodwill for impairment at the reporting date. No goodwill impairment was deemed necessary as at 31 December 2023. For further details on the impairment review please refer to note 12.

Contingent and non-contingent deferred consideration on acquisition

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

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

2.4. Taxation

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

Current tax

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

Deferred tax

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

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

2.5. Foreign currency translation

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

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Group's and Company's functional currency and presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.6. Intangible assets

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

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

- They are capable of being separated or divided from the company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the company intends to do so; or
- They arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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

INTANGIBLE ASSET	USEFUL ECONOMIC LIFE	VALUATION METHOD
Trademark	33.33% reducing balance	Relief from Royalty method
Customer relationships	10 - 25% reducing balance	Multi-Period Excess Earnings method
Order book	Over order term	Multi-Period Excess Earnings method

2.7. Tangible assets

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

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

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

TANGIBLE FIXED ASSET	USEFUL ECONOMIC LIFE
Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures and fittings	3 years

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

2.8. Impairments of tangible and intangible assets

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

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

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

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

2.9. Employee benefits

Post-retirement benefits

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

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

Share-based payments

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

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

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

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

Please refer to note 23 for further details.

2.10. Earnings per share

The Group presents basic and diluted EPS.

Basic EPS is calculated by dividing the profit attributable to the Group's Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

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

2.11. Financial instruments

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

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

Trade and other receivables and trade and other payables

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

Interest-bearing borrowings

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with terms up to 90 days.

Contingent consideration

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

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

2.12. Provisions

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

2.13. Right-of-use assets: Leases

The Group leases two properties in the UK and five properties outside the UK.

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low value assets.

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

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

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

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

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

2.14. Financing income and expenses

Financing expenses comprise interest payable, interest on lease liabilities using the effective interest method and the unwinding of the discount on contingent consideration.

Financing income includes interest receivable on funds invested.

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

2.15. Standards issued but not yet effective

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

3. ALTERNATIVE PERFORMANCE MEASURES

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

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

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

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Profit before tax	**22,099**	**15,745**
Adjusting items:		
M&A-related items (note 5)	(1,966)	(600)
Amortisation of intangible assets	1,652	2,004
Share-based payments	1,967	1,159
Finance cost - contingent consideration	636	951
Adjusted profit before tax	**24,388**	**19,259**
Depreciation	1,140	1,061
Net finance (income)/cost (excluding contingent consideration)	(112)	208
Adjusted EBITDA	**25,416**	**20,528**

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

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Adjusted profit before tax	**24,388**	**19,259**
Tax charge	(4,861)	(2,876)
Tax impact of adjusting items	(761)	(531)
Adjusted profit after tax	**18,766**	**15,852**

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

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

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

	FY 23	FY 22
GROUP	**p**	p
Adjusted EPS	40.86	34.32
Adjusted diluted EPS	37.19	30.53

4. SEGMENT REPORTING & RESTATEMENT

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Revenue from contracts with customers arises from:		
United Kingdom	28,520	23,837
USA	37,533	31,703
Rest of World	19,832	16,205
TOTAL REVENUE	**85,885**	**71,745**

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

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

FY 23 revenue includes £0.8m of reimbursable expenses. FY 22 revenue and cost of sales have been restated to reclassify reimbursable expenses as revenue, which was previously reported in cost of sales. The reimbursable expenses revenue was reclassified by restating each of the affected financial statement line items for the prior period as follows:

	FY 22	INCREASE	FY 22 (RESTATED)
GROUP	£'000s	£'000s	£'000s
Statement of Comprehensive Income (extract):			
Revenue	70,703	1,042	71,745
Cost of sales	(47,547)	(1,042)	(48,589)

5. PROFIT BEFORE TAXATION

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

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Depreciation of property, plant and equipment:		
- Owned assets	233	213
- Leased assets	907	848
Amortisation of intangible assets	1,652	2,004
Share-based payments	1,967	1,159
Foreign exchange losses/(gains)	388	(392)
M&A-related items	(1,966)	(600)
- Transaction costs	956	486
- Adjustment to contingent consideration	(2,922)	(1,086)

The M&A-related net credit of £2.0 million in FY 23 includes adjustments to contingent consideration associated with the acquisition of iOLAP, less non-recurring costs associated with the acquisitions of Insigniam and Responsum as well as other M&A activity. The M&A-related net credit of £0.6 million in FY 22 includes adjustments to contingent consideration associated with the acquisitions of Retearn and iOLAP, less non-recurring costs associated with the acquisition of iOLAP.

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

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Services provided by the Company's auditors:		
Audit fees - parent Company and consolidated accounts	43	40
Audit fees - subsidiary companies	107	89

6. NET FINANCE EXPENSE

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Finance income:		
On short term deposits and investments	365	54
	365	**54**
Finance costs:		
Finance cost - contingent consideration	(640)	(951)
On lease liability	(249)	(262)
	(889)	**(1,213)**
Net finance expense	**(524)**	**(1,159)**

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge:

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Current tax		
In respect of the current year	5,035	3,466
Adjustments in respect of prior periods	47	(334)
Total current tax	**5,082**	**3,132**
Deferred tax		
In respect of the current year	(221)	(324)
Change in tax rates	-	68
Total deferred tax	**(221)**	**(256)**
Income tax expense	**4,861**	**2,876**

Numerical reconciliation of income tax expense:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25%.

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Profit before taxation	22,099	15,745
Profit on ordinary activities multiplied by the weighted average rate of corporation tax in UK of 23.5% (FY 22: 19%)	5,193	2,992
Effects of:		
M&A-related items not taxable	(606)	-
Expenses not deductible	324	193
Difference in overseas tax rates	(97)	201
Change in deferred tax rate	-	68
Adjustments in respect of prior periods	147	(62)
R&D tax relief in respect of prior periods	(100)	(271)
Deferred tax release re trademarks	-	(245)
Total taxation	**4,861**	**2,876**

8. DEFERRED TAX

Net deferred tax asset/(liability):

The balances comprise temporary differences attributable to:

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Deferred tax liability				
Property, plant and equipment	(78)	(105)	-	-
Intangible assets	(1,922)	(1,330)	-	-
Total deferred tax liability	**(2,000)**	**(1,435)**	**-**	**-**
Deferred tax asset				
Share-based payments	3,117	1,400	-	-
Short-term timing differences	360	319	-	-
Total deferred tax asset	**3,477**	**1,719**	**-**	**-**
Net deferred tax asset	**1,477**	**284**	**-**	**-**

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

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

Movements in deferred tax:

	Property, plant and equipment	**Intangible assets**	**Share-based payments**	**Short-term timing differences**	**TOTAL**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
At 31 December 2021	(52)	(571)	966	231	574
Acquisition of business	-	(858)	-	-	(858)
Credited to equity	-	-	365	-	365
Credited/(charged) to profit and loss	(53)	182	69	58	256
Exchange rate difference	-	(83)	-	30	(53)
At 31 December 2022	(105)	(1,330)	1,400	319	284
Acquisition of business	-	(493)	-	-	(493)
Credited to equity	-	-	1,429	-	1,429
Credited/(charged) to profit and loss	27	(152)	288	58	221
Exchange rate difference	-	53	-	(17)	36
At 31 December 2023	**(78)**	**(1,922)**	**3,117**	**360**	**1,477**

9. ORDINARY DIVIDENDS

The Company paid a final Ordinary share dividend in respect of FY 22 of 10.8 pence per Ordinary share on 18 August 2023. No interim Ordinary share dividends were paid during FY 22 or FY 23.

An interim Ordinary share dividend in respect of FY 23 of 5.3 pence per Ordinary share was paid on 15 February 2024

The Board is pleased to recommend a final dividend for FY 23 of 9.5p per share, making a total dividend of 14.8p for FY 23.

The final dividend will be recommended to shareholders at the AGM in June 2024. The FY 23 final dividend will have a total cash cost of £4.5 million, which will be funded from the Group's existing cash reserves.

10. EARNINGS PER SHARE

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

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

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

	FY 23	FY 22
Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating basic and diluted EPS (£'000s)	17,238	12,869
Basic earnings per Ordinary share (p)	37.53	27.86
Diluted earnings per Ordinary share (p)	34.16	24.78

	FY 23	FY 22
Adjusted Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating adjusted basic and diluted EPS (note 3) (£'000s)	18,766	15,852
Adjusted basic earnings per Ordinary share (p)	40.86	34.32
Adjusted diluted earnings per Ordinary share (p)	37.19	30.53

	FY 23	FY 22
	Number	Number
Weighted average number of shares		
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted basic EPS	45,933,062	46,186,481
Number of dilutive shares	4,531,375	5,740,587
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	50,464,437	51,927,068

11. EMPLOYEES AND DIRECTORS

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

	FY 23	FY 22
GROUP	**Number**	Number
Directors, Management and Partners	32	31
Provision of services	397	373
Administration	55	46
	484	**450**

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

The aggregate payroll costs of these persons were as follows:

	FY 23	FY 22
GROUP	**£'000s**	£'000s
Wages and salaries	37,830	32,702
Social security costs	4,334	3,910
Pension costs	862	755
Share-based payment charge	1,967	1,159
	44,993	**38,526**

Defined contribution pension schemes are operated by third parties on behalf of the employees of the Group. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the funds and amount to £0.9 million for FY 23 (FY 22: £0.8 million). Contributions amounting to £0.1 million (FY 22: £0.1 million) were payable to the fund as at 31 December 2023 and are included in payables.

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

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Aggregate emoluments including short term employee benefits	5,511	4,872	200	167
	5,511	**4,872**	**200**	**167**

The share-based payment charge in respect of key management personnel was £0.3 million (FY 22: £0.2 million).

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

12. GOODWILL AND INTANGIBLE FIXED ASSETS

	Goodwill	Trademarks	Customer relationships	Order book	Software	TOTAL
GROUP	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Cost						
At 31 December 2021	51,412	7,135	1,874	-	-	60,421
Acquisition of business	23,391	-	2,453	1,051	-	26,895
Gains/(losses) from foreign exchange	2,172	-	227	98	-	2,497
At 31 December 2022	76,975	7,135	4,554	1,149	-	89,813
Acquisition of business (note 13)	18,312	-	1,546	466	364	20,688
Additions	-	-	-	-	65	65
Gains/(losses) from foreign exchange	(1,626)	-	(161)	(67)	4	(1,850)
At 31 December 2023	**93,661**	**7,135**	**5,939**	**1,548**	**433**	**108,716**
Amortisation						
At 31 December 2021	-	(4,071)	(157)	-	-	(4,228)
Charge for the year	-	(879)	(620)	(505)	-	(2,004)
Gains/(losses) from foreign exchange	-	-	1	(1)	-	-
At 31 December 2022	-	(4,950)	(776)	(506)	-	(6,232)
Charge for the year	-	(627)	(653)	(372)	-	(1,652)
Gains/(losses) from foreign exchange	-	-	37	36	-	73
At 31 December 2023	**-**	**(5,577)**	**(1,392)**	**(842)**	**-**	**(7,811)**
Net book value						
At 31 December 2022	76,975	2,185	3,778	643	-	83,581
At 31 December 2023	**93,661**	**1,558**	**4,547**	**706**	**433**	**100,905**

The Company has no intangible assets.

Goodwill

Goodwill arising on the acquisition of a business in FY 23 relates to the acquisitions of Responsum and Insigniam and was calculated as the fair value of initial consideration paid less the fair value of the net identifiable assets at the date of the acquisition (see note 13).

Goodwill arising on the acquisition of a business in FY 22 relates to the acquisition of iOLAP.

Goodwill impairment review

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

	FY 23	FY 22
	£'000s	£'000s
Consulting	61,700	48,556
Elixirr Digital	2,856	2,856
iOLAP and Responsum	29,105	25,563
	93,661	**76,975**

The Consulting CGU comprises goodwill and other assets of Elixirr Consulting Limited, The Retearn Group Limited and the acquisition of Insigniam in FY 23 (refer note 13). The Elixirr Digital CGU comprises goodwill and other assets of Elixirr Digital Limited. The iOLAP CGU comprises goodwill and other assets of iOLAP and the acquisition of Responsum in FY 23 (refer note 13).

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

Key assumptions used in value in use calculation

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

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

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

Number of years of cash flows used and budgeted EBITDA growth rate

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

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

Discount rate

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

Terminal growth rate

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

Sensitivity to changes in assumptions

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

	CONSULTING		ELIXIRR DIGITAL		iOLAP	
	FY 23	FY 22	**FY 23**	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s	**£'000s**	£'000s
On current cash flow projections, the discount rate would need to exceed the % alongside for there to be any impairment; and	28.1%	30.5%	71.4%	50.0%	21.9%	23.7%
In the case of no increase in future cash flows above those projected for the following year, the discount rate would have to exceed the % alongside for there to be any impairment.	22.7%	25.0%	58.8%	42.7%	17.9%	19.0%

Customer relationships

FY 23 additions represent the fair value of customer relationships from the acquisition of Insigniam. Refer to note 13 for further details.

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

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

FY 22 additions represent the fair value of customer relationships from the acquisition of iOLAP.

Order Book

FY 23 additions represent the fair value of the order book from the acquisition of Insigniam. Refer to note 13 for further details.

The fair value has been determined by applying the Multi-Period Excess Earnings method to the cash flows earned from the order book. The key management assumptions relate to forecast margins and discount factors.

A useful economic life of 1 year has been deemed appropriate based on the relevant contractual period. Projected cash flows have been discounted over this period. The amortisation charge is recognised within administrative expenses.

FY 22 additions represent the fair value of the order book from the acquisition of iOLAP.

13. BUSINESS COMBINATIONS

On 15 September 2023, the Group, through its US subsidiary iOLAP, acquired 100% of the share capital and voting interests of Responsum, Inc. a US-headquartered firm which has developed proprietary artificial intelligence software. The acquisition brings specialist services in emerging technology, large language models ("LLM") and generative AI into the Group, complementing the Group's existing service offering and iOLAP Inc.'s ("iOLAP") data and analytics capabilities in particular.

The Group acquired Responsum for a maximum consideration payable of £5.1 million (US$6.4 million). The consideration consists of:

- An initial consideration of £1.6 million (US$2.0 million) in cash;
- An initial consideration of £2.7 million (US$3.4 million) settled through the issue of 505,196 Ordinary shares at a price of £5.40 per share;
- Potential earn-out payments of up to £0.8 million (US$1.0 million) in cash which are contingent on iOLAP and Responsum together achieving EBIT margin targets in periods up to 31 December 2026.

The Ordinary shares purchased pursuant to the acquisition are subject to restrictions on sale for a total period of up to four years. The sellers also agreed to three-year restrictive covenants.

The difference between the fair value of the purchase consideration of £4.6 million and the fair value of the identifiable assets acquired and liabilities assumed was recognised as goodwill of £5.0 million. The goodwill is attributable to the company's workforce and working methodologies.

The total fair value of the contingent consideration payable recognised on the date of acquisition was £0.4 million (US$0.5 million), of which £0.1 million (US$0.2 million) was the hold back for warranties and £0.3million (US$0.3 million) related to the present value of potential earn-out payments.

The contingent consideration for potential earn-out payments is discounted to fair value and has been estimated by management based on anticipated future revenue growth and EBIT. Discount unwinding is recognised in finance costs proportionately across the periods until final settlement. During the period, £9k of discount unwinding was expensed as finance costs in relation to the Responsum acquisition consideration.

As at 31 December 2023, a £0.4 million liability is recorded, of which £0.1 million is a current and £0.3 million is a non-current liability.

Included within M&A-related items is an amount of £0.1 million for legal and advisory fees in relation to the acquisition.

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

	FAIR VALUE
	£'000s
Assets	
Non-current assets	
Intangible assets	364
Total non-current assets	**364**
Total assets	**364**
Liabilities	
Current liabilities	
Trade and other payables	80
Total current liabilities	**80**
Non-current liabilities	
Loans and borrowings	687
Total non-current liabilities	**687**
Total liabilities	**767**
Fair value of net assets acquired	(403)
Goodwill (note 12)	**5,044**
Fair value of purchase consideration	4,641
Cash and cash equivalents in subsidiary acquired	**-**

On 8 December 2023, the Group's US subsidiary, Elixirr, Inc. acquired all of the issued and outstanding membership interests of Insigniam LLC, and Elixirr International plc acquired the entire issued and outstanding shares of Insigniam SAS (Insigniam SAS together with Insigniam LLC, "Insigniam"). Insigniam is a US-headquartered consultancy firm specialising in supporting clients and executives to define and navigate large scale change and transformation. The acquisition brings specialist services in transformation, leadership alignment, cultural change, and executive coaching, complementing the Group's existing service offerings.

The Group acquired Insigniam for a maximum consideration payable of £14.7 million (US$18.5 million). The consideration consists of:

- An initial consideration of £9.2 million (US$11.6 million) in cash;
- An initial consideration of £1.2 million (US$1.5 million) settled through the issue of 258,553 Ordinary shares at a price of £4.60 per share;
- Contingent consideration of up to £4.3 million (US$5.4 million) in either cash or Ordinary shares with, at a minimum, 33% of the contingent consideration being satisfied in cash. This is contingent on Insigniam achieving both revenue growth and EBITDA margin targets in financial periods up to 31 December 2026.

The difference between the fair value of the purchase consideration of £13.8 million and the fair value of the identifiable assets acquired and liabilities assumed of £0.5 million was recognised as goodwill of £13.3 million. The goodwill is attributable to the company's workforce and working methodologies and is deductible for tax purposes.

The total fair value of the contingent consideration payable recognised on the date of acquisition was £4.2 million (US$5.3 million), of which £0.8 million (US$1.0 million) was the hold back for warranties and £3.4million (US$4.3 million) related to the present value of the maximum potential earn-out payments.

The contingent consideration for potential earn-out payments is discounted to fair value and has been estimated by management based on anticipated future revenue growth and EBITDA. Discount unwinding is recognised in finance costs proportionately across the periods until final settlement. During the period, £24k of discount unwinding was expensed as finance costs in relation to the Insigniam acquisition consideration.

As at 31 December 2023, a £4.2 million liability is recorded, of which £0.8 million is a current and £3.4 million is a non-current liability.

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

Insigniam contributed £0.9 million to the Group's revenue and £0.1 million to the Group's profit before tax for the period from the date of acquisition to 31 December 2023.

If the acquisition of Insigniam had been completed on 1 January 2023, Group revenues for the year ended 31 December 2023 would have been £95.9 million and Group profit before tax would have been £23.8 million.

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

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

The fair value of trade and other receivables approximates carrying value and there is no material difference between fair value and the gross contractual amounts at the acquisition date.

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

	FAIR VALUE
	£'000s
Assets	
Non-current assets	
Intangible assets	2,012
Property, plant and equipment	400
Other receivables	67
Total non-current assets	**2,479**
Current assets	
Trade and other receivables	1,914
Cash and cash equivalents	1,118
Total current assets	**3,032**
Total assets	**5,511**
Liabilities	
Current liabilities	
Trade and other payables	4,102
Total current liabilities	**4,102**
Non-current liabilities	
Loans and borrowings	395
Deferred tax liability	493
Total non-current liabilities	**888**
Total liabilities	**4,990**
Fair value of net assets acquired	521
Goodwill (note 12)	**13,268**
Fair value of purchase consideration	13,789
Cash and cash equivalents in subsidiary acquired	1,118

14. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset	Furniture and Fittings	Leasehold Improvements	Computer Equipment	TOTAL
GROUP	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Cost					
At 31 December 2021	6,427	89	505	188	7,209
Acquisition of business (note 13)	655	56	26	90	827
Additions	-	131	134	64	329
Gains from foreign exchange	51	5	2	5	63
At 31 December 2022	7,133	281	667	347	8,428
Acquisition of business (note 13)	400	-	-	-	400
Additions	639	3	4	55	701
Losses from foreign exchange	(23)	(4)	-	(14)	(41)
At 31 December 2023	**8,149**	**280**	**671**	**388**	**9,488**
Depreciation					
At 31 December 2021	(1,321)	(70)	(225)	(97)	(1,713)
Charge for the year	(848)	(29)	(86)	(98)	(1,061)
Gains from foreign exchange	7	-	-	1	8
At 31 December 2022	(2,162)	(99)	(311)	(194)	(2,766)
Charge for the year	(907)	(42)	(98)	(93)	(1,140)
Gains from foreign exchange	11	5	-	14	30
At 31 December 2023	**(3,058)**	**(136)**	**(409)**	**(273)**	**(3,876)**
Net book value					
At 31 December 2022	4,971	182	356	153	5,662
At 31 December 2023	**5,091**	**144**	**262**	**115**	**5,612**

The Company has no property, plant and equipment.

The lease liability in respect of the right-of-use asset was £5.4 million (FY 22: £5.1 million) and relates to property leases.

15. INVESTMENTS

COMPANY	GROUP COMPANIES £'000s
Cost/carrying value	
At 31 December 2021	63,807
Capitalisation of subsidiary	20,643
Group companies share-based payments	975
At 31 December 2022	85,426
Acquisition of business	1,070
Capitalisation of subsidiary	7,098
Group companies share-based payments	1,693
At 31 December 2023	**95,287**

The Group has no investments.

The Company has the following subsidiary undertakings at the year-end:

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 23	FY 22
Elixirr Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elix-IRR Consulting Services (South Africa) Limited (indirect)	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr LLC (indirect)	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%
Den Creative Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Services Limited (indirect)	England and Wales	Dormant	12 Helmet Row, London, EC1V 3QJ	100%	100%
Coast Digital Limited*	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
The Retearn Group Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Consulting (Jersey) Limited	Jersey	Consultancy	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	100%	100%
Elixirr Inc.	United States	Holding Company	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	100%
iOLAP Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	100%
iOLAP d.o.o. (indirect)	Croatia	Consultancy	Prolaz Marije Krucifikse Kozulić 1, 51000, Rijeka	100%	100%
Elixirr GmbH	Germany	Dormant	Ronsbachweg 6, 36093, Kuenzell. Germany	100%	-
Responsum, Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	-

(Cont.)

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 23	FY 22
Insigniam LLC (indirect)	United States	Consultancy	301 Woodbine Ave, Narberth, PA 19072	100%	-
Insigniam SAS	France	Consultancy	36 Rue De Ponthieu, 75008, Paris 8	100%	-

*On 2 January 2024 the name of Coast Digital Limited was changed to Elixirr Digital Limited.

16. RECEIVABLES

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Non-current assets				
Loans to shareholders	7,604	4,734	7,604	4,723
Other receivables	1,985	1,293	1,520	876
	9,589	**6,027**	**9,124**	**5,599**
Current assets				
Trade receivables	15,295	10,355	-	-
Less: allowance for doubtful debts	-	(8)	-	-
Trade receivables - net	15,295	10,347	-	-
Prepayments and deposits	840	653	63	62
Contract assets	288	26	-	-
Amounts owed by group companies	-	-	-	199
Other receivables	263	208	198	142
	16,686	**11,234**	**261**	**403**

The Company was due £0.2 million as at 31 December 2022 from Elixirr Inc. for costs relating to the acquisition of iOLAP.

Loans to shareholders in FY 23 represent amounts owed to the Company by shareholders, who are senior employees of the Group. The loans to shareholders are interest-free and expected to be repaid beyond one year. Non-current other receivables include property deposits and section 455 tax receivable.

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

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

The ageing of trade receivables of the Group as at 31 December 2023:

	Gross carrying amount	Loss allowance	Net carrying amount
GROUP	**£'000s**	**£'000s**	**£'000s**
< 31 days	9,916	-	9,916
31-60 days	3,451	-	3,451
61-90 days	1,662	-	1,662
91-120 days	36	-	36
121+ days	230	-	230
At 31 December 2023	**15,295**	**-**	**15,295**

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

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

17. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Cash at bank and in hand	18,130	20,433	6,659	6,340
	18,130	**20,433**	**6,659**	**6,340**

Cash at bank includes £6.2 million on 32-day notice deposit which earned interest at an average rate of 4.2% during the year.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Trade payables	1,774	1,178	241	55
Other taxes and social security costs	1,899	1,540	8	7
Accruals	11,308	8,599	450	156
Contract liabilities	3,938	1,983	-	-
Other payables	137	4	116	-
Amounts owed to Group companies	-	-	6,094	6,997
	19,056	**13,304**	**6,909**	**7,215**

As at 31 December 2023, the Company owed £6.1 million (FY 22: £7.0 million) to Elixirr Consulting Limited.

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

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

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

19. LEASE LIABILITIES

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Current liabilities				
Right of use lease liability	1,150	750	-	-
	1,150	**750**	**-**	**-**
Non-current liabilities				
Right of use lease liability	4,214	4,393	-	-
	4,214	**4,393**	**-**	**-**

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

	Right of use lease liability
GROUP	**£'000s**
At 31 December 2021	5,245
Acquisition of business (note 13)	555
Interest payable	262
Repayment of lease liabilities	(913)
Losses from foreign exchange	(6)
At 31 December 2022	5,143
Acquisition of business (note 13)	395
Additions	639
Interest payable	249
Repayment of lease liabilities	(1,006)
Losses from foreign exchange	(56)
At 31 December 2023	**5,364**

The acquisition of business in FY 23 relates to the acquisition of Insigniam. The additions in FY 23 relate to a new property lease signed by iOLAP d.o.o.

The acquisition of business in FY 22 relates to the acquisition of iOLAP.

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

	FY 23	FY 22
	£'000s	£'000S
Lease liability less than one year	1,334	932
Lease liability greater than one year and less than five years	3,721	3,270
Lease liability greater than five years	1,092	1,871
Total liability	6,147	6,073
Finance charges included above	(783)	(930)
	5,364	**5,143**

20. OTHER CREDITORS AND OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Other creditors				
Contingent consideration	1,144	6,765	-	203
	1,144	**6,765**	**-**	**203**
Other non-current liabilities				
Dilapidations	377	380	-	-
Cash-settled share-based payments	360	139	-	-
Contingent consideration	6,268	5,194	-	-
	7,005	**5,713**	**-**	**-**

Contingent consideration in FY 23 include earn-out payments which are contingent on performance and arose from the acquisition of iOLAP, Responsum and Insigniam.

Contingent consideration in FY 22 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and iOLAP.

Cash-settled share-based payments include obligations for the Group's employers' NI on options that are yet to vest. Refer to note 23 for further details.

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

21. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE

FY 23

	Issued shares	Par value	Merger relief reserve	Share premium
GROUP AND COMPANY	**Number**	**£**	**£'000s**	**£'000s**
£0.00005 Ordinary shares	47,272,811	2,364	46,870	29,922
£1 Redeemable Preference shares	50,001	50,001	-	-
	47,322,812	**52,365**	**46,870**	**29,922**

FY 22

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

The total number of voting rights in the Company at 31 December 2023 was 47,272,811 (FY 22: 46,186,481).

Ordinary shares

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

Movements in Ordinary shares:

	Issued shares Number	Par value	Merger relief reserve	Share premium
GROUP AND COMPANY	**Number**	**£**	**£'000s**	**£'000s**
At 31 December 2021	46,186,481	2,309	46,870	24,952
Sale of Ordinary shares from the EBT	-	-	-	647
At 31 December 2022	46,186,481	2,309	46,870	25,599
Share issues	1,086,330	54	-	5,417
Sale of Ordinary shares from the EBT	-	-	-	(1,094)
At 31 December 2023	**47,272,811**	**2,364**	**46,870**	**29,922**

Share issues in FY 23 represented consideration for the acquisitions of Responsum and Insigniam as well as the sale of shares at market price to promoted Partners.

Redeemable Preference shares

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

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

22. EBT SHARE RESERVE

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

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

FY 23

	Shares held in EBT	Weighted average cost	Total cost
GROUP AND COMPANY	**Number**	**£**	**£'000s**
Ordinary shares	397,667	4.26	1,695
Redeemable Preference shares	50,001	1.01	50
	447,668		**1,745**

FY 22

	Shares held in EBT	Weighted average cost	Total cost
GROUP AND COMPANY	**Number**	**£**	**£'000s**
Ordinary shares	1,204,965	5.89	7,097
Redeemable Preference shares	50,001	1.01	50
	1,254,966		**7,147**

23. SHARE-BASED PAYMENTS

The Group recognised a total share-based payment expense of £2.0 million (FY 22: £1.2 million) in the current year, comprising £1.7 million (FY 22: £1.0 million) in relation to equity settled share-based payments, and £0.3 million (FY 22: £0.2 million) relating to relevant social security taxes.

A cash-settled share-based payment liability is recognised relating to social security tax on share options (refer to note 20). The liability has been estimated using a closing share price of £6.20 and employers' national insurance at 13.8%. The carrying value of the liability as at 31 December 2023 is £0.4 million (FY 22: £0.1 million), with £0.3 million (FY 22: £0.2 million) recognised in the P&L and payments amounting to £0.1 million (FY 22: £0.1 million) made in the year.

Share Option Plans

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

During FY 23, a total of 5,614,145 (FY 22: 3,687,080) share options were granted to employees and senior management. The weighted average fair value of the options awarded in the year is £1.17 per share (FY 22: £1.66).

During FY 23, options issued between April 2021 and April 2023 were repriced to an exercise price of £5.20. The weighted average incremental fair value granted as a result of this modification was £0.30. The incremental fair value was measured as the difference between the fair value of the repriced share option and that of the original share option, both estimated as at the date of the modification. The incremental fair value is recognised as an expense over the remaining vesting period from the modification date.

Details of share option awards made are as follows:

	Number of share options	**Weighted average exercise price**
	000's	**£**
Outstanding at the beginning of the year	**10,886**	**3.47**
Granted during the year	5,614	5.22
Exercised during the year	(57)	2.34
Forfeited during the year	(2,875)	4.28
Outstanding at the year end	**13,568**	**3.76**
Exercisable at the year end	**293**	**5.54**

For the options exercised during FY 23, the weighted average share price at the date of exercise was £5.05.

The options outstanding as at 31 December 2023 had a weighted average remaining contractual life of 2.6 years (FY 22: 3 years) and a weighted average exercise price of £3.76 (FY 22: £3.47) per share.

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

The inputs into the model were as follows:

	FY 23	FY 22
Weighted average share price at grant date (£)	4.98	5.90
Weighted average exercise price (£)	5.22	6.32
Volatility (%)	27.00%	26.54%
Weighted average vesting period (years)	5	5
Risk free rate (%)	4.28%	1.73%
Expected dividend yield (%)	2.54%	0.71%

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

Reasonable changes in the above inputs do not have a material impact on the share-based payment charge in FY 23.

Fixed Consideration Options

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

The monetary value of such share options is as follows:

	Value
	£'000s
Outstanding at the beginning of the period	797
Exercised during the year	(297)
Outstanding at the year end	**500**
Exercisable at the year end	**-**

The share price at the date of exercise of the Coast Digital options was £4.74

The weighted average remaining contractual life of such options at 31 December 2023 was 0.5 years (FY 22: 1.5 years).

Employee Share Purchase Plan ('ESPP')

The Group operates an employee share purchase plan where the employees of the Group (excluding Partners) are eligible to contribute a percentage of their gross salary to purchase shares in the Company. The Company makes a matching award of shares that will vest over time dependent on continued employment.

During FY 23, the Company awarded 184,546 (FY 22: 89,841) matching shares on the basis of one matching share for every one employee share purchased during FY 22. The matching shares vest equally over a 5-year period with the first tranche vesting on 31 January 2024.

Details of ESPP awards made are as follows:

	Number of ESPP awards
	000's
Outstanding at the beginning of the period	78
Granted during the year	185
Vested and converted to shares during the year	(15)
Forfeited during the year	(44)
Outstanding at the year end	**204**
Exercisable at the year end	**-**

24. CASH FLOW INFORMATION

Cash generated from operations:

	GROUP		COMPANY	
	FY 23	FY 22	**FY 22**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Profit before taxation	22,099	15,745	7,617	13,078
Adjustments for:				
Depreciation and amortisation	2,792	3,065	-	-
Net finance expense/(income)	524	1,159	(253)	(55)
Share-based payments	1,967	1,159	-	-
Adjustment to contingent consideration	(2,922)	(1,086)	-	(1,400)
Foreign exchange	388	(392)	(4)	-
(Increase)/decrease in trade and other receivables	(3,812)	975	186	1,660
Increase/(decrease) in trade and other payables	952	(1,042)	(422)	7,081
	21,988	**19,583**	**7,124**	**20,364**

Reconciliation of liabilities from financing activities:

	Borrowings	Leases	TOTAL
GROUP	**£'000s**	**£'000s**	**£'000s**
Balance 31 December 2021	-	5,245	5,245
Cash flows	(1,143)	(913)	(2,056)
Other changes	1,143	811	1,954
Balance 31 December 2022	-	5,143	5,143
Cash flows	(687)	(1,006)	(1,693)
Other changes	687	1,227	1,914
Balance 31 December 2023	**-**	**5,364**	**5,364**

Other changes in FY 23 include non-cash movements, additional property leases on acquisition of Insigniam and accrued interest expense on leases. Other changes in FY 22 include non-cash movements, including borrowings and additional property leases on acquisition of iOLAP and accrued interest expense on leases.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Carrying amount of financial instruments

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

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Financial assets				
Financial assets that are debt instruments measured at amortised cost	43,367	37,027	15,956	12,327
Financial liabilities				
Financial liabilities measured at amortised cost	11,213	16,907	6,451	7,208
Financial liabilities at fair value through profit and loss	8,149	11,959	-	203

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

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

Financial liabilities at fair value through profit and loss comprise contingent consideration on the acquisitions of iOLAP, Responsum and Insigniam.

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

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

Credit risk

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

	GROUP		COMPANY	
	FY 23	FY 22	**FY 23**	FY 22
	£'000s	£'000s	**£'000s**	£'000s
Trade receivables	15,295	10,347	-	-
Contract assets	288	26	-	-
Other receivables	9,654	6,221	9,283	5,784
Cash and cash equivalents	18,130	20,433	6,659	6,340
	43,367	**37,027**	**15,942**	**12,124**

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

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

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

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

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

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

Liquidity risk

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

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

Contractual maturities of financial liabilities of the Group as at 31 December 2023:

	Less than 6 months	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total contractual cashflows**	**Carrying amount of liabilities**
Trade payables	1,774	-	-	-	-	1,774	1,774
Lease liabilities	676	658	1,040	2,681	1,092	6,147	5,364
Financial liabilities at fair value through profit and loss	1,144	-	4,680	3,597	-	9,421	8,149
	3,594	**658**	**5,720**	**6,278**	**1,092**	**17,342**	**15,287**

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

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

Interest rate risk

As at 31 December 2023 the Group has no material interest rate risk exposure.

Foreign currency risk

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

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

	FY 23			FY 22				
	USD	EUR	ZAR	USD	EUR	ZAR	CAD	HRK
	'000s	'000s	'000s	'000s	'000s	'000s	'000s	'000s
Cash & cash equivalents	5,025	1,031	9	6,906	1	1,257	313	270
Trade receivables	7,308	829	-	6,709	72	-	28	149
Trade payables	(631)	(206)	(178)	(124)	(7)	(132)	0	(649)

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

	FY 23	FY 22
	£'000s	£'000s
10% weakening of functional currency	230	219
10% strengthening of functional currency	(230)	(219)

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

Fair value of financial instruments

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

Capital risk management

The Group defines capital as being share capital plus all reserves, which amounted to £119.6 million as at 31 December 2023 (FY 22: £95.9 million).

The Group's objectives when managing capital are to:

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

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

26. RELATED PARTY DISCLOSURES

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

In FY 23, travel and marketing costs include £6,550 (FY 22: £43,956) for the hire of an aeroplane from Aviation E LLP. Stephen Newton, a member of the Board, is a member of Aviation E LLP.

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

27. EVENTS AFTER THE REPORTING DATE

An interim Ordinary share dividend in respect of FY 23 of 5.3 pence per Ordinary share was paid on 15 February 2024.

The Directors are proposing a final Ordinary share dividend in respect of FY 23 of 9.5 pence per share.

As at 19 April 2024, in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company continues to have 47,272,811 Ordinary shares in issue, of which none are held in Treasury.

The total number of voting rights in the Company is 47,272,811. This figure of 47,272,811 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

28. RESERVES

Share capital

Share capital represents the nominal value of share capital subscribed.

Share premium

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

Capital redemption reserve

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

EBT share reserve

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

Merger relief reserve

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

Foreign currency translation reserve

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

Retained earnings

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

29. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party as at 31 December 2023.

The Challenger Consultancy

ELIXIRR,
100 CHEAPSIDE,
LONDON EC2V 6DT

ELIXIRR.COM/INVESTORS

ELIXIRR | Annual Report

2023